



BE THE LENDER:

HOW TO LEND
(YOUR OWN)
PRIVATE MONEY

**STUDENT
RESOURCE BOOK**

Legal Information Is Not the Same as Legal Advice

This booklet provides information about real estate investing; private money borrowing, lending, and / or brokering; and is designed to help users safely determine their own legal needs. Please understand that legal information is not the same as legal advice. The application of law varies with an individual's specific circumstances. Laws vary from state to state and are in constant change, and although we do everything we can to make sure our information is accurate and useful, we recommend you consult a lawyer if you want professional assurance that this information, and your interpretation of it, is appropriate to your particular situation.

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*Be strong enough to stand alone, smart enough to know when
you need help, and brave enough to ask for it.*



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“An investment in knowledge always pays the best interest.”

Ben Franklin



All documents provided are **SAMPLES** only. As with any **SAMPLE** document, you should consult an attorney as to their applicability for any particular purpose and for compliance with the laws of the state in which you reside. You acknowledge that no legal advice has been provided to you nor is any legal advice being provided to you by way of these **SAMPLE** documents being provided to you. Secured Investment Corp, Cogo Capital and The Lee Arnold System of Real Estate Investing make no claims or warranties as to these **SAMPLE** document's fitness for any particular purpose whatsoever. By using these **SAMPLE** documents, you are specifically assuming all liability for their use and agreeing to fully indemnifying Secured Investment Corp, Cogo Capital and The Lee Arnold System of Real Estate Investing from any liabilities, suits, claims, demands, causes of actions, damages, losses, costs and expenses result from your use of these **SAMPLE** document.

Logic Based Lending Pyramid



Deal Vetting Form

Pur/ Refi	Pur/ Refi	Pur/ Refi
State	State	State
Purchase Price	Purchase Price	Purchase Price
Rehab	Rehab	Rehab
As-is Value	As-is Value	As-is Value
ARV Value	ARV Value	ARV Value
Bank	Bank	Bank
Credit	Credit	Credit
Experience	Experience	Experience
Exit	Exit	Exit

Pur/ Refi	Pur/ Refi	Pur/ Refi
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Purchase Price	Purchase Price	Purchase Price
Rehab	Rehab	Rehab
As-is Value	As-is Value	As-is Value
ARV Value	ARV Value	ARV Value
Bank	Bank	Bank
Credit	Credit	Credit
Experience	Experience	Experience
Exit	Exit	Exit

Processing Checklist

Business Entity Name: _____

Borrower Name: _____

Property Address: _____

- Executive Summary**
- Residential Loan Application**
- Authorization to Release Info & Pull Credit - Signed**
- Zero Tolerance Loan Fraud Policy – Signed**
- Schedule of Real Estate- Signed**
- Business Entity Information**
 - Articles Incorporation**
 - Federal EIN letter**
 - By-Laws/ Operating Agreement**
- Driver’s License (Photo ID)**
 - _____ _____
- SS# Card**
 - _____ _____
- Credit Report (If applicable)
- Three months bank statements** - all pages and showing enough for down payment & reserves
 - * Business _____ _____ _____
 - * Personal _____ _____ _____
- Retirement Accounts**
- 3rd Party Appraisal** Ordered: _____ Value: _____
- DNA Report Value: _____
- Signed Purchase and Sale Agreement with business entity name as buyer**
 - * Purchase Price _____ Earnest Deposit \$ _____
- Contractor bid and cost breakdown for all work to be performed** – \$ _____
 - Contractor License Contractor Insurance
- Scope of Work/ Draw Schedule Form** (if applicable)
- Lease Agreements** (If Applicable)
- Hazard Insurance** Contact _____ Ordered _____
- Title Report** Contact _____ Ordered _____
 - Payoff Liens/ Taxes HUD1/ Settlement Statement
- Broker Agreement**

Contact: _____
Phone: _____
Email: _____



COGO Loan Contingency Form

Contractor Bid Amount	Percentage of Contractor Bid to be Escrowed
Up to \$20,000.00	150%
\$20,000.01 to \$40,000.00	130%
\$40,000.01 +	120%



LENDER WELCOME LETTER

11/23/2016

[Redacted], a Delaware Corporation
[Redacted], Suite 206
Manhattan Beach, CA, 90266

Lender Account No.: [Redacted]

Borrower Account No.:	[Redacted]
Borrower Name:	[Redacted] Investments
Property Address:	[Redacted] Cypress Gardens Boulevard

Loan Closing Date:	5/10/2016
Loan Funding:	\$221,000.00
Your Funding %:	100.000%

Dear [Redacted],

Thank you for allowing Lake City Servicing to be your loan collection agent. The "Borrower Account" number, or loan number, assigned to this loan is referenced above. Also, note your "Lender Account" number above. When making inquiries please have these numbers available.

Our policy is to process each payment and deposit it into our loan servicing trust account on the same day it is received. When the Borrower's check clears, funds are disbursed to the Investors either by ACH electronic deposit or by a Lake City Servicing trust check. ACH electronic deposits & Checks are issued every Monday, Wednesday & Friday per week. If for any reason your Borrower's check is returned unpaid, we must place a "Stop Payment" on our trust check issued to you, or reverse your ACH electronic deposit. If our trust check has already been paid to your account, we will request that you immediately reimburse us the full amount of our trust check.

With the exception of loans set up as Adjustable Rate Loans, it is the responsibility of the Lender to notify Lake City Servicing in writing or by email of any changes to the loan or loan terms in a timely manner.

On or around the 5th of each month, you will receive a "Lender Statement" listing all previous monthly payments received, current principal balances, and next payment due dates on each of your accounts.

Please return the enclosed "Loan Servicing Agreement" as soon as possible. It is required by the regulators before Lake City Servicing can process payments and disburse your money.

If you have any questions, please feel free to call 1-800-630-9252, 8:00 a.m. to 5:00 p.m. Monday thru Friday Pacific Standard Time and ask for the Loan Servicing department.

Sincerely,

Lake City Servicing

STANDARD LOAN SERVICING AGREEMENT

Borrower:	██████ Investments
Lender:	██████ a Delaware Corporation
Property Address:	████ Cypress Gardens Boulevard
Loan Amount:	\$221,000.00

THIS STANDARD LOAN SERVICING AGREEMENT ("Agreement") is made and entered into this ___ day of _____, 20___, by and between Lake City Servicing ("Servicer") and the Lender or Lenders whose signatures appear below and in counterparts to this Agreement (collectively, the "Lender"), the Lender being the lender, funder, owner or owner of an interest therein, holder or transferee of that certain promissory note ("Note") secured by that certain Deed of Trust or Mortgage, whichever is applicable ("Security Instrument") and further evidenced by certain other loan documents (collectively, the Note, Security Instrument and all other loan documents will be referred to herein as the "Loan Documents").

1. Scope. Lender retains Servicer as Lender’s agent to employ commercially reasonable and prudent practices to collect all scheduled payments on the loan identified above ("Loan") subject to the terms and conditions of this Agreement. Lender shall supply to Servicer all available relevant documents of the Loan file including, but not limited to Notes, Deed/Mortgages, Modification Agreements, Forbearance Agreements, Assignments or any other document effecting condition of title or payment distribution and showing the correct beneficiary, needed by Servicer to complete its tasks, including but not limited to, file setup, servicing functions, and to satisfy regulatory requirements, before servicing functions will be performed, continued, or funds distributed. Upon any occurrence that could impact servicing functions, including but not limited to, Assignment of Beneficial Interest, modification of Loan terms, Lender must notify Servicer immediately of such occurrence and provide copies of relevant documents before servicing functions will be performed, continued, or funds distributed.

To the extent such instructions do not violate any applicable federal, state or local law or regulations and unless as otherwise provided herein, Servicer shall follow instructions from Lender; *provided, however*, if the Loan is owned by multiple Lenders (a "Multi-Lender Loan"), Servicer shall consult with all Lenders but shall only follow instructions from the Majority; provided, however, in the event of instructions from the Lender or a Majority, the Loan Documents shall govern and Servicer shall follow the Loan Documents. A "Majority" is determined by 50.1% or more ownership of the Note. Servicer shall not follow instructions from a Lender or the Majority if such instructions would require Servicer to violate any federal, state or local law or regulations. A default upon any interest in the Note shall constitute a default upon all interests. The Majority may determine and direct the actions to be taken on behalf of all Lenders in the event of default or with respect to other matters requiring the direction or approval of all Lenders, including but not limited to, designation of brokers, servicing agents or others acting on their behalf and the sale, encumbrance or lease of any real or personal properties which may be owned by Lenders as the result of foreclosure or receipt of a deed in lieu of foreclosure, or modification or forbearance of the Loan. Servicer shall consult with Lender or Majority on non-routine collection matters. Servicer shall not, however, enter into any modification or forbearance of the Loan with any borrower without the express written permission of the Lender (or a Majority of Lenders in a Multi-Lender Loan).

2. Term and Termination. This Agreement shall commence on the date set forth above. This Agreement shall terminate as to the Loan when any of these events occur: (a) payment in full of the Loan and reconveyance of the related Security Instrument; (b) thirty (30) days’ written notice by Servicer to Lender; (c) thirty (30) days’ written notice by Lender to Servicer (unless a shorter period of time is permitted under certain circumstances as provided in this Agreement or applicable law), or (d) if Lender has checked the box in Section 5, after the property has been sold following foreclosure. If the Lender elects to terminate this Agreement in order to transfer servicing to another party, Lender shall pay Servicer a \$75 transfer fee.

Prior to the effectiveness of any termination of this Agreement in its entirety or as to the Loan, Servicer shall deliver to Lender all of Lender’s funds, an appropriate accounting and all necessary documentation. At termination of the Loan, Lender shall immediately reimburse Servicer for any outstanding advances made pursuant to Section 7 below. Servicer shall be entitled to withhold funds due Lender if Lender owed Servicer funds under Section 7.

3. Standard Loan Servicing Functions. Servicer shall in accordance with industry standards and applicable laws, rules, and regulations: (a) issue monthly statements to each Borrower for the Loan, including a maturity letter informing Borrower the Loan is going to mature; (b) issue late notices to Borrowers as applicable calculating in any late fees due; (c) issue final notices to each Borrower as applicable warning of the possibility of foreclosure if payment is not received; (d) answer Borrower inquiries, demands, and requests, and act as intermediary between Borrower and Lender; (e) issue payoff demands and beneficiary statements, (f) demand, receive, and collect all Loan payments, deposit them by the next business day into Servicer’s trust account and transfer by bank wire (ACH) or check Lender’s and/or Lender’s share of such funds (net proceeds) in accordance with instructions provided to Servicer, normally within fifteen (15) days of receipt or upon sufficient time to clear funds (but not more than twenty-five (25) business days from the time funds have been cleared); (g) issue annual income tax statements (1098 and 1099-INT) to the Borrower and Lender; (h) execute and deliver on Lender’s behalf and in Lender’s name any documents necessary or convenient for the

exercise of any rights or duties which Lender may have as servicing agent under the Security Instruments; and (i) convey payoff demands within two (2) business days of receipt to Lender for written or email approval, and if Lender's written or email approval is not received by Servicer within the following two (2) business days, Servicer shall assume the payoff demand to be correct and accept it.

4. Standard Loan Servicing Compensation. As consideration, each of the above named Lenders shall pay to Servicer a servicing fee equal to:

- a. Twenty dollars (\$20.00) per month on Loans with a principal balance of less than Four Hundred Ninety-Nine Thousand Nine Hundred Ninety-Nine and 99/100 Dollars (\$499,999.99);
- b. Forty dollars (\$40.00) per month on Loans with a principal loan balance greater than Four Hundred Ninety-Nine Thousand Nine Hundred Ninety-Nine and 99/100 Dollars (\$499,999.99); or
- c. forty percent (40%) of .075% of the principal loan balance on Loans with a principal balance of loans greater than One Million and No/100 Dollars (\$100,000,000) payable monthly until the Loan has been paid off. For example, on a Loan with a principal balance of One Million and No/100 Dollars (\$100,000,000), the total annual servicing fee payable to the Servicer is Seven Hundred Fifty and No/100 Dollars (\$750) or Sixty Two and 50/100 Dollars (\$62.50) per month. Forty percent of Sixty Two and 50/100 Dollars (\$62.50) is Twenty-Five and No/100 Dollars (\$25) per month as the monthly servicing fee Lender shall be responsible for in the above scenario.

Servicer shall deduct the above referenced monthly service fee from that portion of borrower's payment that is due each Lender. As additional consideration, the Servicer shall be entitled to one hundred percent (100%) of fees related to beneficiary statements and payoff demands, overnight charges NSF fees, reconveyance fees, advancing fees, demand fees, and other fees earned by Servicer and all bankruptcy and administration fees, and fifty percent (50%) of all late charges, fees, and penalties (but 0% of default interest) as described in the Note.

5. Loan Servicing Functions After Default (including bankruptcy & foreclosure management and monitoring). If the Borrower defaults, the Lender may, but has not obligation, to elect to appoint Servicer as Lender's agent to conduct the following activities: (i) all activities set forth under Section 3 above; (ii) process and manage foreclosure of the Loan, including authorization to act on behalf of the Lender to execute all foreclosure documents including, but not limited to, Substitution of Trustee. Servicer may produce a copy of this Agreement as evidence of its authority. In accordance with various State and/or Federal Laws and Servicer's interpretation of proper procedures and risk, Servicer reserves the right to determine how advances and/or late charges are assessed and to adjust all unpaid late charges or assessments of late charges accordingly; (iii) coordinate bankruptcy relief and legal issue resolution; (iv) address known city or municipal notices and issues. If the Lender elects to appoint Servicer to provide the loan servicing functions as set forth in this Section 5, the Advance by Lender or Servicer are subject to the terms of Section 7. Certain foreclosure and bankruptcy fees and expenses are set forth on the attached Exhibit A, which is hereby incorporated into this Agreement by this reference. The fees and expenses set forth on Exhibit A are fees and expenses billed directly to the Lender by a third party national foreclosure management company. Because the fees and expenses set forth on Exhibit A are those of a third party they are subject to change at any time. The Servicer or an affiliate may provide REO services to the Lender; however, such services shall be subject to a separate fee schedule which may be obtained from the Servicer upon request.

a. **Limited Power of Attorney.** If Lender has elected to appoint Servicer as Lender's agent to conduct the activities described in Section 5 above, Lender hereby does make, constitute, and appoint Servicer as Lender's true and lawful attorney-in-fact for the following specific and limited purposes only:

to do all things necessary or pertinent and to execute any and all documents on behalf of Lender in order for Servicer to carry out and fulfill all of the duties and responsibilities as described above in Section 5 in a timely manner; *provided, however*, Servicer shall have received email confirmation from Lender consenting to the Servicer's actions prior to exercising Servicer's rights under this limited power of attorney.

This limited power of attorney is effective with respect to each Loan and continues until the earlier of (i) the Loan being paid in full and the Security Instrument is released and the property has been reconveyed; (ii) this Agreement has been terminated; or (iii) the property, after being foreclosed upon by the Lender, has been sold, transferred or otherwise assigned by the Lender to a new owner.

6. Delinquent Loan Servicing Compensation. If the Lender elects to appoint the Servicer to perform the services described above in Section 5 a fee in the amount of \$500.00. Prior to Servicer performing any services described in Section 5, Servicer shall send to Lender an invoice detailing Lender's payment options for those services. The payment options are the following: (i) a one-time flat fee in any amount equal to Five Hundred and No/100 Dollar (\$500) or (ii) a monthly fee equal to One Hundred Twenty-Five and No/100 dollars (\$125.00).

7. Protective Advances. Lender may make such advances as approved by the Majority or, if Lender is the only owner of the Loan, such advances that are necessary and prudent to protect and to collect Lender's interest in the Loan. If the Loan is a Multi-Lender Loan, and Lender fails to make advances approved by the Majority, other owners of the Loan are authorized to advance the amount Lender failed to advance and to receive payment in full before any further payments to the Lender who failed to advance payment. Servicer, in its absolute discretion, may advance its own funds to protect the security of Loan, including advances to cure liens, property insurance, foreclosure expenses, repair, advertising, litigation expenses and similar items, but not Loan payments. Servicer shall be reimbursed such advances from the next Loan payment, or within ten (10) days after a written request to Lender. To secure Servicer's advances, Lender hereby irrevocably assigns to Servicer, to the extent of advances owed to Servicer, the Loan payments or portion of the Loan payoff received after an advance is made, to reimburse Servicer for any advance made on behalf of Lender. Lender will be liable to the remaining investors for all damages incurred as result of the Lender's failure to act or failure to advance funds. Lender will be liable for actual attorneys' fees incurred as a result of said failure to act or failure to advance funds. Should Lender not reimburse Servicer for any fees or advances due (including those fees under Sections 4 and 6 above), Servicer has the right to deduct said amount from any funds due Lender (including funds from other loans serviced by Servicer) until such time as Servicer has been reimbursed in full for fees and advances due Servicer from Lender.

8. No Additional Obligations of Servicer. Lender acknowledges that Servicer has no obligation, other than described elsewhere in this Agreement, to make any payment (other than the forwarding of a Borrower's payment) to or on behalf of Lender, to liens or to otherwise protect or enforce the Lender's security or rights hereunder. In the event any payment collected for the benefit of Lender is returned NSF or uncollectible in Servicer's Trust Account, Lender will immediately upon notification from Servicer, return Servicer's uncashed Trust Check, or immediately reimburse Servicer's Trust Account the full amount received from Servicer's Trust Check. In no event is Servicer obligated to cover or make good Borrower's shortages in Servicer's Trust Account. Servicer is hereby authorized to place a "Stop Payment" on Lender's Trust Check from Servicer, or reverse any ACH (Electronic Funds Transfer) whenever the representing funds are returned NSF or uncollectible in Servicer's Trust Account. Servicer may deduct such amounts from any proceeds due Lender.

9. Insurance and Taxes. Since the Borrower's monthly payment does not include amounts for the payment of insurance and/or property taxes, it is the responsibility of the Lender to: (a) verify insurance coverage annually and send copies of insurance coverage to the Servicer, however Servicer is not responsible for the consequences of any non-payment of insurance, and (b) check for payment of taxes annually or use a tax service; Servicer may receive notices of property tax delinquencies and notify Lender of any known non-payment of taxes if Servicer has signed up for a tax service and listed Lender and Servicer for notices of non-payment of taxes, however Servicer is not responsible for the consequences of any non-payment of taxes. Servicer accepts no responsibility for the consequences of incorrect information supplied by Lender.

10. Loan Documents. Lender shall retain custody of the original Loan Documents, unless otherwise specified in writing by the Lender. In the event Lender elects to have Servicer involved in the foreclosure process set forth above in Section 5, Lender agrees to deliver the original Loan Documents to Servicer upon request.

11. Warranties. Lender further understands and agrees that the security for any Note and Security Instrument is directly related to the equity in the security real estate and THAT NO WARRANTIES ARE IMPLIED OR EXPRESSED. Lender understands that the value or sale ability of real estate can change at any time and therefore, that equity in the security real estate can increase or decrease. Lender hereby releases Servicer from any liability whatsoever in connection with the determination of the value of the security real estate.

12. Indemnification. Servicer shall indemnify, defend and hold Lender and its officers, employees, representatives, members, directors, parent companies, affiliates, subsidiaries, successors and assigns harmless from any and all claims, demands, causes of action, losses, damage, fines, penalties, liabilities, costs and expenses, including reasonable attorney's fees and court costs, sustained or incurred by Lender by reason of or arising directly from third party claims that were caused by or resulted from (i) any actions or omissions by Servicer, Servicer's contractors, or agents, that are outside the scope of its authority hereunder except to the extent Lender has approved of the action that was outside the scope of its authority and/or (ii) taking any action, or refraining from taking any action, with respect to any Loan or property, by Servicer, Servicer's, contractors, or agents, that result from the malfeasance, willful misconduct, gross negligence or a failure by Servicer to act in compliance with the terms of this Agreement. The foregoing indemnification shall survive the termination of this Agreement.

Lender shall indemnify, defend and hold Servicer and its officers, employees, representatives, members, directors, parent companies, affiliates, subsidiaries, successors and assigns harmless from any and all claims, demands, causes of action, losses, damage, fines, penalties, liabilities, costs and expenses, including reasonable attorney's fees and court costs, sustained or incurred by Servicer by reason of or arising directly from third party claims or actions that were caused by or resulted from (i) any actions or omissions in respect of any Loan or property of any prior servicer, owner or originator of a Loan or property, (ii) any acts or omissions taken under the limited power of attorney; provided, Servicer is acting on the upon the direction and email authorization of the Lender, and/or (iii) taking any action, or refraining from taking any action, with respect to any Loan or property, that result from the malfeasance, willful misconduct or gross negligence of Lender, Lender's contractors, or agents, or from the failure of the Lender to provide Servicer the necessary Loan documents in order to allow Servicer sufficient time to timely process satisfactions, payoffs and releases. The foregoing indemnification shall survive the termination of this Agreement.

13. Independent Contractor. At all times during the term of this Agreement, Servicer shall be an independent contractor and not an employee of Lender. Lender shall have the right to control Servicer only pursuant to this Agreement. Lender shall not have the right to control the means by which Servicer accomplishes its services and duties pursuant to this Agreement. Servicer shall, at its sole cost and expense, furnish all facilities, materials, and equipment that may be required for furnishing services pursuant to this Agreement.

14. Servicer Not Agent. Except as otherwise provided herein or as Lender may specify in writing, Servicer shall have no authority, express or implied, to act on behalf of Lender in any capacity whatsoever as an agent. Except as otherwise provided herein or as Lender may specify in writing, Servicer shall have no authority, express or implied, to bind Lender to any obligation whatsoever.

15. Assignment or Subcontracting. No assignment or subcontracting by Servicer of any of its obligations under this Agreement or of funds to be received under this Agreement shall be of any force or effect unless the assignment has had the prior written approval of Lender. Lender may terminate this Agreement rather than accept any proposed assignment or subcontracting and Lender shall not be liable for any transfer fee. In the event Lender sells, transfers or otherwise assigns the Loan Documents, the new holder/owner of the Loan Documents may be required to execute a servicing agreement with Servicer at the request of Servicer.

16. Litigation Response Costs. If Servicer is served with a Summons and Complaint which requires Servicer to appear in person and/or give testimony on behalf of Lender for any legal action against Lender, Servicer is to be reimbursed for any litigation response costs, fees and expenses, including, but not limited to, hotel, airline, meals and car rental. Servicer is to be paid \$125 per normal business hour from the Servicer's main office per employee needed. Lender shall not be responsible for any such costs and fees if the appearance is a result or related to Servicer's act or activity that were not a direct result of Lender's instructions or not within the scope of the Servicer's services contemplated under this Agreement.

17. Limitation of Liability of Servicer. Except to the extent the validity of the Loan is adversely affected or caused by Servicer or its representatives, Servicer is not responsible to Lender, its successors, assigns, Lender, or any other third party for the validity of the Loan submitted by Lender, including without limitation, (i) the Loan documents, including notes, deeds/mortgages, or assignments, (ii) whether the Loan is a valid, enforceable or existing lien on the property, (iii) the enforceability of the Loan against the Borrower of the Loan, (iv) or any regulatory compliance or violation of any other state or federal laws.

18. Notice. Except as otherwise provided herein, all notices required under this Agreement shall be in writing and delivered by one of the following means (i) personally; (ii) facsimile; or (iv) by overnight delivery service or by first class mail, postage prepaid, to each party at the address listed below. Either party may change the notice address (including email address) by notifying the other party in writing. Notices shall be deemed received upon receipt, electronic confirmation of delivery as to facsimile notices, or three (3) days after deposit in the U. S. Mail, whichever is applicable.

19. Governing Law. Each Party specifically acknowledges and agrees that this Agreement and its interpretation and enforcement are governed by the laws of the state of Idaho. Furthermore, each Party irrevocably (i) submits to the jurisdiction of any court of the State of Idaho located in Kootenai County for the purpose of any suit, action or other proceeding arising out of this Agreement or any of the agreements or transactions contemplated hereby (each, a "Proceeding"), (ii) agrees that all claims in respect of any Proceeding may be heard and determined in any such court, (iii) waives, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein, (iv) agrees not to commence any Proceeding other than in such courts and (v) waives, to the fullest extent permitted by law, any claim that such Proceeding is brought in an inconvenient forum.

20. Miscellaneous. The substantially prevailing party will be entitled to recover its attorneys' fees from the substantially non-prevailing parties incurred in connection with the prevailing party's efforts to enforce this Agreement, regardless of whether any action or proceeding is commenced. Each exhibit referenced in this Agreement is incorporated into this Agreement. This Agreement constitutes the entire agreement among the parties and supersedes any prior understandings or agreements, written or oral, that relate to the subject hereof. This Agreement may not be amended except by a writing signed by each party. If for any reason any provision of this Agreement is determined by a tribunal of competent jurisdiction to be legally invalid or unenforceable, the validity of the remainder of the Agreement will not be affected and such provision will be deemed modified to the minimum extent necessary to make such provision consistent with applicable law and, in its modified form, such provision will then be enforceable and enforced. This Agreement is binding upon the parties and will bind their executors, personal representatives, legatees, heirs, successors and assigns. No waiver by any party of any right or default under this Agreement will be effective unless in writing and signed by the waiving party. No such waiver will be deemed to extend to any prior or subsequent right or default or affect in any way any rights arising by virtue of any prior or subsequent such occurrence. This Agreement may be executed in counterparts and via facsimile or PDF electronic transmission, and each such counterpart will be deemed to be an original instrument. All such counterparts together will constitute one and the same Agreement.

21. WAIVER OF JURY TRIAL. SERVICER AND LENDER SHALL AND HEREBY DO WAIVE TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW, IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THE SAID PARTIES TO THIS AGREEMENT AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY CLAIM OF DAMAGE RESULTING FROM ANY ACT OR OMISSION OF THE PARTIES IN ANY WAY CONNECTED WITH THIS AGREEMENT.

(Signature page follows)

**SIGNATURE PAGE
STANDARD LOAN SERVICING AGREEMENT**

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

SERVICER:

Lake City Servicing

By: LCS Customer Service
Name: LCS Customer Service

Servicer's Address & Contact Information:

1121 E. Mullan Ave.
Coeur d'Alene, ID 83814
Phone : 800-630-9252
Fax: 800-380-6492
Email customerservices@lakecityservicing.com

LENDER(S):

(Entity Name & State of Incorporation, if applicable)

(Print Name)

(Signature)

(Print Title, if applicable)

(Print Name)

(Signature)

(Print Title, if applicable)

Lender's Address & Contact Information:

Phone: _____

Fax: _____

Email: _____



Exhibit A

Fee Schedule

State	Foreclosure	Deed in Lieu	Eviction	Title/TSG
Alabama (AL)	\$900	\$350	\$500	\$375
Alaska (AK)	\$1,200	Quote	Quote	Quote
Arizona (AR)	\$925	\$350	\$400	Quote
Arkansas (AR)	\$1,050	\$350	\$350	\$375
California (CA)	\$1,000	\$350	\$550	Quote
Colorado (CO)	\$1,225	\$350	\$450	\$375
Connecticut (CT)	\$1,700	\$350	\$425	\$350
Delaware (DE)	\$1,350	\$350	\$575	\$375
District of Columbia (DC)	\$600	\$350	\$400	\$375
Florida (FL)	\$2,250	\$350	\$400	\$375
Georgia (GA)	\$900	\$350	\$450	\$350
Hawaii (HI)	\$3,400	\$350	\$500	\$500
Idaho (ID)	\$1,050	\$350	\$400	Quote
Illinois (IL)	\$1,750	\$350	\$400	\$350
Indiana (IN)	\$1,500	\$350	\$450	\$350
Iowa (IA)	\$1,300	\$350	\$350	\$350
Kansas (KS)	\$1,250	\$350	\$400	\$350
Kentucky (KY)	\$1,700	\$350	\$400	\$350
Louisiana (LA)	\$1,350	\$350	\$500	\$350
Maine (ME)	\$1,750	\$350	\$500	\$375
Maryland (MD)	\$2,100	\$350	\$500	\$350
Massachusetts (MA)	\$2,000	\$350	\$600	\$400
Michigan (MI)	\$1000 ^A	\$350	\$425	\$350
Minnesota (MN)	\$1025 ^E	\$350	\$400	\$350
Mississippi (MS)	\$900	\$350	\$400	\$375
Missouri (MO)	\$950	\$350	\$450	\$375
Montana (MT)	\$1,000	\$350	\$500	Quote
Nebraska (NE)	\$900	\$350	\$350	\$350
Nevada (NV)	\$1,100	\$350	\$650	Quote
New Hampshire (NH)	\$1,150	\$350	\$400	\$375
New Jersey (NJ)	\$2,425	\$350	\$500	\$475
New Mexico (NM)	\$1,500	\$350	\$400	\$375
New York (NY)	\$2,400	\$350	\$750	\$475
North Carolina (NC)	\$1,150	\$350	\$400	\$350
North Dakota (ND)	\$1,250	\$350	\$500	Quote ^C
Ohio (OH)	\$1,700	\$350	\$600	350 ^P
Oklahoma (OK)	\$1,450	\$350	\$350	Quote ^C
Oregon (OR)	\$1000 ^H	\$350	\$450	Quote
Pennsylvania (PA)	\$1,650	\$350	\$450	\$350
Rhode Island (RI)	\$1,300	\$350	\$500	\$350
South Carolina (SC)	\$1,650	\$350	\$450	\$350
South Dakota (SD)	\$1,250	\$350	\$400	Quote ^C
Tennessee (TN)	\$900	\$350	\$350	\$350
Texas (TX)	\$900 ^B	\$350	\$400	\$350
Utah (UT)	\$925	\$350	\$575	Quote
Vermont (VT)	\$1,700	\$350	\$400	\$425
Virginia (VA)	\$925	\$350	\$600	\$350
Washington (WA)	\$1,000	\$350	\$450	Quote
West Virginia (WV)	\$1,000	\$350	\$400	\$375
Wisconsin (WI)	\$1,500	\$350	\$400	\$350
Wyoming (WY)	\$1,000	\$350	\$500	\$475

^AWhere necessary to proceed judicially, additional fee of \$1150 applies.

^B Fee of \$1,450 applies for Home Equity actions.

^C Due to the uncertainties that exist in abstract jurisdictions, title charges will vary by loan amount and/or location of property, but will be reasonable and customary based upon the work performed.

^D Plus PJR premium based upon loan amount.

^E Proceedings Subsequent available on a quote basis.

^H When proceeding judicially, fee of \$2,050 applies.

Dear [REDACTED],

As a valued client of Lake City Servicing, we are always looking for ways to improve our service to you. We noticed that you had not signed up for our direct deposit service, and we would like to let you know the benefits this service offers you.

Our direct deposit service automatically deposits your interest payments into the checking or savings account that you specify every Monday, Wednesday & Friday. There's no more waiting for the mail to get your check! If you're not home, out on a business trip, or enjoying a vacation you can still collect your interest payments with no worries.

When we direct deposit your interest checks, we will send you an email notification that a payment has been direct deposited to your account. This email includes an attachment that specifies which loan your deposit was for.

We also already send you monthly statements on the first business day of each month. These statements show each deposit that was made for the month prior, as well as showing the status of your portfolio of loans with Lake City Servicing.

We look forward to helping you get the most out of your investment. For your convenience, we have included a direct deposit form with this letter. If you have any questions, please don't hesitate to contact one of our friendly customer service representatives at (800) 630-9252.

Yours in success,

The Lake City Servicing Team

Send in your ACH Direct Deposit form and get your money faster! Sign up today!!

DIRECT DEPOSIT FORM

Loan payments due to investor/lenders are directly deposited into any personally identifiable bank account (general investment company accounts are not eligible). You will receive an email notification as well as your bank itemization of the deposit.

Customer Information:

Lake City Servicing Account No.:	██████████
Name:	_____
Address:	_____
City:	_____ State: _____ Zip Code: _____
Telephone #:	_____
E-Mail (for notification of deposit):	_____

Banking Information:

Name of Primary Bank:	_____
Type of Account:	<input type="radio"/> Checking <input type="radio"/> Savings
Routing Number:	_____ Account Number: _____

I/we authorize Lake City Servicing to initiate ACH transactions to my/our account indicated above:

_____ Signature	_____ Date	_____ Signature
_____ Signature	_____ Date	_____ Signature

PLEASE ATTACH A VOIDED CHECK (OR COPY) TO THIS FORM Please mail to: Lake City Servicing, 1121 E. Mullan Avenue, Coeur d'Alene, ID 83814
--

TRADE CONFIRMATION

To: Secured Investment High Yield Fund II, LLC ("Seller")

From: [REDACTED] a Delaware Corporation ("Purchaser")

Date: 6/16/2016

This letter will serve as confirmation of the agreement by the Seller to sell and the agreement by the Purchaser to purchase, pursuant to the terms of and subject to the conditions as set forth in the related Master Mortgage Loan Purchase and Sale Agreement (the "Agreement"), without recourse but subject to the terms of the Agreement, that certain mortgage described on the Mortgage Loan Schedule attached hereto.

Very Truly Yours,

[REDACTED]

(Signature)

[REDACTED]

(Printed Name)

Confirmed and Agreed to:

Secured Investment High Yield Fund II, LLC, an
Idaho limited liability company

By: Secured Investment Corp., a
Wyoming corporation

By: /s/ Heather Dreves
Name: Heather Dreves
Its: Director of Funding

SCHEDULE ONE

MORTGAGE LOAN SCHEDULE

Loan number: [REDACTED]

Mortgagor's name and address: Secured Investment High Yield Fund II, LLC, an
Idaho limited liability company
1121 E. Mullan Ave.
Coeur d'Alene, ID 83814

Purchaser's vesting name and address: [REDACTED] a Delaware Corporation
[REDACTED]
Manhattan Beach, CA 90266

Borrower's name and address: [REDACTED] Investments, LLC
[REDACTED]
Winter Haven, FL 33884

Property address: [REDACTED]
Winter Haven, FL 33884

Current principal loan balance: \$221,000.00

Original Loan Funding Date: 5/10/2016

Mortgage interest rate: 14.75%

Mortgage interest rate retained by Seller: 2%

Seller's portion of monthly payment: \$368.33

Mortgage interest rate paid to Buyer: 12.75%

Buyer's portion of monthly payment: \$2,348.13

Origination points paid to Buyer: 0 totaling \$0

Note Maturity Date: 6/30/2017

First Note payment date: 7/1/2016

Monthly servicing fee: \$20.00

Current servicing entity: LCS

New servicing entity: LCS

Buyout Agreement Purchased: No totaling \$0

Anticipated Closing date: Anticipated 6/16/2016, but regardless the Closing Date shall be considered to be one day after the Purchaser's funds have been received by Inland Northwest Bank.

WARRANTY BILL OF SALE

On this Sixteenth day of June, 2016, Secured Investment High Yield Fund II, LLC (the “Seller”) as the Seller under that certain Master Mortgage Loan Purchase Agreement, dated as of (the “Agreement”) does hereby sell, transfer, assign, set over and convey [REDACTED] a Delaware Corporation (the “Purchaser”) as the Purchaser under the Agreement, without recourse, but subject to the terms of the Agreement, all rights, title and interest of the Seller in and to the Mortgage Loans listed on the Mortgage Loan Schedule attached hereto, together with the related mortgage loan documents and all rights and obligations arising under the documents contained therein. The ownership of each Mortgage Note, Mortgage, and the contents of the mortgage file is vested in the Purchaser and the ownership of all records and documents with respect to the related Mortgage Loan prepared by or which come into the possession of the Seller shall immediately vest in the Purchaser and shall be retained and maintained by the Seller at the will of the Purchaser in such custodial capacity only.

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.

Secured Investment High Yield Fund II, LLC, an Idaho limited liability company

By: Secured Investment Corp., a Wyoming corporation

By: [REDACTED]
Name: [REDACTED]
Its: [REDACTED]

SCHEDULE ONE
MORTGAGE LOAN SCHEDULE

Loan number:	[REDACTED]
Mortgagor's name and address:	Secured Investment High Yield Fund II, LLC, an Idaho limited liability company 1121 E. Mullan Ave. Coeur d'Alene, ID 83814
Purchaser's vesting name and address:	[REDACTED] a Delaware Corporation [REDACTED] Manhattan Beach, CA 90266
Borrower's name and address:	[REDACTED] Investments, LLC [REDACTED] Winter Haven, FL 33884
Property address:	[REDACTED] Winter Haven, FL 33884
Current principal loan balance:	\$221,000.00
Original Loan Funding Date:	5/10/2016
Mortgage interest rate:	14.75%
Mortgage interest rate retained by Seller:	2%
Seller's portion of monthly payment:	\$368.33
Mortgage interest rate paid to Buyer:	12.75%
Buyer's portion of monthly payment:	\$2,348.13
Origination points paid to Buyer:	0 totaling \$0
Note Maturity Date:	6/30/2017
First Note payment date:	7/1/2016
Monthly servicing fee:	\$20.00
Current servicing entity:	LCS
New servicing entity:	LCS
Buyout Agreement Purchased	No totaling \$0
Anticipated Closing date:	Anticipated 6/16/2016, but regardless the Closing Date shall be considered to be one day after the Purchaser's funds have been received by Inland Northwest Bank.



EVIDENCE OF PROPERTY INSURANCE

OP ID MT

DATE (MM/DD/YYYY)

04/13/2016

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY National Real Estate Insurance Group LLC 7509 NW Tiffany Springs Parkway #200 Kansas City MO 64153		PHONE (A/C. No. Ext): [REDACTED]		COMPANY Lloyd's of London c/o National Real Estate Insurance Group LLC 7509 NW Tiffany Springs Parkway #200 Kansas City MO 64153	
FAX (A/C. No.): 913-894-6534		E-MAIL ADDRESS: service@affinitygm.com		Unique Market Reference Number: B0595B0595NAGN04474015	
CODE:		SUB CODE:		LOAN NUMBER	
AGENCY CUSTOMER ID #: [REDACTED]				POLICY NUMBER [REDACTED]	
INSURED [REDACTED] Investments, LLC [REDACTED] [REDACTED] Winter Haven FL 33884				EFFECTIVE DATE 04/15/2016	EXPIRATION DATE 04/15/2017
				<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED	
THIS REPLACES PRIOR EVIDENCE DATED:					

PROPERTY INFORMATION

LOCATION/DESCRIPTION [REDACTED] Winter Haven, FL 33884-2121	Investment Property
--	----------------------------

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Dwelling / Basic Form / Actual Cash Value (Deductible is per location, per occurrence)	221,000	5,000
Other Structure Coverage	20,000	
VMM Limit \$30,000 Not to exceed Dwelling Limit - ACV, Theft EXCLUDED		EXCL
Windstorm/Hail		5,000
Annual Location Cost** \$2,283.48		
<small>Roofs over 15 years - ACV; 80% coinsurance for locations insured for less than \$45 per square foot. Exclusion: Including, but not limited to Flood, Earthquake, Sewer drain and Sump pump back up, Terrorism, Mold/Mildew/Fungi, Biological or Chemical materials, Radioactive Contamination, War. Named Storm Excluded in FL, all 1st and 2nd Tier counties in TX, 100 miles from the coast in LA, AL, MS, 25 miles from the coast in GA, SC, NC, VA, MD, DE, NJ, NY, and 2.5 miles from the coast in RI, CT, MA, NH & ME. When a location that is reported as occupied is found to have been vacant for 60 or more days prior to a loss, coverage and any applicable claim settlement is made relative to Basic Form perils. Intentional damage caused by tenants, including, but not limited to: malicious destruction before and during occupancy, or within 10 days of eviction or vacancy is excluded.</small>		


REMARKS (Including Special Conditions)

*This is a monthly reporting form policy. This location will be added to your inventory report. If you do not close or if your closing is delayed, please notify us immediately so you are not billed for this property. **Cost is inclusive of premium, taxes, dues and any other applicable fees. Group policy issued to Affinity Insurance Programs Marketing LLC, 5550 Wild Rose Lane #400, West Des Moines, IA 50266

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS Lake City Servicing ISAOA 1121 E Mullan Ave Coeur D Alene ID 83814-4033	<input checked="" type="checkbox"/> MORTGAGEE	<input type="checkbox"/> ADDITIONAL INSURED
	<input type="checkbox"/> LOSS PAYEE	
	LOAN #	
	AUTHORIZED REPRESENTATIVE 	



CERTIFICATE OF LIABILITY INSURANCE

OP ID MT

DATE (MM/DD/YYYY)

04/13/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER National Real Estate Insurance Group LLC 7509 NW Tiffany Springs Parkway #200 Kansas City MO 64153		CONTACT NAME: PHONE (A/C No. Ext): [REDACTED] FAX (A/C, No): 913-894-6534 E-MAIL ADDRESS: service@affinitygm.com																						
INSURED [REDACTED] Investments, LLC [REDACTED] [REDACTED] Winter Haven FL 33884		<table border="1"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A:</td> <td>United National Insurance Co</td> <td></td> </tr> <tr> <td>INSURER B:</td> <td></td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> <td></td> </tr> </table>		INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	United National Insurance Co		INSURER B:			INSURER C:			INSURER D:			INSURER E:			INSURER F:		
INSURER(S) AFFORDING COVERAGE		NAIC #																						
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INSURER D:																								
INSURER E:																								
INSURER F:																								

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.


INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR DEDUCTIBLE \$1,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	N		[REDACTED]	[REDACTED]	[REDACTED]	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 2,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ Excluded
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

[REDACTED] Blvd
Winter Haven, FL 33884-2121

Group policy issued to Affinity Insurance Programs Marketing LLC, 5550 Wild Rose Lane #400, West Des Moines, IA 50266

CERTIFICATE HOLDER**CANCELLATION**

Lake City Servicing ISAOA 1121 E Mullan Ave Coeur D Alene ID 83814-4033	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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**ALTA SHORT FORM RESIDENTIAL LOAN POLICY
(WITH FLORIDA MODIFICATIONS)
Issued by
Westcor Land Title Insurance Company
SCHEDULE A**

Name and Address of Title Insurance Company: **Westcor Land Title Insurance Company, 875 Concourse Parkway South, Suite 200, Maitland, FL 32751.**

File Reference: CE1503-FL-2485091

Address Reference: Street Address: [REDACTED] Winter Haven, FL 33884
 County: Polk State: Florida
 Agency/ID #: [REDACTED] File No.: [REDACTED]
 Policy No.: [REDACTED] Loan No.: [REDACTED]
 Amount of Insurance: \$221,000.00 Premium: \$470.50
 Mortgage Amount: \$221,000.00 Mortgage Date: 10th day of May, 2016
 Date of Policy: May 16, 2016, at 4:41 PM

Name of Insured: Secured Investment High Yield Fund II, LLC, an Idaho Limited Liability Company, Its Successors and/or Assigns, as their interest may appear

Name of Borrower(s): [REDACTED] Investments, LLC an Florida Limited Liability Company

The estate or interest in the Land identified in this Schedule A and which is encumbered by the Insured Mortgage is fee simple and is, at Date of Policy, vested in the borrower(s) shown in the Insured Mortgage and named above.

The Land referred to in this policy is described as set forth in the Insured Mortgage.

This policy consists of 2 page(s), including the reverse side hereof, unless an addendum is attached and indicated below:

Addendum attached

The endorsements checked below, if any are incorporated in this policy:

The endorsements indicated below are incorporated herein:

- ALTA ENDORSEMENT 4.1-06 (Condominium – With Florida Modifications), if the Land or estate or interest is referred to in the Insured Mortgage as a condominium.
- ALTA ENDORSEMENT 5.1-06 (Planned Unit Development) – With Florida Modifications
- ALTA ENDORSEMENT 6-06 (Variable Rate), if the Insured Mortgage contains provisions which provide for an adjustable interest rate.
- ALTA ENDORSEMENT 6.2-06 (Variable Rate-Negative Amortization), if the Insured Mortgage contains provisions which provide for both an adjustable interest rate and negative amortization.
- ALTA ENDORSEMENT 7-06 (Manufactured Housing), if a manufactured housing unit is located on the Land at Date of Policy.
- ALTA ENDORSEMENT 8.1-06 (Environmental Protection Lien)- With Florida Modifications-Paragraph b refers to the following state statute(s):
- ALTA ENDORSEMENT 9-06 (Restrictions, Easements, Minerals – With Florida Modifications)
- ALTA ENDORSEMENT 14-06 (Future Advance – Priority)
- ALTA ENDORSEMENT 14.1-06 (Future Advance – Knowledge)
- ALTA ENDORSEMENTS 14.3-06 (Future Advance – Reverse Mortgage) – With Florida Modifications
- ENDORSEMENT Navigational Servitude

IN WITNESS WHEREOF, **WESTCOR LAND TITLE INSURANCE COMPANY** has caused its corporate name and seal to be hereunto affixed by its duly authorized officers.

David C. Jenkins

(David Jenkins)

Authorized Signatory



By: *Mary O'Donnell*
President

Attest: *Patricia W. Power*
Secretary

Note: This policy is of no force and effect unless Schedule A and Schedule B are attached together with any added pages incorporated by reference.

Policy Number: [REDACTED]

File Number: [REDACTED]

SUBJECT TO THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B BELOW, AND ANY ADDENDUM ATTACHED HERETO, WESTCOR LAND TITLE INSURANCE COMPANY, A CALIFORNIA CORPORATION, HEREIN CALLED THE "COMPANY," HEREBY INSURES THE INSURED IN ACCORDANCE WITH AND SUBJECT TO THE TERMS, EXCLUSIONS AND CONDITIONS SET FORTH IN THE FLORIDA APPROVED AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (6-17-06), ALL OF WHICH ARE INCORPORATED HEREIN. ALL REFERENCES TO SCHEDULES A AND B SHALL REFER TO SCHEDULES A AND B OF THIS POLICY.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

Except to the extent of the affirmative insurance set forth below, this policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) which arise by reason of:

1. Those taxes and special assessments that become due or payable subsequent to Date of Policy.
2. Covenants, conditions, or restrictions, if any, appearing in the Public Records; however, this policy insures against loss or damage arising from:
 - (a) the violation of those covenants, conditions, or restrictions on or prior to Date of Policy.

As used in paragraph 2(a), the words "covenants, conditions, or restrictions" do not refer to or include any covenant, condition, or restriction (a) relating to obligations of any type to perform maintenance, repair or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Policy and is not referenced in an addendum attached to this policy.

3. Any easements or servitudes appearing in the Public Records; however, this policy insures against loss or damage arising from (a) the encroachment, at Date of Policy, of the improvements on any easement, and (b) any interference with or damage to existing improvements, excluding lawns, shrubbery, and trees, resulting from the use of the easements for the purposes granted or reserved.
4. Any lease, grant, exception, or reservation of minerals or mineral rights appearing in the Public Records; however, this policy insures against loss or damage arising from (a) any affect on or impairment of the use of the Land for residential one-to-four family dwelling purposes by reason of such lease, grant, exception or reservation of minerals or mineral rights, and (b) any damage to improvements existing at Date of Policy, excluding lawns, shrubbery, or trees, resulting from the future exercise of any right to use the surface of the Land for the extraction or development of the minerals or mineral rights so leased, granted, excepted, or reserved. Nothing herein shall insure against loss or damage resulting from subsidence.



APPRAISAL OF



SINGLE FAMILY RESIDENCE

LOCATED AT:

[REDACTED]
Winter Haven, FL 33884

FOR:

Cogo Capital
1121 E Mullan Avenue
Coeur d'Alene, ID 83814

BORROWER:

[REDACTED]

AS OF:

March 15, 2016

BY:

Drew Motley
FULL HOUSE APPRAISAL

FULL HOUSE APPRAISAL

File No. [REDACTED]

03/16/2016

Appraisal Nation
Cogo Capital
1121 E Mullan Avenue
Coeur d'Alene, ID 83814

File Number: [REDACTED]

In accordance with your request, I have appraised the real property at:

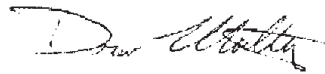
[REDACTED]
Winter Haven, FL 33884

The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the market value of the property as of **March 15, 2016** is:

\$235,000
Two Hundred Thirty-Five Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.



Drew Motley
FULL HOUSE APPRAISAL

FULL HOUSE APPRAISAL

Uniform Residential Appraisal Report

File No. [REDACTED]

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address [REDACTED] City **Winter Haven** State **FL** Zip Code **33884**
 Borrower [REDACTED] Owner of Public Record **Wells Fargo Bank NA** County **Polk**
 Legal Description **See Attached Addendum**
 Assessor's Parcel # [REDACTED] Tax Year **2015** R.E. Taxes \$ **3,981**
 Neighborhood Name **Eloise Woods** Map Reference **26-28-35** Census Tract **0139.02**
 Occupant Owner Tenant Vacant Special Assessments \$ **0** PUD HOA \$ **0** per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe) **Ascertain Market Value**
 Lender/Client **Cogo Capital** Address **1121 E Mullan Avenue, Coeur d'Alene, ID 83814**
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offering price(s), and date(s). **DOM 200; The subject was listed for sale on 07/14/2015 for \$254,500 and is currently "pending" at \$241,800 per MLS# [REDACTED]**

I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
 Contract Price \$ _____ Date of Contract _____ Is the property seller the owner of public record? Yes No Data Source(s) _____
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. _____

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		One-Unit Housing Trends			One-Unit Housing		Present Land Use %	
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	85 %			
Built-Up <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	5 %			
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	43 Low	9	Multi-Family	%			
Neighborhood Boundaries The subject is bound to the North by Dundee Rd, To the East by US Hwy 27, to the South by Lake Winterset and to the West by US Hwy 17.		2,459 High	91	Commercial	5 %			
Neighborhood Description The neighborhood boundaries above incorporate an area of homes of various age and design and offer similar appeal to shopping, transportation, schools, etc. The area is predominantly single and two story one family units similar size and age, with varied level of updates and condition. Appeal to the market is considered to be average.		150 Pred.	42	Other Vacant	5 %			

Market Conditions (including support for the above conclusions) **The subject neighborhood is stable over the past 12 months. There is moderate competition in this price range for similar homes in this area.**

Dimensions **Subject to Survey** Area **1.13 ac** Shape **Irregular, Slopes to Rear** View **B;Wtr;**
 Specific Zoning Classification **R-1** Zoning Description **Res. No More Than 3 units/Acre-R-1**
 Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe. _____
 Utilities **Public Other (describe)** **Public Other (describe)** **Off-site Improvements—Type Public Private**
 Electricity Water Street **Paved**
 Gas Sanitary Sewer Alley **None**
 FEMA Special Flood Hazard Area Yes No FEMA Flood Zone **AE** FEMA Map # [REDACTED] FEMA Map Date **12/20/2000**
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe. _____
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe. **There appears to be no detrimental conditions. Appraiser is not qualified to detect potentially hazardous materials in the subject improvements or the site. Appraiser recommends, if needed, retaining an expert inspector for this purpose.**

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials/condition		INTERIOR materials/condition	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls Conc/Average	Floors Cpt,Wd/Average				
# of Stories 1	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls Brk,Asb Shngl/Avg	Walls Wood/Average				
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 0 sq. ft.	Roof Surface Shingle/Average	Trim/Finish Wood/Average				
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Gutters & Downspouts None	Bath Floor Tile/Average				
Design (Style) Ranch	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type Aluminum/Poor	Bath Wainscot Tile/Average				
Year Built 1954	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated Adeq Overhang/Avg	Car Storage <input type="checkbox"/> None				
Effective Age (Yrs) 50	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens Majority Missing	<input checked="" type="checkbox"/> Driveway # of Cars 4				
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities <input type="checkbox"/> WoodStove(s) # 0	Driveway Surface Concrete				
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other <input type="checkbox"/> Fuel Electric	<input checked="" type="checkbox"/> Fireplace(s) # 1 <input checked="" type="checkbox"/> Fence Ch Lnk	<input checked="" type="checkbox"/> Garage # of Cars 4				
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Deck <input checked="" type="checkbox"/> Porch Cov Ent	<input type="checkbox"/> Carport # of Cars 0				
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Pool Inground <input checked="" type="checkbox"/> Other Bt Dock	<input checked="" type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in				
Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input checked="" type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)							
Finished area above grade contains: 9 Rooms 4 Bedrooms 2.1 Bath(s) 3,272 Square Feet of Gross Living Area Above Grade							
Additional features (special energy efficient items, etc.). The subject is dated and has brick and asbestos shingles on the exterior, wood flooring, wood walls, and wood ceilings in many of the interior rooms, an interior workshop, large screened porch, and a boat dock.							
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C4;No updates in the prior 15 years;The subject has not been updated in the past 30 years however the roof appears newer.							

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe. **At the time of inspection, the appraiser noted no damage, not physical deficiencies, or adverse conditions that would affect the livability, soundness, or structural integrity of the property. The appraiser is not trained to recognize structural deficiencies and a thorough inspection by an expert is recommended by the appraiser if warranted. The subject is in average condition.**

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe. **The subject property was typical in characteristics to the homes around the small lake to which the subject backs, however, the majority of the homes in the area do not front to a major road like Cypress Gardens Boulevard nor do the majority of the homes back to a lake.**

FULL HOUSE APPRAISAL

Uniform Residential Appraisal Report

File No. [REDACTED]

There are 105 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 105,000 to \$ 599,900		There are 189 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 125,000 to \$ 615,000			
FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3	
	Cypress Gardens Boulevard	Cypress Gardens Boulevard	S Lake Florence Drive	S Lake Florence Drive	
Address	Winter Haven, FL 33884	Winter Haven, FL 33884	Winter Haven, FL 33884	Winter Haven, FL 33884	
Proximity to Subject		0.04 miles SE	0.44 miles SE	0.11 miles SE	
Sale Price	\$	\$ 240,000	\$ 316,000	\$ 219,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 83.92 sq. ft.	\$ 113.18 sq. ft.	\$ 78.61 sq. ft.	
Data Source(s)		MFRMLS #P4700870;DOM 403	MFRMLS #P4701565;DOM 305	MFRMLS #P4707216;DOM 24	
Verification Source(s)		REALIST,IMAPP TAX, PUB REC	REALIST,IMAPP TAX, PUB REC	REALIST,IMAPP TAX, PUB REC	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions		ArmLth FHA;0		REO Conv;0	
Date of Sale/Time		s10/15;c09/15		s08/15;c07/15	
Location	A;BsyRd;	A;BsyRd;		N;Res;	-20,000
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple	
Site	1.13 ac	1.36 ac	0	42758 sf	0
View	B;Wtr;	B;Wtr;		B;Wtr;	
Design (Style)	DT1;Ranch	DT1;Ranch		DT1;Ranch	
Quality of Construction	Q4	Q4		Q3	-20,000
Actual Age	62	61	0	56	0
Condition	C4	C3	-20,000	C4	-10,000
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	0	Total Bdrms. Baths	0
Room Count	9 4 2.1	9 3 2.2	-2,500	9 3 2.1	0
Gross Living Area 30	3,272 sq. ft.	2,860 sq. ft.	12,400	2,792 sq. ft.	14,400
Basement & Finished Rooms Below Grade	0sf	0sf		0sf	
Functional Utility	Typical	Typical		Typical	
Heating/Cooling	Central	Central		Central	
Energy Efficient Items	None	None		None	
Garage/Carport	4qa4dw	2cp4dw	4,000	2ga2dw	4,000
Porch/Patio/Deck	Cov Ent, Scn Pch	Cv Ent, Wd Deck	2,000	Cov Ent, Scn Pch	2,000
Fireplace	Fireplace-1	Fireplace-1		None	1,500
Pool	Inground	None	8,000	Scn Encl Pool	-4,000
Boat Dock	Boat Dock	Boat Dock		Boat Dock	5,000
Net Adjustment (Total)		[X] + [] - \$ 3,900		[X] + [] - \$ 22,024	[X] + [] - \$ 16,600
Adjusted Sale Price of Comparables		Net Adj. 1.6% Gross Adj. 20.4% \$ 243,900		Net Adj. -7.0% Gross Adj. 19.6% \$ 293,976	Net Adj. 7.6% Gross Adj. 28.1% \$ 235,600

SALES COMPARISON APPROACH

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) **MID FLORIDA MLS, PUBLIC RECORD**

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) **MID FLORIDA MLS, PUBLIC RECORD**

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	04/17/2015			06/29/2015
Price of Prior Sale/Transfer	\$185,100			\$176,100
Data Source(s)	IMAPP Tax, Public Record	IMAPP Tax, Public Record	IMAPP Tax, Public Record	IMAPP Tax, Public Record
Effective Date of Data Source(s)	03/16/2016	03/16/2016	03/16/2016	03/16/2016

Analysis of prior sale or transfer history of the subject property and comparable sales **The subject had a prior Trustees Deed transfer from the bank. Sale #3 had a prior Trustees Deed transfer from the bank. This sale did not represent market value.**

Summary of Sales Comparison Approach. **Sale 2 was given a conditional adjustment as it was superior to the subject but did not meet the criteria for a C3 conditional description. All comparables were given consideration with special consideration applied for quality and condition.**

Indicated Value by Sales Comparison Approach \$ **236,000**

Indicated Value by: Sales Comparison Approach \$ **236,000** Cost Approach (if developed) \$ **242,400** Income Approach (if developed) \$ **0**

SALES COMPARISON APPROACH WAS GIVEN THE MAJORITY OF THE WEIGHT WITH ADDITIONAL SUPPORT FROM THE COST APPROACH. THE INCOME APPROACH WAS NOT APPLIED AS THERE INSUFFICIENT EVIDENCE TO PRODUCE CREDIBLE RESULTS.

RECONCILIATION

This appraisal is made "as is," subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: **SEE ATTACHED ADDENDUM**

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ **235,000** as of **03/15/2016**, which is the date of inspection and the effective date of this appraisal.

FULL HOUSE APPRAISAL
Uniform Residential Appraisal Report

File No. [REDACTED]

SEE ATTACHED ADDENDUM

ADDITIONAL COMMENTS

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.
 Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) **SITE VALUATION IS DETERMINED THROUGH THE EXTRACTION METHOD.**

COST APPROACH

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	165,000
Source of cost data BUILDING-COST-NET AND LOCAL BUILDER COSTS	Dwelling	3,272 Sq. Ft. @ \$ 65.00	= \$ 212,680
Quality rating from cost service Average Effective date of cost data 03/16/2016		Sq. Ft. @ \$	= \$ 0
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Cv Ent, Pchs, Pool		18,000
The GLA calculation was acquired through the appraiser's measurements, public records, and a prior appraiser's measurements.	Garage/Carport 935 Sq. Ft. @ \$ 30.00	= \$	28,050
The depreciation was acquired from typical cost estimators.	Total Estimate of Cost-New	= \$	258,730
	Less 70 Physical Functional External		
	Depreciation \$184,807	\$0	= \$ (184,807)
	Depreciated Cost of Improvements	= \$	73,923
	"As-is" Value of Site Improvements	= \$	3,500
Estimated Remaining Economic Life (HUD and VA only) 20 Years	INDICATED VALUE BY COST APPROACH	= \$	242,400

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ _____ X Gross Rent Multiplier _____ = \$ _____ Indicated Value by Income Approach _____

Summary of Income Approach (including support for market rent and GRM) _____

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project _____

Total number of phases _____ Total number of units _____ Total number of units sold _____

Total number of units rented _____ Total number of units for sale _____ Data source(s) _____

Was the project created by the conversion of an existing building(s) into a PUD? Yes No If Yes, date of conversion. _____

Does the project contain any multi-dwelling units? Yes No Data source(s) _____

Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion. _____

Are the common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options. _____

Describe common elements and recreational facilities. _____

Uniform Residential Appraisal Report

File No. [REDACTED]

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Uniform Residential Appraisal Report

File No. [REDACTED]

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

Uniform Residential Appraisal Report

File No. [REDACTED]

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.


24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature 
 Name Drew Motley
 Company Name FULL HOUSE APPRAISAL
 Company Address 64 Wye Drive
Ormond Beach, FL 32176
 Telephone Number 407-346-5415
 Email Address FULLHOUSEAPPRAISAL@YAHOO.COM
 Date of Signature and Report 03/17/2016
 Effective Date of Appraisal 03/15/2016
 State Certification # Cert Res RD4030
 or State License # _____
 or Other (describe) _____ State # _____
 State FL
 Expiration Date of Certification or License 11/30/2016

ADDRESS OF PROPERTY APPRAISED
[REDACTED]
Winter Haven, FL 33884

APPRAISED VALUE OF SUBJECT PROPERTY \$ 235,000

LENDER/CLIENT
 Name Appraisal Nation
 Company Name Cogo Capital
 Company Address 1121 E Mullan Avenue
Coeur d'Alene, ID 83814
 Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY
 Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____
 Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES
 Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____

FULL HOUSE APPRAISAL

Uniform Residential Appraisal Report

File No. [REDACTED]

FEATURE	SUBJECT	COMPARABLE SALE NO. 4			COMPARABLE SALE NO. 5			COMPARABLE SALE NO. 6		
Address	Winter Haven, FL 33884	S Lake Florence Drive Winter Haven, FL 33884			Lake Elbert Drive Winter Haven, FL 33884					
Proximity to Subject		0.17 miles SE			1.81 miles NW					
Sale Price	\$	\$ 399,000			\$ 250,000			\$		
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 171.54 sq. ft.			\$ 83.33 sq. ft.			\$ sq. ft.		
Data Source(s)		MFRMLS #P4706322;DOM 231			MFRMLS #L4645460;DOM 100					
Verification Source(s)		REALIST,IMAPP TAX, PUB REC			REALIST,IMAPP TAX, PUB REC					
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	
Sale or Financing Concessions		Listing ;0		ArmLth Cash;1400	-1,400					
Date of Sale/Time		Active		s04/14;c03/14	21,600					
Location	A;BsyRd;	N;Res;	-20,000	N;Res;	-20,000					
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple						
Site	1.13 ac	33154 sf	0	24067 sf	10,000					
View	B;Wtr;	B;Wtr;		B;Wtr;						
Design (Style)	DT1;Ranch	DT1;Split Level	0	DT1;Ranch						
Quality of Construction	Q4	Q3	-20,000	Q3	-20,000					
Actual Age	62	54	0	94	1,600					
Condition	C4	C3	-20,000	C3	-20,000					
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		
Room Count	9 4 2.1	9 4 3.0	-2,500	9 4 2.1						
Gross Living Area	30 3,272 sq. ft.	2,326 sq. ft.	28,400	3,000 sq. ft.	8,200					
Basement & Finished Rooms Below Grade	0sf	0sf		0sf						
Functional Utility	Typical	Typical		Typical						
Heating/Cooling	Central	Central		Central						
Energy Efficient Items	None	None		None						
Garage/Carport	4ga4dw	2gbi2cp4dw	3,000	2ga4dw	4,000					
Porch/Patio/Deck	Cov Ent, Scn Pch	Cov Ent, Scn Pch		Cov Ent, Scn Pch						
Fireplace	Fireplace-1	Fireplace-1		Fireplace-1						
Pool	Inground	Scn Encl Pool	-4,000	Inground						
Boat Dock	Boat Dock	Bt Dk w Lift	-10,000	Boat Dock						
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 45,100	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 16,000	<input type="checkbox"/> + <input type="checkbox"/> -	\$			
Adjusted Sale Price of Comparables		Net Adj. -11.3%		Net Adj. -6.4%		Net Adj. %				
		Gross Adj. 27.0%	\$ 353,900	Gross Adj. 42.7%	\$ 234,000	Gross Adj. %	\$			
ITEM	SUBJECT	COMPARABLE SALE NO. 4			COMPARABLE SALE NO. 5			COMPARABLE SALE NO. 6		
Date of Prior Sale/Transfer	04/17/2015									
Price of Prior Sale/Transfer	\$185,100									
Data Source(s)	IMAPP Tax, Public Record	IMAPP Tax, Public Record			IMAPP Tax, Public Record					
Effective Date of Data Source(s)	03/16/2016	03/16/2016			03/16/2016					
Summary of Sales Comparison Approach	Listing #5 had a prior transfer. This home was remodeled since that prior purchase.									

SALES COMPARISON APPROACH

Uniform Appraisal Dataset Definitions

File No. [REDACTED]

Condition Ratings and Definitions

C1 The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.*

**Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (i.e., newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).*

C2 The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.

**Note: The improvements represent a relatively new property that is well maintained with no deferred maintenance and little or no physical depreciation, or an older property that has been recently completely renovated.*

C3 The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

**Note: The improvement is in its first-cycle of replacing short-lived building components (appliances, floor coverings, HVAC, etc.) and is being well maintained. Its estimated effective age is less than its actual age. It also may reflect a property in which the majority of short-lived building components have been replaced but not to the level of a complete renovation.*

C4 The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

**Note: The estimated effective age may be close to or equal to its actual age. It reflects a property in which some of the short-lived building components have been replaced, and some short-lived building components are at or near the end of their physical life expectancy; however, they still function adequately. Most minor repairs have been addressed on an ongoing basis resulting in an adequately maintained property.*

C5 The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

**Note: Some significant repairs are needed to the improvements due to the lack of adequate maintenance. It reflects a property in which many of its short-lived building components are at the end of or have exceeded their physical life expectancy but remain functional.*

C6 The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

**Note: Substantial repairs are needed to the improvements due to the lack of adequate maintenance or property damage. It reflects a property with conditions severe enough to affect the safety, soundness, or structural integrity of the improvements.*

Quality Ratings and Definitions

Q1 Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2 Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residences constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high-quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

Q3 Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4 Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

Q5 Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6 Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure.

Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.
Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical /functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.
An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/ or expansion.
A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of square footage). This would include a complete gutting and rebuild.

Explanation of Bathroom Count

The number of full and half baths is reported by separating the two values by a period. The full bath is represented to the left of the period. The half bath count is represented to the right of the period. Three-quarter baths are to be counted as a full bath in all cases. Quarter baths (baths that feature only toilet) are not to be included in the bathroom count.

ADDENDUM

Borrower: [REDACTED]	File No.: [REDACTED]
Property Address: [REDACTED]	Case No.: [REDACTED]
City: Winter Haven	State: FL
Lender: Cogo Capital	Zip: 33884

The appraiser was supplied with an estimate for proposed improvements to the subject. These improvements totalled \$70,900. The client asked for two values within this report; an as-is value and an as-proposed value, after the proposed improvements.

The completion of the improvements would increase the subject's quality and condition assessments. This would effectively change the adjusted sales prices for the sales used in the report to \$303,900, \$343,976, and \$315,600, respectively. The subject, after improved would most likely be at the top of this range or exceed the highest sale in the range and would most likely be valued around \$340,000, based upon these sales and the available active properties currently on the market. As time is also a factor of value, this estimate of value would be most reliable within the 180 days following the effective date of this appraisal.

The subject's area consists of mostly older homes in various states of condition, some have been extensively remodeled, while some have had no remodeling. There are significantly different value ranges from homes in the area which are located on landlocked properties (no water influences), pond fronted properties, lake fronted properties, and chain-of-lake fronted properties.

Not all adjustments in the Sales Comparison Approach can be directly extracted or supported by the available market data with a high degree of accuracy. Some adjustments have an element of subjectivity and professional judgement which the appraiser has applied based on prior observations of the reactions of typical knowledgeable buyers and sellers in the marketplace. This method is a standard and well excepted practice within the appraisal industry. All interested parties are encouraged to have an understanding of basic valuation practices when appraising atypical or complex properties; or where there is an extreme absence of like elements of comparison; or in instances where the market data is inconsistent with which to draw better supported adjustments and overall value conclusions. Individual adjustments cannot be relied on independently.

The appraiser focused the search for sales and active properties on homes of similar condition, living area, and quality, if possible. The recommended one mile radius was surpassed due to a lack of sales of similar sales.

The utilities and mechanicals were not on at the time of the inspection.

Per the Conduct Section of 2010 USPAP I am to disclose any prior service on the subject that I become aware of either prior to the assignment engagement or during the assignment process. I hereby certify that I have not performed any services regarding the subject property within the prior three years of the effective date, as an appraiser or any other capacity. Other capacity may include but are not limited to; property management, leasing, brokerage, auction, or investment advisory services.

THE AREA MARKET HAS SOME BANK OWNED AND SHORT SALE PROPERTIES. THERE ARE SOME VACANT HOMES IN THE AREA. THE BANK OWNED OR SHORT SALE PROPERTIES ARE SLOWLY DIMINISHING. THUS, THE "MARKET" INCLUDES THESE TYPES OF PROPERTIES.

THE APPRAISER CERTIFIES THAT THE LENDER OR THE AMC DID NOT IMPROPERLY INFLUENCE OR ATTEMPT TO IMPROPERLY INFLUENCE, THE OUTCOME OF THIS APPRAISAL BY DOING ANY OF THE THINGS PROHIBITED SECTION 1(B) OF THE APPRAISER INDEPENDENCE REQUIREMENTS, AFFECTIVE 10/15/2010.

EXPOSURE TIME

Market exposure for appropriately priced properties in the subject's area are typically 0 to 90 days. Short Sale and bank owned properties (REO) typically take longer exposure times to close; up to 180 days or even longer.

LEGAL DESCRIPTION

See Attached Addendum ELOISE WOODS WEST LAKE FLORENCE UNIT PB 17 PG 46 IN S35 T28 R26 LOTS 1 & 2 BEG AT PT IN ELY LINE OF ELOISE LOOP 75 FT NWLY FROM NW COR LOT 1 SELY ALONG ELY LINE OF ELOISE LOOP 170.3 FT NELY AT ANGLE 96 DEG 13 MIN TO LF TO SHORE NWLY ALONG SHORE TO PT 25 FT NWLY FROM INTER OF NWLY LINE OF LOT 1 SWLY TO POB ALSO SLY LINE LOT 75 OF RESUB OF ELOISE WOODS & VACATED FLORENCE DR BETWEEN ELOISE LOOP RD & OVERLOOK DR & PARK AS DESC IN DB 951 PG 221

CONTRACT DATA SOURCE
Contract, Pub Rec, IMAPP Tax

COMMENTS ON SALES COMPARISON

Due to the lack of simalar sales and active properties, the recommended 25% gross adjustment guideline and one mile radius guidelines were exceeded.

APPRAISER NOTES ESTIMATED MARKET VALUE IS WITHIN A REASONABLE PERCENTAGE OF THE PREDOMINANT VALUE FOR THE SUBJECT NEIGHBORHOOD.

RATHER THAN ACTUAL AGES, EFFECTIVE AGES HAVE BEEN UTILIZED IN THE ANALYSIS, WHICH THE APPRAISER DEEMS MORE APPROPRIATE TO REFLECT THE AGE OF THE SUBJECT AND SALES, SINCE ALL DWELLINGS INDICATE DEGREES OF MODERNIZATION AND ONGOING MAINTENANCE.

THE EFFECTIVE AGES OF THE COMPARABLES WERE DETERMINED BY MLS/BROKER COMMENTS, PUBLIC RECORDS AND EXTERIOR INSPECTION.

ALL COMPARABLES ARE CLOSED SALES TO THE BEST OF THE APPRAISER'S KNOWLEDGE. DATA CAN BE VERIFIED THROUGH SOURCES INDICATED.

THE COMPARABLES UTILIZED WERE THE BEST AVAILABLE AT THE TIME OF INSPECTION. ADJUSTMENTS WERE MADE FOR GLA, BATH AND OTHER/OR MINOR AMENITIES.

The subject's living area was unable to be bracketed by the truly comparable available sales and active listings in the

ADDENDUM

Borrower: [REDACTED]	File No.: [REDACTED]
Property Address: [REDACTED]	Case No.: [REDACTED]
City: Winter Haven	State: FL
Lender: Cogo Capital	Zip: 33884

subject's area.

FINAL RECONCILIATION

THIS REPORT HAS BEEN ELECTRONICALLY PREPARED AND TRANSMITTED TO THE CLIENT IN COMPLIANCE WITH USPAP GUIDELINES WHICH INCLUDES VERIFICATION OF COMPLETE FILE TRANSFER AND DELIVERY, DIGITALLY PROTECTED SIGNATURE(S) AND ADEQUATE SECURITY MEASURES IN PLACE TO PROTECT DATA TRANSMITTED BY THE APPRAISER.

THE DIGITAL PHOTOS OF THE SUBJECT ARE ORIGINAL PHOTOS TAKEN AT THE TIME OF INSPECTION AND HAVE NOT BEEN ALTERED.

CONDITIONS OF APPRAISAL

APPRAISER NOTES ALL THREE APPROACHES TO VALUE WERE GIVEN CONSIDERATION. APPRAISER NOTES THE VALUE DERIVED FROM THE MARKET DATA APPROACH IS THE MOST INDICATIVE OF VALUE FOR THIS REPORT.

EXTRA COMMENTS

INTENDED USER:

THIS APPRAISAL REPORT, AND THE CONTENTS HEREIN ARE INTENDED FOR THE EXCLUSIVE USE OF THE CLIENT THAT IS SPECIFIED IN THE BODY OF THE APPRAISAL REPORT AND/OR ITS ASSIGNS. THIS REPORT IS SPECIFICALLY NOT INTENDED FOR USE BY THE BORROWER AND SHOULD NOT BE RELIED UPON BY THE BORROWER.

INTENDED USE/ PURPOSE:

THE INTENDED USE AND PURPOSE OF THE REPORT IS TO AID THE LENDER/ CLIENT IN MAKING A LENDING DECISION. THE PURPOSE OF THIS APPRAISAL REPORT, UNLESS OTHERWISE STATED, IS TO DETERMINE THE MARKET VALUE FOR THE REFERENCED SUBJECT PROPERTY.

DEVELOPMENT OF THE ASSIGNMENT ~ SCOPE OF WORK

THE ASSIGNMENT OF THIS APPRAISALS WAS ACCEPTED TO DETERMINE MARKET VALUE ~ AN OPINION OF VALUE BASED ON THE EXPOSURE OF THE SUBJECT IN A COMPETITIVE AND OPEN MARKET UNDER CONDITIONS REQUISITE FOR A FAIR SALE FOR CASH OR CASH EQUIVALENT, TYPICAL MARKETING AND EXPOSURE TIME, TYPICALLY KNOWLEDGEABLE AND MOTIVATED BUYERS AND SELLERS. THIS APPRAISAL REPORT IS INTENDED FOR USE ONLY BY THE CLIENT NAMED HEREIN AND THOSE ASSOCIATES, INSTITUTIONS, AND AGENCIES DIRECTLY RELATED TO THE SPECIFIC INTENDED USE HEREIN ONLY. USE OF THIS REPORT BY OTHERS IS NOT INTENDED BY THE APPRAISER. THIS REPORT IS INTENDED FOR USE ONLY IN THE ACQUISITION OF MORTGAGE FINANCING. A PARTY RECEIVING A COPY OF THIS REPORT AS A CONSEQUENCE OF DISCLOSURE REQUIREMENTS APPLICABLE TO THE APPRAISER'S CLIENT DOES NOT BECOME AN INTENDED USER OF THIS REPORT UNLESS THE CLIENT SPECIFICALLY INTENDED THEM AT THE TIME OF THE APPRAISALS ASSIGNMENT. THE SUBJECT PROPERTY WAS LEGALLY IDENTIFIED BY DATA GATHERED FROM ONLINE COUNTY PUBLIC RECORDS, AND WAS PHYSICALLY IDENTIFIED BY PERSONAL ON-SITE INSPECTION. THE SELLER/ BORROWER WAS FOUND TO BE THE LEGAL OWNER OF RECORDS. FOR THE PURPOSE OR THIS APPRAISAL, INSPECTION MAY INCLUDE MEASURING THE SUBJECT PROPERTY, AND A VISUAL EXAMINATION OF THE OVERALL STRUCTURE. NO WARRANTY FOR STRUCTURE, SITE OR COMPONENTS IS GIVEN, NOR SHOULD IT BE ASSUMED. THIS APPRAISAL WAS DEVELOPED BY GATHERING INFORMATION FROM MLS, COUNTY PUBLIC DATA SOURCES, AND PROPRIETARY DATA SOURCES. SALES THAT HAVE CLOSED WITHIN THE PAST 90 DAYS MAY NOT BE AVAILABLE IN PUBLIC RECORDS. THE APPRAISER MAKES NO WARRANTY AS TO LOT SIZE, DIMENSIONS, OR SPECIFIC ZONING CONFORMITY AS ACCURACY LIES WITHIN THE AGENCY PROVIDING THE DATA. ONLY REAL PROPERTY WAS CONSIDERED, PERSONAL PROPERTY WAS NOT USED TO DETERMINE AN OPINION OF VALUE. THE MARKET AREA CHARACTERISTICS AND SALES TRENDS WERE ANALYZED USING THE GATHERED INFORMATION. COMPARABLE SALES WERE SELECTED BY FINDING RECENTLY CLOSED SALES THAT WERE DEEMED MOST SIMILAR TO THE SUBJECT. CRITERIA FOR THIS SELECTION PROCESS INCLUDED PROXIMITY TO THE SUBJECT, DATE AND CONDITIONS OF SALE, SITE SIZE AND LOCATION, VIEW, QUALITY OF CONSTRUCTION, CONDITION OF THE PROPERTY, TOTAL LIVING AREA, FUNCTIONAL UTILITY, AND AMENITIES. THE SALES COMPARISON APPROACH, THE REPLACEMENT COST APPROACH, AND THE INCOME APPROACH WERE CONSIDERED IN THE FORMULATION OF THIS REPORT. ONLY THOSE APPROACHES APPLICABLE TO THE SUBJECT WERE USED. NO DEPARTURE WAS INVOKED FOR THE PURPOSES OF DEVELOPING OR REPORTING THIS APPRAISAL. ALL KNOWN FACTORS AFFECTING MARKETABILITY HAVE BEEN CONSIDERED IN THE PREPARATION OF THIS REPORT.

HIGHEST AND BEST USE ANALYSIS ~

REAL ESTATE IS VALUED IN TERMS OF ITS HIGHEST AND BEST USE IF VACANT AND AVAILABLE FOR DEVELOPMENT TO ITS HIGHEST AND BEST USE. HIGHEST AND BEST USE MAY BE DEFINED AS THAT WHICH IS LEGALLY PERMISSIBLE AND MOST PROBABLE USE OF THE PROPERTY THAT WILL PROVIDE THE GREATEST RETURN TO THE LAND AS OF THE EFFECTIVE DATE OF THE APPRAISAL. HIGHEST AND BEST USE MUST MEET FOUR CRITERIA; 1. PHYSICALLY POSSIBLE; 2. LEGALLY PERMISSIBLE; 3. FINANCIALLY FEASIBLE; 4. MAXIMALLY PRODUCTIVE. THE SUBJECT PROPERTY APPEARS TO BE LEGALLY ZONED FOR ITS CURRENT USE. IT APPEARS TO ENJOY A GOOD APPEAL TO THE MARKET. THE MOST FEASIBLE USE OF THE SUBJECT PROPERTY AS OF THE EFFECTIVE DATE OF THE APPRAISAL IS ITS CURRENT USE AS AN IMPROVED PROPERTY BASED ON THE ABOVE DEFINED CRITERIA FOR DETERMINING HIGHEST AND BEST USE.

EXTRAORDINARY ASSUMPTIONS ~

THIS APPRAISAL WAS COMPLETED UNDER THE EXTRAORDINARY ASSUMPTION THAT; ALL IMPROVEMENTS HAVE BEEN LEGALLY PERMITTED AND CONFORM TO LOCAL ZONING AND CODE ORDINANCES; THAT THERE ARE NO ZONING VIOLATIONS OR PENDING ZONING CHANGES THAT WOULD ADVERSELY AFFECT THE SUBJECT PROPERTY; THE SUBJECT IS FREE FROM ENCROACHMENT OR EASEMENT VIOLATIONS, THE SUBJECT IS

ADDENDUM

Borrower: [REDACTED]	File No.: [REDACTED]	
Property Address: [REDACTED]	Case No.: [REDACTED]	
City: Winter Haven	State: FL	Zip: 33884
Lender: Cogo Capital		

STRUCTURALLY SOUND AND FREE OF WOOD-DESTROYING ORGANISMS, THAT NO UNDISCLOSED OR NOTED DEFERRED MAINTENANCE OR DETRIMENTAL CONDITION OF STRUCTURE, SITE OR COMPONENTS EXIST, THAT THE INFORMATION GATHERED FROM ALL DATA SOURCES IS RELIABLE AND ACCURATE; THAT NO SPECIAL ASSESSMENTS OR TAX DISTRICTS EXIST THAT WERE NOT DISCLOSED AND THAT THE PRESENCE OF ANY SPECIAL TAX DISTRICTS DOES NOT AFFECT THE SUBJECT'S MARKET VALUE AND MARKETABILITY, AND, THAT NO ADDITIONAL FACTORS EXIST THAT WERE NOT APPARENT OR DISCLOSED AT THE TIME OF THE INSPECTION THAT COULD AFFECT THE APPRAISER'S OPINION OF MARKET VALUE. IT IS FURTHER ASSUMED THAT NO UNUSUAL ENVIRONMENTAL HAZARDS OR SITE CONDITIONS EXIST THAT WOULD BE DETRIMENTAL TO THE PROPERTY, THE IMPROVEMENTS, OR THE OCCUPANTS OF THE STRUCTURES.

USE OF DIGITAL SIGNATURES ~

THE DEFINITION OF SIGNATURE IN A SIGNED CERTIFICATION UNDER USPAP IS AS FOLLOWS: SIGNATURE ~ PERSONALIZED EVIDENCE INDICATING AUTHENTICATION OF THE WORK PERFORMED BY THE APPRAISER AND THE ACCEPTANCE OF THE RESPONSIBILITY FOR CONTENT, ANALYSIS, AND THE CONCLUSIONS IN THE REPORT. COMMENT: A SIGNATURE CAN BE REPRESENTED BY A HAND WRITTEN MARK, A DIGITIZED IMAGE CONTROLLED BY A PERSONALIZED IDENTIFICATION NUMBER, OR OTHER MEDIA, WHERE THE APPRAISER HAS SOLE PERSONALIZED CONTROL OF AFFIXING SIGNATURE. (USPAP , P.4)

LAND VALUE RATIO ~

THE LAND VALUE RATIO (LVR) IS CALCULATED BY DIVIDING THE SUBJECT'S SITE VALUE (SEE COST APPROACH) BY THE FINAL MARKET VALUE ESTIMATE. LVR'S IN EXCESS OF 30% ARE POSSIBLY ASSOCIATED WITH THE FOLLOWING CONDITIONS: 1. PREMIUM PRICE PAID FOR LOT WITH APPEALING CHARACTERISTICS SUCH AS GOLF COURSE, PRESERVE, OR WATER VIEWS; 2. SMALL RESIDENTIAL ACREAGE SITES NORMALLY ASSOCIATED WITH RANCHETTE PROPERTIES, PUD DEVELOPMENTS AND MANUFACTURED HOUSING COMMUNITIES; 3. DECREASING VALUE OF IMPROVEMENTS ON A SITE OF INCREASING VALUE; 4. A LIMITED SUPPLY OF BUILDING SITES WITHIN A MARKET AREA WITH AN INCREASING DEMAND FOR SUCH SITES.

Market Conditions Addendum to the Appraisal Report

File No. [REDACTED]

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address [REDACTED] City **Winter Haven** State **FL** Zip Code **33884**
 Borrower [REDACTED]

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
	Total # of Comparable Sales (Settled)	86	65	38	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable
Absorption Rate (Total Sales/Months)	14.33	21.67	12.67	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Total # of Comparable Active Listings	101	99	105	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab. Rate)	7.05	4.57	8.29	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	167,500	162,000	170,500	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	88	84	76	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	174,500	184,900	186,000	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	149	137	94	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	99.00%	97.00%	97.00%	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).

SELLER CONCESSIONS ARE NOT PREVALENT IN THE MARKET. BUYDOWNS, CLOSING COSTS, AND/OR OPTIONS ARE ALSO NOT PREVALENT IN THE MARKET.

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties).

THERE ARE A DIMINISHING AMOUNT OF BANK OWNED, PRE-FORECLOSURE, AND CORPORATE OWNED PROPERTIES AVAILABLE ON THE MARKET. THIS AREA IN THE MLS SYSTEM INDICATED 96 TOTAL SALES WITHIN THE PRIOR YEAR, 28 OF THESE SALES WERE NOTED AS REO OR SHORT SALES IN THE DABMLS.

Cite data sources for above information. **MFR MLS**

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

COMPARABLE SALES ARE DECLINING. COMPARABLE LISTINGS ARE STABLE. COMPARABLES SALES PRICES ARE STABLE. DATA WAS ACQUIRED THROUGH THE MLS SYSTEM.

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name: _____

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

MARKET RESEARCH & ANALYSIS

CONDO / CO-OP PROJECTS

APPRAISER

APPRAISER

Signature 
 Name **Drew Motley**
 Company Name **FULL HOUSE APPRAISAL**
 Company Address **64 Wye Drive**
Ormond Beach, FL 32176
 State License/Certification # **Cert Res RD4030** State **FL**
 Email Address **FULLHOUSEAPPRAISAL@YAHOO.COM**

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 State License/Certification # _____ State _____
 Email Address _____

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: [REDACTED]	File No.: [REDACTED]
Property Address: [REDACTED]	Case No.: [REDACTED]
City: Winter Haven	State: FL
Lender: Cogo Capital	Zip: 33884



**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: March 15, 2016
Appraised Value: \$ 235,000



**REAR VIEW OF
SUBJECT PROPERTY**



STREET SCENE

INTERIOR PHOTOS

Borrower: [REDACTED]	File No.: [REDACTED]
Property Address: [REDACTED]	Case No.: [REDACTED]
City: Winter Haven	State: FL
Lender: Cogo Capital	Zip: 33884



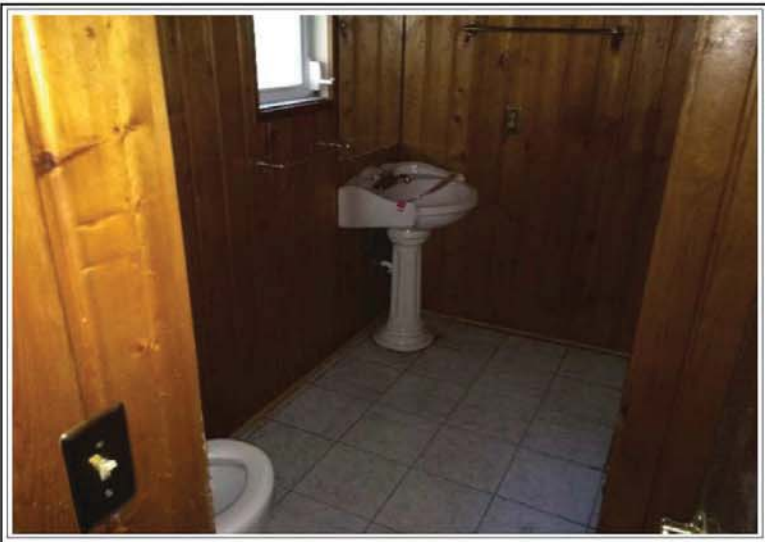
Kitchen

Comment:



Living Room

Comment:



Bathroom

Comment:
Half Bath

Borrower: [REDACTED]	File No.: [REDACTED]
Property Address: [REDACTED]	Case No.: [REDACTED]
City: Winter Haven	State: FL
Lender: Cogo Capital	Zip: 33884



Bedroom



Bathroom



Bedroom

SUBJECT PHOTO ADDENDUM

Borrower: [REDACTED]	File No.: [REDACTED]
Property Address: [REDACTED]	Case No.: [REDACTED]
City: Winter Haven	State: FL
Lender: Cogo Capital	Zip: 33884



Bathroom



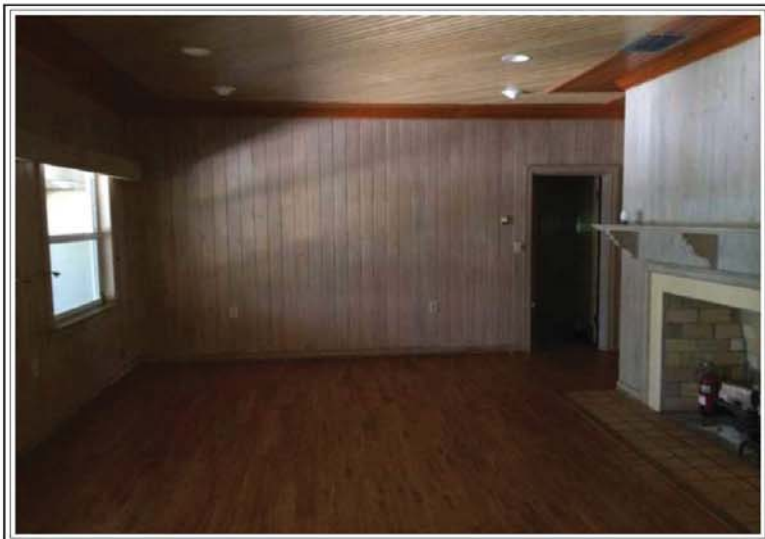
Bedroom



Bedroom

SUBJECT PHOTO ADDENDUM

Borrower: [REDACTED]	File No.: [REDACTED]
Property Address: [REDACTED]	Case No.: [REDACTED]
City: Winter Haven	State: FL
Lender: Cogo Capital	Zip: 33884



Family



Wet Bar



Dining Area

Borrower: [REDACTED]	File No.: [REDACTED]
Property Address: [REDACTED]	Case No.: [REDACTED]
City: Winter Haven	State: FL
Lender: Cogo Capital	Zip: 33884



Game Room



Laundry



Garage

Borrower: [REDACTED]	File No.: [REDACTED]
Property Address: [REDACTED]	Case No.: [REDACTED]
City: Winter Haven	State: FL
Lender: Cogo Capital	Zip: 33884



Screened Porch



Inground Pool



Lake View and Boat Dock

SUBJECT PHOTO ADDENDUM

Borrower: [REDACTED]	File No.: [REDACTED]
Property Address: [REDACTED]	Case No.: [REDACTED]
City: Winter Haven	State: FL
Lender: Cogo Capital	Zip: 33884



Side



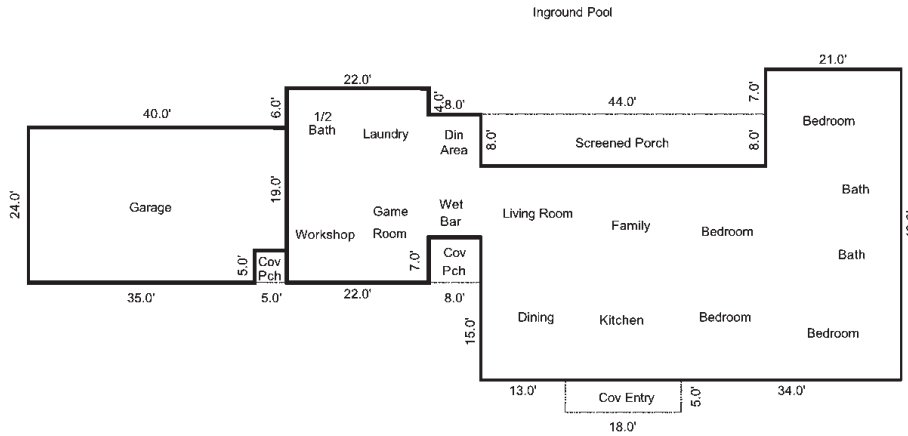
Side



Address Identifier

FLOORPLAN SKETCH

Borrower: [REDACTED]	File No.: [REDACTED]
Property Address: [REDACTED]	Case No.: [REDACTED]
City: Winter Haven	State: FL
Lender: Cogo Capital	Zip: 33884



Sketch by Apex IV™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Net Totals
GLA1	First Floor	3272.00	3272.00
P/P	Covered Entry	90.00	
	Screened Porch	352.00	
	Covered Porch	56.00	
	Covered Porch	25.00	523.00
GAR	Garage	935.00	935.00
TOTAL LIVABLE		(rounded)	3272

LIVING AREA BREAKDOWN		
	Breakdown	Subtotals
First Floor		
	22.0 x 30.0	660.00
	8.0 x 19.0	152.00
	15.0 x 65.0	975.00
	18.0 x 65.0	1170.00
	15.0 x 21.0	315.00
5 Calculations Total (rounded)		3272

PLAT MAP

Borrower: [REDACTED] File No.: [REDACTED]
Property Address: [REDACTED] Case No.: [REDACTED]
City: Winter Haven State: FL Zip: 33884
Lender: Cogo Capital



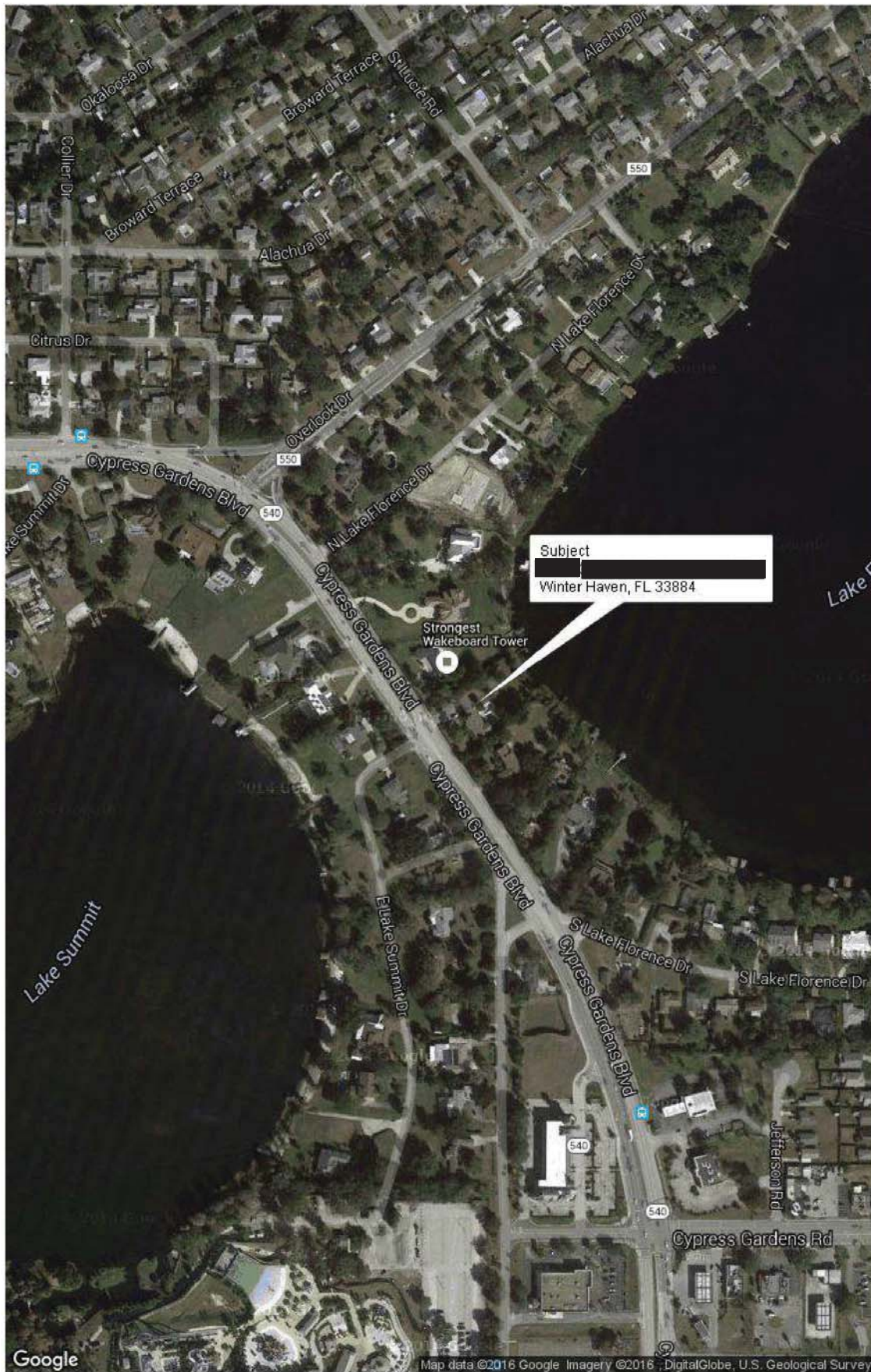
LOCATION MAP

Borrower: [REDACTED] File No.: [REDACTED]
Property Address: [REDACTED] Case No.: [REDACTED]
City: Winter Haven State: FL Zip: 33884
Lender: Cogo Capital



AERIAL MAP

Borrower: [REDACTED] File No.: [REDACTED]
Property Address: [REDACTED] Case No.: [REDACTED]
City: Winter Haven State: FL Zip: 33884
Lender: Cogo Capital



COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: [REDACTED]	File No.: [REDACTED]	
Property Address: [REDACTED]	Case No.: [REDACTED]	
City: Winter Haven	State: FL	Zip: 33884
Lender: Cogo Capital		



COMPARABLE SALE #1

[REDACTED]
Winter Haven, FL 33884
Sale Date: s10/15;c09/15
Sale Price: \$ 240,000



COMPARABLE SALE #2

[REDACTED] S Lake Florence Drive
Winter Haven, FL 33884
Sale Date: s08/15;c07/15
Sale Price: \$ 316,000



COMPARABLE SALE #3

[REDACTED] S Lake Florence Drive
Winter Haven, FL 33884
Sale Date: s12/15;c10/15
Sale Price: \$ 219,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: [REDACTED]	File No.: [REDACTED]	
Property Address: [REDACTED]	Case No.: [REDACTED]	
City: Winter Haven	State: FL	Zip: 33884
Lender: Cogo Capital		



COMPARABLE SALE #4

[REDACTED] Lake Florence Drive
Winter Haven, FL 33884
Sale Date: Active
Sale Price: \$ 399,000



COMPARABLE SALE #5

[REDACTED] Lake Elbert Drive
Winter Haven, FL 33884
Sale Date: s04/14;c03/14
Sale Price: \$ 250,000



COMPARABLE SALE #6

Sale Date:
Sale Price: \$

APPRAISER'S LICENSE

Borrower: [REDACTED]	File No.: [REDACTED]
Property Address: [REDACTED]	Case No.: [REDACTED]
City: Winter Haven	State: FL
Lender: Cogo Capital	Zip: 33884



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD
1940 N. MONROE ST.
TALLAHASSEE FL 32399-0783

850-487-1395

MOTLEY, DREWA
84 WYE DRIVE
ORMOND BEACH FL 32176

Congratulations! With this license you become one of the nearly one million Floridians licensed by the Department of Business and Professional Regulation. Our professionals and businesses range from architects to yacht brokers, from boxers to barbecue restaurants, and they keep Florida's economy strong.

Every day we work to improve the way we do business in order to serve you better. For information about our services, please log onto www.myfloridalicense.com. There you can find more information about our divisions and the regulations that impact you, subscribe to department newsletters and learn more about the Department's initiatives.

Our mission at the Department is: License Efficiently. Regulate Fairly. We constantly strive to serve you better so that you can serve your customers. Thank you for doing business in Florida, and congratulations on your new license!



DETACH HERE

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA REAL ESTATE APPRAISAL BD

LICENSE NUMBER

RD4030

The CERTIFIED RESIDENTIAL APPRAISER
Named below IS CERTIFIED
Under the provisions of Chapter 475 FS.
Expiration date: NOV 30, 2016

MOTLEY, DREWA
802 HENLEY CIRCLE
DAVENPORT FL 33886



ISSUED: 11/25/2014

DISPLAY AS REQUIRED BY LAW

SEQ# L141125002154

Borrower: [REDACTED]	File No.: [REDACTED]
Property Address: [REDACTED]	Case No.: [REDACTED]
City: Winter Haven	State: FL
Lender: Cogo Capital	Zip: 33884

NAVIGATORS INSURANCE COMPANY

THIS IS A CLAIMS MADE INSURANCE POLICY.

THIS POLICY APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. ALL CLAIMS MUST BE REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD OR WITHIN 60 DAYS AFTER THE END OF THE POLICY PERIOD.

PLEASE READ THIS POLICY CAREFULLY.

REAL ESTATE PROFESSIONAL ERRORS AND OMISSIONS INSURANCE POLICY DECLARATIONS

POLICY NUMBER: [REDACTED] **RENEWAL OF:** NEW

1. **NAMED INSURED:**
Full House Appraisal

2. **ADDRESS:**
64 Wye Dr
Ormond Beach, FL 32176

3. **POLICY PERIOD:** FROM: 04/04/2015 TO: 04/04/2016
12:01 A.M. Standard Time at the address of the Named Insured as stated in Number 2 above.


4. **LIMITS OF LIABILITY:**

\$ 1,000,000	Per Claim
\$ 1,000,000	Annual Aggregate

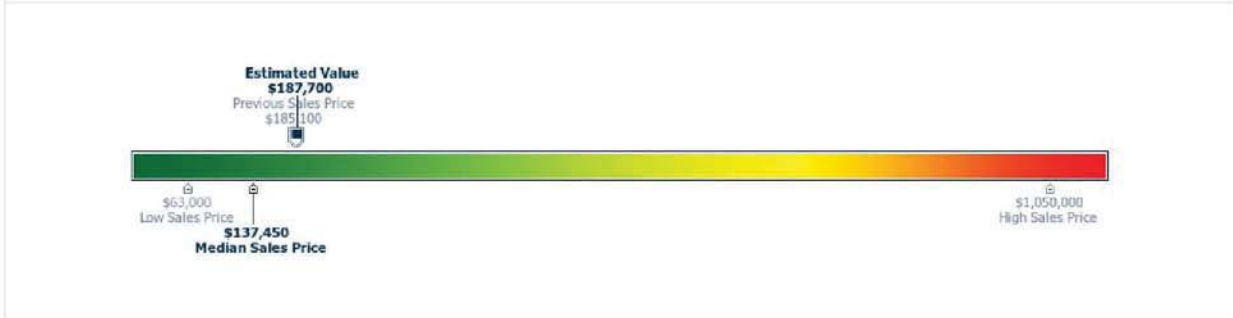
5. **DEDUCTIBLE:** \$ 2,500

6. **PREMIUM:** \$ 606.00
TAXES: \$

Property Dashboard Flip Possibility: NO



Subject Info	Est. Value: \$187,700	Bed/Bath: 3 / 3	GLA: 3272	Lot Size: 49222 sqft/ 1.13 acres
Subject Sales History	Currently Listed: YES	Listed w/in 12 Mo: YES	Sales Transactions: 9	
Comparable Info	Sales Found: 30	Avg. Distance: 0.376	Avg. Sale Price: \$176,785	Avg. \$/SF: \$80
Recent Area Sales	High Sale Price: \$1,050,000	Low Sale Price: \$63,000	High \$/SF: \$122	Low \$/SF: \$48
Listings	Avg. List Price: \$191,825	Avg DOM: 130	Open Listings: 30	Closed Listings: 30
Zip Code	Median Price: \$141,000	Price Trend: 0.1%	Foreclosure Count: 22	



Subject Info

LOCATION

Address: [REDACTED] WINTER HAVEN, FL 33884 Data Type: Blended

County: POLK Tract/Block/Lot: 662630 // 1

Neighborhood Name: Eloise Woods		Section/Township/Range: 35 / 28 / 26			
Subdivision Name: THE HAWAIIAN		Parcel ID: 26-28-35-662630-000010			
Community Name: WINTER HAVEN		Census Tract: 140.01			
Map Reference: 28-26-35		NCD ID: 27471624			
Legal Description: ELOISE WOODS WEST LAKE FLORENCE [REDACTED] COR LOT 1 SELY ALONG ELY LINE OF ELOISE LOOP 170.3 FT NELY AT ANGLE 96 DEG 13 MIN TO LF TO SHORE NWLY ALONG SHORE TO PT 25 FT NWLY FROM INTER OF NWLY LINE OF LOT 1 SWLY TO POB ALSO SLY LINE LOT 75 OF RESUB OF ELOISE WOODS & VACATED FLORENCE DR BETWEEN ELOISE LOOP RD & OVERLOOK DR & PARK AS DESC IN DB 951 PG 221					
OWNERSHIP AND ASSESSMENTS					
Owner: WELLS FARGO BANK NA 2006-OPT1		Public Record Last Updated: 12/5/2015			
Owner Spouse:		Assessor Roll Year: 2014			
Second Owner:		Property Tax Amount: \$3,943			
Seller: PATRICK MCCARTY		Homeowner Exemption Requested: NO			
Estimated Value: \$187,700		Distressed Estimated Value: \$153,100			
ASSESSMENT VALUES					
Assessment Values	Land	Improvements	Total		
Assessed	\$180,032	\$170,229	\$350,261		
Market	\$180,032	\$170,229	\$350,261		
Appraised					
* Information derived from the local public record for this property. Not all public record offices provide all values or compute the values in a similar manner.					
PROPERTY DESCRIPTION					
Year Built: 1954	Stories: 1	Total Rooms: 6	Age of Appraisal (yrs): 4		
Year Built Effective:	NCD GLA (sqft): 3272	Bedrooms: 3	Source: Broker Price Opinion		
Land Use: Single Family Residence	Assessor GLA (sqft): 3272	Total Bathrooms: 3	Construction Quality: Good		
Manufactured House:	Fuel:	Baths Full/Half: 2 / 1	Improvement Condition: Average		
Attached/Detached: Detached	Fireplace: 1	Roof: Comp/Asphalt Shingle	Parking Covered/Off-Street: 2 / 0		
Pool/Spa: Pool	Style:	Cooling: Central Air	Basement (sqft): 0		
Other Improvements:		Heating: Forced Air	Basement % Finished: 0		
Comments: LAKE					
SITE					
Lot Size: 49222 sqft/ 1.13 acres	Property Rights:	Flood Zone:	Zoning: R-1		
Lot Dimensions: 185X304	No of Units in Proj: 1	Flood Map: [REDACTED]			
Site Influence: BWater View	Unit Floor: 0	Flood Map Date:			
Utilities:		Flood Hazard Area:			
Common Amenities:					
PRIOR SALE INFORMATION					
Date	Price	Sale Type	Doc #	Deed Type	Description
2/25/2015		Actual			
4/17/2015	\$185,100	Closed	60690	Foreclosure	RESALE
First Mort. Amt: \$0		Loan Type: ?		Lender:	

Subject Sales History								
#	Recording Date	Recording Price	Owner	Seller	Recording Doc No.	Deed Type	Description	Flip Possibility
1	4/17/2015	\$185,100	WELLS FARGO BANK NA 2006-OPT1	PATRICK MCCARTY	60690	Foreclosure	RESALE	NO
2	2/8/2013	\$0	KATHERINE JORDAN	ZANE REYNOLDS	25580	Quit Claim	NOMINAL(FAM)	NO
3	4/18/2012	\$0	PATRICK MCCARTY	WELLS FARGO 2006-OPT1	68243	Lis Pendens		NO
4	11/30/2005	\$0	PATRICK MCCARTY		291760	Trust Deed/Mortgage	REFINANCE	NO
5	10/28/2002	\$0	PATRICK MCCARTY		194562	Trust Deed/Mortgage	REFINANCE	NO
6	10/28/2002	\$0	PATRICK MCCARTHY		51540684		REFINANCE	NO
7	1/5/1996	\$115,000	PATRICK MCCARTHY	HARRY PALO	0	Deed	RESALE	NO

#	Recording Date	Recording Price	Owner	Seller	Recording Doc No.	Deed Type	Description	Flip Possibility
8	1/5/1996	\$0	HARRY T PALO		0	Trust Deed/Mortgage	REFINANCE	NO
9	3/1/1978	\$43,000	HARRY PALO	J HENDRICKS	1800001188	Deed	RESALE	NO

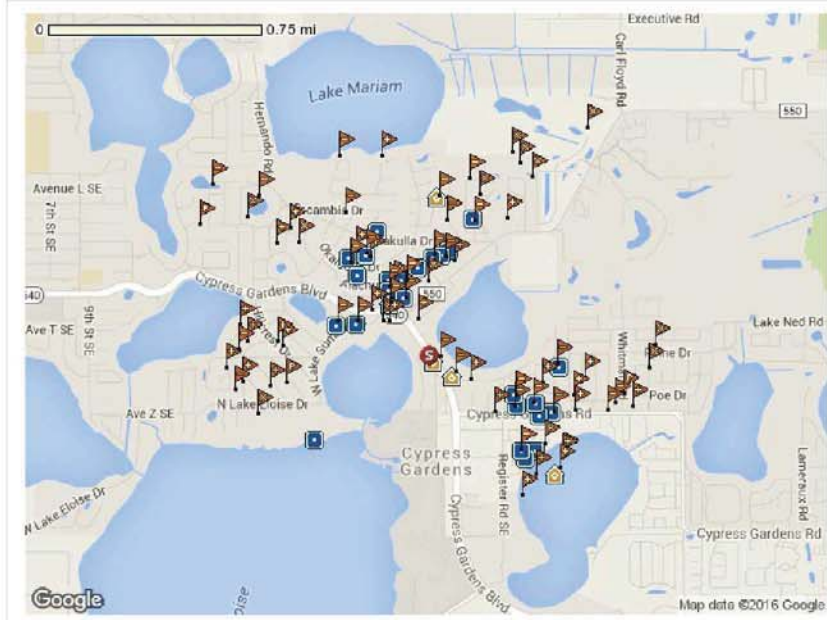
SUBJECT LISTING HISTORY

Lot Size: 1.13 acres		No of Structures: 1		Pool: In Ground		
Community:		Subdivision: WEST LAKE FLORENCE		School District:		
Boat Facility:		Parking: Attached		Parking Spaces: 2		
View Type: Lake		HOA:		HOA Fees:		
Year Built: 1954		Stories: 1		Structure Type: ,One Story,,		
Bedrooms: 4		Bathrooms: 3				
Source	MLS #	Listing Date	Listing Price	Status	Broker Name	Broker Phone
ONLINE		12/3/2015	\$267,800			
ONLINE		12/3/2015	\$267,800			
MLS	O5379838	07/14/2015	\$328,600	Open	Steve Sibiga	888-876-3372

SCHOOL INFORMATION

Miles	Name	Type	Grade	Enrollment	District	Student/Teacher Ratio
0.81	ST JOHN'S CHRISTIAN SCHOOL	Elementary	PK-KG	12	Private	12:1
1.88	WINTER HAVEN SENIOR HIGH SCHOOL	High School	09-12	1716	POLK COUNTY SCHOOL DISTRICT	19:1
2.09	WINTER HAVEN ADVENTIST ACADEMY	Elementary	05-07	11	Private	11:1
2.14	FRANK E. BRIGHAM ACADEMY	Primary	KG-05	528	POLK COUNTY SCHOOL DISTRICT	15:1
2.34	DENISON MIDDLE SCHOOL	Middle	06-08	886	POLK COUNTY SCHOOL DISTRICT	15:1
2.5	CHAIN OF LAKES COLLEGIATE HIGH SCHOOL	High School	11-12	280	POLK COUNTY SCHOOL DISTRICT	25:1
2.65	HERITAGE CHRISTIAN ACADEMY	Other/Mixed Grades	PK-09	65	Private	7:1
3.15	CHAIN OF LAKES ELEMENTARY SCHOOL	Primary	PK-05	959	POLK COUNTY SCHOOL DISTRICT	15:1
3.49	JEWETT MIDDLE ACADEMY MAGNET	Middle	06-08	580	POLK COUNTY SCHOOL DISTRICT	18:1
3.53	JEWETT SCHOOL OF THE ARTS	Primary, Middle	PK-08	734	POLK COUNTY SCHOOL DISTRICT	15:1
4.14	SPIRIT CHRISTIAN ACADEMY	Other/Mixed Grades	KG-12	76	Private	10:1
4.76	NEW BEGINNINGS HIGH SCHOOL	Middle, High School	06-12	365	POLK COUNTY SCHOOL DISTRICT	23:1

Property Location Map (Subject & Area Sales*)



Sales Activity

AREA SALES REPORT

No. Area Sales found: 30	Average Age: 44	Low Sale Price: \$63,000	High Price Per SqFt: \$122
Average Distance: 0.376 Miles	Average Sale Price: \$176,785	Average Gross Living Area: 2,084	Low Price Per SqFt: \$48
Maximum Distance: 0.609 Miles	Median Sale Price: \$137,450	Average Price Per SqFt: \$80	
Average Lot Size: 21,530	High Sale Price: \$1,050,000	Median Price Per SqFt: \$80	

RECENT AREA SALES 30

#	Miles	Address	City/Zip	Sale Date	Sale Price	Built	SqFt	\$/SF	Lot Size	Bed	Bath	DOM	Listed	Comments	Flip
	0.00	[REDACTED]	WINTER HAVEN, 33884	4/17/2015	\$185,100	1954	3,272	\$57	49,222	3	2 / 1	206	YES	YES	
1	0.03	2500 CYPRESS GARDENS BLVD	WINTER HAVEN, 33884	10/27/2015	\$240,100	1954	2,860	\$84	59,241	3	2 / 2	435			
2	0.11	108 S LAKE FLORENCE DR	WINTER HAVEN, 33884	12/11/2015	\$219,000	1958	2,786	\$79	41,312	0	2 / 0	73			
3	0.23	2312 CYPRESS GARDENS BLVD	WINTER HAVEN, 33884	12/4/2015	\$119,900	1956	1,978	\$61	13,503	3	2 / 1	168			
4	0.56	120 LAKE MARIAM WAY	WINTER HAVEN, 33884	1/11/2016	\$254,000	1994	2,308	\$110	14,700	3	2 / 1	78			
5	0.61	658 LAKE DEXTER CIR	WINTER HAVEN, 33884	1/12/2016	\$78,250	1988	1,131	\$69	3,999	3	2 / 0	77			
6	0.22	102 OVERLOOK DR	WINTER HAVEN, 33884	3/23/2015	\$166,500	1939	1,362	\$122	37,180	3	2 / 0	195			
7	0.27	210 CITRUS DR	WINTER HAVEN, 33884	11/24/2015	\$130,000	1972	1,600	\$81	12,120	3	2 / 0	143			
8	0.28	216 W LAKE SUMMIT DR	WINTER HAVEN, 33884	7/6/2015	\$135,000	1953	2,224	\$61	16,552	4	2 / 0	46			
9	0.28	401 ALACHUA DR	WINTER HAVEN, 33884	8/25/2015	\$132,000	1976	1,596	\$83	10,589	3	2 / 0	90			
10	0.30	311 ALACHUA DR	WINTER HAVEN, 33884	11/19/2015	\$80,000	1973	1,585	\$50	12,210	3	2 / 0				
11	0.31	428 ALACHUA DR	WINTER HAVEN, 33884	11/24/2015	\$65,000	1979	999	\$65	7,614	3	2 / 0				
12	0.33	417 S LAKE FLORENCE DR	WINTER HAVEN, 33884	5/15/2015	\$260,000	1959	4,137	\$63	22,651	4	4 / 0	338			
13	0.34	204 W LAKE SUMMIT DR	WINTER HAVEN, 33884	12/14/2015	\$169,900	1954	1,816	\$94	15,568	3	2 / 0	74			
14	0.34	203 SAINT LUCIE RD	WINTER HAVEN, 33884	9/10/2015	\$157,100	1973	1,739	\$90	9,583	3	2 / 0	82			
15	0.35	519 ALACHUA DR	WINTER HAVEN, 33884	12/15/2015	\$130,700	1973	2,325	\$56	12,196	4	2 / 0	123			
16	0.36	115 BUCHANAN DR	WINTER HAVEN, 33884	10/7/2015	\$139,900	1993	1,879	\$74	8,250	3	2 / 0	33			
17	0.37	531 ALACHUA DR	WINTER HAVEN, 33884	7/21/2015	\$145,000	1973	1,911	\$76	11,757	4	2 / 0	134			
18	0.38	270 ALACHUA DR	WINTER HAVEN, 33884	8/10/2015	\$111,900	1973	1,174	\$95	10,202	2	2 / 0	85			

RECENT AREA SALES 30


#	Miles	Address	City/Zip	Sale Date	Sale Price	Built	SqFt	\$/SF	Lot Size	Bed	Bath	DOM	Listed	Comments	Flip
			33884												
19	0.41	121 HARRISON RD	WINTER HAVEN, 33884	10/20/2015	\$104,500	1973	2,140	\$49	11,996	3	3 / 0	185			
20	0.41	298 OKALOOSA DR	WINTER HAVEN, 33884	11/2/2015	\$145,000	1973	1,697	\$85	8,276	3	2 / 0	60			
21	0.44	257 OKALOOSA DR	WINTER HAVEN, 33884	12/14/2015	\$146,000	1961	1,505	\$97	13,504	2	2 / 0	52			
22	0.45	108 HARRISON RD	WINTER HAVEN, 33884	7/2/2015	\$156,000	1973	1,756	\$89	12,197	3	2 / 0	261			
23	0.46	601 S LAKE FLORENCE DR	WINTER HAVEN, 33884	8/13/2015	\$316,000	1959	2,792	\$113	42,758	0	2 / 0	328			
24	0.47	683 WAKULLA DR	WINTER HAVEN, 33884	6/11/2015	\$110,000	1973	1,449	\$76	15,682	3	2 / 0	71			
25	0.47	609 LAKE DEXTER CIR	WINTER HAVEN, 33884	11/12/2015	\$81,000	1986	1,131	\$72	4,204	3	2 / 0	68			
26	0.48	113 GRANT RD	WINTER HAVEN, 33884	1/4/2016	\$135,000	1973	1,582	\$85	11,325	3	2 / 0	34			
27	0.50	2122 N LAKE ELOISE DR	WINTER HAVEN, 33884	8/11/2015	\$1,050,000	2008	8,728	\$120	184,011	4	5 / 0	134			
28	0.50	280 SANTA ROSA DR	WINTER HAVEN, 33884	12/23/2015	\$197,800	1986	2,251	\$88	12,650	3	2 / 0	126			
29	0.50	602 LAKE DEXTER CIR	WINTER HAVEN, 33884	12/31/2015	\$65,000	1985	909	\$72	5,662	2	1 / 0	36			
30	0.51	610 LAKE DEXTER CIR	WINTER HAVEN, 33884	9/3/2015	\$63,000	1985	1,160	\$54	4,400	2	2 / 0	926			

RECENT SALES

Has the subject property sold within 18 months? 4/17/2015, \$185,100	NO									
Have any of the homes in the neighborhood sold twice within 18 months?	YES									
#	Address	City/Zip	Sale Date	Sale Price	Built	SqFt	\$/SF	Lot Size	Bed	Bath
18	270 ALACHUA DR	WINTER HAVEN, 33884	8/10/2015	\$111,900	1973	1,174	\$95	10,202	2	2 / 0

Listing Information

MLS OPEN 30

#	Miles	Address	City/Zip	Date	Price	Built	SqFt	\$/SF	Lot Size	Bed	Bath	MLS#	DOM	Photos	Comments
			WINTER HAVEN, FL 33884	07/14/2015	\$328,600	1954	3,272	\$100.43	1.13 acres	4	3	O5379838	206		YES
1	0.13	113 N LAKE FLORENCE DR	WINTER HAVEN, FL 33884	05/25/2015	\$450,000	1962	3,858	\$116.64	0.88 acres	4	2	P4705405	256		YES
2	0.17	200 S LAKE FLORENCE DRIVE	WINTER HAVEN, FL 33884	07/29/2015	\$425,000	1963	2,724	\$156.02	0.66 acres	4	3	P4706322	191		YES

MLS OPEN 30															
#	Miles	Address	City/Zip	Date	Price	Built	SqFt	\$/SF	Lot Size	Bed	Bath	MLS#	DOM	Photos	Comments
3	0.19	2311 CYPRESS GARDENS BLVD	WINTER HAVEN, FL 33884	06/10/2015	\$595,000	1953	6,830	\$87.12	1.20 acres	5	4	P4705662	240		YES
4	0.26	2301 CYPRESS GARDENS BLVD	WINTER HAVEN, FL 33884	12/28/2015	\$800,000	2006	6,384	\$125.31	1.14 acres	5	4	P4708412	39		YES
5	0.28	335 ALACHUA DRIVE	WINTER HAVEN, FL 33884	12/13/2015	\$159,900	1974	2,218	\$72.09	0.28 acres	4	2	P4708241	54		YES
6	0.30	85 TYLER ROAD	WINTER HAVEN, FL 33884	12/29/2015	\$143,900	1997	1,479	\$97.30	0.19 acres	3	2	P4708406	38		YES
7	0.34	216 OVERLOOK DRIVE	WINTER HAVEN, FL 33884	09/15/2015	\$199,900	1973	2,054	\$97.32	0.28 acres	4	3	P4707046	143		YES
8	0.40	511 S LAKE FLORENCE DR	WINTER HAVEN, FL 33884	03/09/2015	\$270,000	1959	2,696	\$100.15	0.46 acres	4	3	P4704151	333		YES
9	0.40	300 OKALOOSA DR	WINTER HAVEN, FL 33884	12/19/2015	\$125,999	1963	1,448	\$87.02	0.27 acres	3	2	P4708318	48		YES
10	0.45	116 PASCO RD	WINTER HAVEN, FL 33884	12/23/2015	\$94,800	1964	1,500	\$63.20	0.33 acres	3	2	P4708361	44		YES
11	0.52	121 LINCOLN RD	WINTER HAVEN, FL 33884	12/17/2015	\$159,999	1973			0.30 acres	3	2	P4708303	50		YES
12	0.54	112 TERRACE DRIVE	WINTER HAVEN, FL 33884	11/12/2015	\$100,000	1958	1,448	\$69.06	0.22 acres	3	2	W7614125	85		YES
13	0.55	144 LINCOLN ROAD	WINTER HAVEN, FL 33884	01/13/2016	\$209,000	1973	2,175	\$96.09	0.28 acres	4	3	P4708601	23		YES
14	0.56	534 LAKE DEXTER BLVD	WINTER HAVEN, FL 33884	01/28/2016	\$113,900	1987	1,470	\$77.48	0.11 acres	3	2	P4708864	8		YES
15	0.60	652 LAKE DEXTER CIR	WINTER HAVEN, FL 33884	01/16/2016	\$104,900	1989	1,338	\$78.40		3	2	P4708879	20		YES
16	0.66	126 ALACHUA DRIVE	WINTER HAVEN, FL 33884	01/15/2016	\$125,000	1969	1,509	\$82.84	0.39 acres	2	2	P4708654	21		YES
17	0.68	216 PARKSIDE DRIVE	WINTER HAVEN, FL 33884	12/09/2015	\$154,900	1960	1,541	\$100.52	0.40 acres	3	2	S4824105	58		YES
18	0.72	205 RYDALMONT ROAD	WINTER HAVEN, FL 33884	01/05/2016	\$156,000	1958	1,632	\$95.59	0.26 acres	3	2	T2795174	31		YES
19	0.52	128 TERRACE DRIVE	WINTER HAVEN, FL 33884	09/15/2015	\$115,000	1959	1,301	\$88.39	0.21 acres	2	2	P4707060	143		YES
20	0.55	208 SANTA ROSA DR SE	WINTER HAVEN, FL 33884	08/28/2015	\$209,900	1989	2,104	\$99.76	0.63 acres	3	3	P4706836	161		YES
21	0.55	314 MONROE DR	WINTER HAVEN, FL 33884	09/01/2015	\$125,000	1973	2,235	\$55.93	0.23 acres	3	2	O5389875	157		YES
22	0.58	120 TREMONT DRIVE	WINTER HAVEN, FL 33884	11/21/2015	\$131,500	1963	1,468	\$89.58	0.23 acres	2	2	P4708023	76		YES

MLS OPEN 30															
#	Miles	Address	City/Zip	Date	Price	Built	SqFt	\$/SF	Lot Size	Bed	Bath	MLS#	DOM	Photos	Comments
23	0.59	510 LAKE DEXTER BOULEVARD	WINTER HAVEN, FL 33884	09/22/2015	\$110,000	1985	1,436	\$76.60	0.13 acres	3	2	P4707153	136		YES
24	0.59	551 LAKE DEXTER BOULEVARD	WINTER HAVEN, FL 33884	10/11/2015	\$98,900	1987	1,131	\$87.44	0.17 acres	2	2	P4707444	117		YES
25	0.59	508 LAKE DEXTER BOULEVARD	WINTER HAVEN, FL 33884	10/07/2015	\$85,000	1985	1,150	\$73.91	0.12 acres	3	2	P4707391	121		YES
26	0.64	201 HAMPDEN ROAD	WINTER HAVEN, FL 33884	10/14/2015	\$155,000	1962	1,768	\$87.67	0.25 acres	3	2	P4707484	114		YES
27	0.67	618 LAKE ELIZABETH DR	WINTER HAVEN, FL 33884	09/14/2015	\$140,000	1958	1,369	\$102.26	0.17 acres	2	2	P4707041	144		YES
28	0.68	118 BEVERLY DRIVE	WINTER HAVEN, FL 33884	12/30/2015	\$168,900	1989	2,242	\$75.33	0.27 acres	3	2	P4708407	37		YES
29	0.71	404 CHRISTOPHER COURT SE	WINTER HAVEN, FL 33884	04/17/2015	\$195,000	1990	2,426	\$80.38	0.32 acres	4	2	P4704792	294		YES
30	0.74	104 HAWTHORNE ROAD	WINTER HAVEN, FL 33884	10/22/2015	\$149,900	1962	1,386	\$108.15	0.21 acres	3	2	P4707575	106		YES
MLS PENDING 4															
			WINTER HAVEN, FL 33884	07/14/2015	\$328,600	1954	3,272	\$100.43	1.13 acres	4	3	O5379838	206		YES
1	0.51	633 LAKE DEXTER CIR	WINTER HAVEN, FL 33884	01/19/2016	\$99,900	1985	1,320	\$75.68	0.09 acres	3	3	P4708530	11		YES
2	0.52	430 HILLCREST DRIVE	WINTER HAVEN, FL 33884	01/14/2016	\$139,900	1979	1,594	\$87.77	0.22 acres	3	2	P4708510	7		YES
3	0.93	157 POLK DRIVE	WINTER HAVEN, FL 33884	01/30/2016	\$74,900	1958	1,008	\$74.31	0.18 acres	3	2	P4708783	7		YES
4	0.70	117 HAWTHORNE ROAD	WINTER HAVEN, FL 33884	04/28/2015	\$74,500	1962	1,829	\$40.73	0.21 acres	3	2	U7734709	7		YES
MLS EXPIRED 12															
			WINTER HAVEN, FL 33884	07/14/2015	\$328,600	1954	3,272	\$100.43	1.13 acres	4	3	O5379838	206		YES
1	0.20	2301 CYPRESS GARDENS BLVD	WINTER HAVEN, FL 33883	05/12/2015	\$900,000	2006	6,384	\$140.98	1.15 acres	5	5	P4630708	365		YES
2	0.26	122 OVERLOOK DRIVE	WINTER HAVEN, FL 33884	11/02/2015	\$187,900	1973	2,257	\$83.25	0.30 acres	4	3	P4705599	147		YES
3	0.59	257 SANTA ROSA DRIVE	WINTER HAVEN, FL 33884	12/02/2015	\$242,500	2001	2,602	\$93.20	0.32 acres	5	2	P4706484	118		YES
4	0.61	99 SUWANNEE RD	WINTER HAVEN, FL 33884	12/07/2015	\$229,900	1926	4,166	\$55.18	0.87 acres	3	2	P4706017	153		YES

MLS EXPIRED 12

#	Miles	Address	City/Zip	Date	Price	Built	SqFt	\$/SF	Lot Size	Bed	Bath	MLS#	DOM	Photos	Comments
5	0.65	1909 N LAKE ELOISE DRIVE	WINTER HAVEN, FL 33884	01/22/2016	\$102,500	1973	1,600	\$64.06	0.28 acres	3	2	P4708353	30		YES
6	0.72	718 SANTA MARIA DRIVE	WINTER HAVEN, FL 33884	08/31/2015	\$299,900	1990	2,748	\$109.13	0.49 acres	3	2	P4704054	187		YES
7	0.74	726 SANTA MARIA DRIVE	WINTER HAVEN, FL 33884	01/31/2016	\$225,000	1992	2,301	\$97.78	0.29 acres	3	2	P4706023	208		YES
8	0.76	234 SANTA ROSA DRIVE	WINTER HAVEN, FL 33884	01/04/2016	\$269,900	1989	2,792	\$96.67	0.49 acres	4	3	P4706127	173		YES
9	0.77	144 LOWELL RD	WINTER HAVEN, FL 33884	05/20/2015	\$94,900	1964	1,310	\$72.44	0.21 acres	3	2	L4648864	365		YES
10	0.79	209 WHITMAN ROAD	WINTER HAVEN, FL 33884	06/10/2015	\$159,000	1970	1,942	\$81.87	0.21 acres	4	2	P4702716	184		YES
11	0.80	436 PINELLAS RD	WINTER HAVEN, FL 33884	10/02/2015	\$112,000	1973	1,513	\$74.03	0.20 acres	3	2	L4708293	50		YES
12	0.97	1343 INNSBRUCK COURT	WINTER HAVEN, FL 33884	01/31/2016	\$189,900	2009	1,246	\$152.41	0.07 acres	2	2	P4704207	325		YES

MLS CLOSED 30

#	Miles	Address	City/Zip	Date	Price	Built	SqFt	\$/SF	Lot Size	Bed	Bath	MLS#	DOM	Photos	Comments
			WINTER HAVEN, FL 33884	07/14/2015	\$328,600	1954	3,272	\$100.43	1.13 acres	4	3	O5379838	206		YES
1	0.04	2500 CYPRESS GARDENS BLVD	WINTER HAVEN, FL 33884	10/16/2015	\$240,000	1954			1.29 acres	3	2	P4700870	435		YES
2	0.11	108 S LAKE FLORENCE DR	WINTER HAVEN, FL 33884	12/07/2015	\$219,000	1958	2,786	\$78.61	0.94 acres	5	3	P4707216	73		YES
3	0.23	2312 CYPRESS GARDENS BLVD	WINTER HAVEN, FL 33884	11/20/2015	\$119,900	1956			0.30 acres	3	2	P4705561	168		YES
4	0.27	401 ALACHUA DR	WINTER HAVEN, FL 33884	08/18/2015	\$132,000	1976			0.24 acres	3	2	P4705364	90		YES
5	0.27	210 CITRUS DR	WINTER HAVEN, FL 33884	11/20/2015	\$130,000	1972	1,600	\$81.25	0.27 acres	3	2	P4705922	143		YES
6	0.33	417 S LAKE FLORENCE DR	WINTER HAVEN, FL 33884	05/12/2015	\$260,000	1959	4,137	\$62.85	0.51 acres	4	4	P4631044	338		YES
7	0.34	519 ALACHUA DRIVE	WINTER HAVEN, FL 33884	12/04/2015	\$130,700	1973	2,325	\$56.22	0.27 acres	4	2	P4706398	123		YES
8	0.34	204 W LAKE SUMMIT DR	WINTER HAVEN, FL 33884	12/11/2015	\$169,900	1954	1,816	\$93.56	0.35 acres	2	2	L4709184	74		YES
9	0.35	203 SAINT LUCIE RD	WINTER HAVEN, FL 33884	09/03/2015	\$157,000	1973			0.22 acres	3	2	P4705739	82		YES
10	0.40	121 HARRISON ROAD	WINTER HAVEN, FL 33884	10/15/2015	\$104,500	1973	2,140	\$48.83	0.28 acres	4	3	P4704704	185		YES

#	Miles	Address	City/Zip	Date	Price	Built	SqFt	\$/SF	Lot Size	Bed	Bath	MLS#	DOM	Photos	Comments
11	0.42	298 OKALOOSA DR	WINTER HAVEN, FL 33884	10/30/2015	\$145,000	1974	1,697	\$85.44	0.19 acres	3	2	P4706841	60		YES
12	0.43	257 OKALOOSA DR	WINTER HAVEN, FL 33884	12/11/2015	\$146,000	1961	1,505	\$97.01	0.31 acres	2	2	P4707610	52		YES
13	0.45	601 S LAKE FLORENCE DRIVE	WINTER HAVEN, FL 33884	08/12/2015	\$316,000	1959	2,792	\$113.18	0.98 acres	3	3	P4701565	328		YES
14	0.47	609 LAKE DEXTER CIR	WINTER HAVEN, FL 33884	11/10/2015	\$81,000	1986	1,131	\$71.62		2	2	P4706906	68		YES
15	0.48	113 GRANT ROAD	WINTER HAVEN, FL 33884	12/28/2015	\$135,000	1973	1,582	\$85.34	0.26 acres	3	2	P4708057	34		YES
16	0.48	798 WAKULLA DR	WINTER HAVEN, FL 33884	01/14/2016	\$60,000	1972	1,355	\$44.28	0.22 acres	3	2	O5369920	230		YES
17	0.49	280 SANTA ROSA DRIVE	WINTER HAVEN, FL 33884	12/22/2015	\$197,770	1986	2,251	\$87.86	0.29 acres	3	2	P4706641	126		YES
18	0.55	120 LAKE MARIAM WAY	WINTER HAVEN, FL 33884	11/20/2015	\$254,000	1995	2,309	\$110.00	0.34 acres	4	2	P4706910	78		YES
19	0.58	57 DUVAL RD	WINTER HAVEN, FL 33884	11/24/2015	\$185,500	1974	2,380	\$77.94	0.37 acres	3	2	P4705204	197		YES
20	0.63	282 SANTA ROSA DRIVE	WINTER HAVEN, FL 33884	12/31/2015	\$190,000	1987	2,336	\$81.34	0.28 acres	4	2	P4703806	311		YES
21	0.66	101 LONGFELLOW ROAD	WINTER HAVEN, FL 33884	12/29/2015	\$82,000	1962	1,555	\$52.73	0.21 acres	3	2	P4706373	151		YES
22	0.67	120 LONGFELLOW RD	WINTER HAVEN, FL 33884	12/09/2015	\$125,000	1961			0.21 acres	3	3	P4707240	72		YES
23	0.68	132 HAMPDEN ROAD	WINTER HAVEN, FL 33884	12/29/2015	\$121,500	1960	1,670	\$72.75	0.30 acres	3	2	P4706805	125		YES
24	0.70	135 BEVERLY DRIVE	WINTER HAVEN, FL 33884	12/21/2015	\$110,000	1960	1,595	\$68.97	0.22 acres	3	2	P4707164	89		YES
25	0.76	1008 S LAKE MARIAM DRIVE	WINTER HAVEN, FL 33884	01/29/2016	\$254,000	1991	2,794	\$90.91	0.37 acres	4	3	P4707583	100		YES
26	0.82	117 LAKE RING DRIVE	WINTER HAVEN, FL 33884	01/20/2016	\$103,100	1974	1,789	\$58.28	0.39 acres	3	2	P4707461	100		YES
27	0.97	108 LAKE RING DRIVE	WINTER HAVEN, FL 33884	01/25/2016	\$147,900	1978	1,838	\$80.47	0.41 acres	3	2	P4706915	143		YES
28	0.21	102 OVERLOOK DR	WINTER HAVEN, FL 33884	02/26/2015	\$163,500	1939	1,866	\$87.62	0.85 acres	3	2	P4701010	195		YES
29	0.28	216 W LAKE SUMMIT DR	WINTER HAVEN, FL 33884	06/30/2015	\$135,000	1953	2,224	\$60.70	0.38 acres	4	2	P4705293	46		YES
30	0.35	115 BUCHANAN DRIVE	WINTER HAVEN, FL 33884	09/30/2015	\$139,900	1993	1,879	\$74.45	0.19 acres	3	2	P4706819	33		YES

HOMOGENEITY AND CONFORMITY SCORE REPORT

		Grs Lvg Sqft	Bed	Age	Lot/Acres
70	Homogeneity Score <i>How homogeneous is the neighborhood area?</i>	61	80	71	56
49	Conformity Score <i>How well does the subject property conform to the neighborhood area?</i>	45	59	50	24

Score Range is 0-100; lower scores indicate little or no similarity, higher scores indicate more similarity, homogeneity, and conformity. Blank or missing values indicate data required to compute a score is not available.

CONFORMITY ANALYSIS DETAILS FOR: GROSS LIVING AREA SQFT			
Gross Living Area Sqft	# of Properties	% of Distribution	Subject Information
1298-2524	39	60.9%	--
2525-3751	18	28.1%	<< Subj GLA Sqft: 3272
3752-4978	5	7.8%	--
4979-6205	2	3.1%	--
0% of properties observed have a 'Gross Living Area' same-as (=) the subject. 15.6% of properties observed have a 'Gross Living Area' greater-than (>) the subject. 84.4% of properties observed have a 'Gross Living Area' less-than (<) the subject.			
CONFORMITY ANALYSIS DETAILS FOR: BEDROOM			
Bedroom	# of Properties	% of Distribution	Subject Information
1-1	0	0.0%	--
2-2	0	0.0%	--
3-3	29	50.0%	<< Subj Bedrooms: 3
4-4	21	36.2%	--
5-10	8	13.8%	--
50.0% of properties observed have a 'Bedroom' same-as (=) the subject. 50.0% of properties observed have a 'Bedroom' greater-than (>) the subject. 0% of properties observed have a 'Bedroom' less-than (<) the subject.			
CONFORMITY ANALYSIS DETAILS FOR: AGE			
Age	# of Properties	% of Distribution	Subject Information
1-16	4	6.3%	--
17-26	2	3.1%	--
27-36	4	6.3%	--
37-46	11	17.2%	--
47-56	14	21.9%	--
57-66	28	43.8%	<< Subj Age: 62
67-76	1	1.6%	--
77-226	0	0.0%	--
9.4% of properties observed have an 'Age' same-as (=) the subject. 7.8% of properties observed have an 'Age' greater-than (>) the subject. 82.8% of properties observed have an 'Age' less-than (<) the subject.			
CONFORMITY ANALYSIS DETAILS FOR: LOT ACREAGE			
Lot Acreage	# of Properties	% of Distribution	Subject Information
0-0.29	1	1.6%	--
0.3-0.59	29	45.3%	--
0.6-1.09	25	39.1%	--
1.1-3.59	9	14.1%	<< Subj Lot/Acreage: 1.13
3.6-6.09	0	0.0%	--
6.1-350.09	0	0.0%	--
0% of properties observed have a 'Lot Size' same-as (=) the subject. 14.1% of properties observed have a 'Lot Size' greater-than (>) the subject. 85.9% of properties observed have a 'Lot Size' less-than (<) the subject.			

AREA LAND USE, PRICE AND AGE REPORT

The subject property land use category is: One Unit / Single Family Residence

69 properties with a valid land use type detected within the area of the subject property.

3 or 4.3% of these properties are "Commercial" land use.

1 or 1.4% of these properties are "Other" land use.

One-Unit: 94.2%		
Price (\$)	Age (yrs)	
--	Low	3
--	10th-Percentile	24
--	50th-Percentile	55
--	90th-Percentile	62
--	High	77
--	Average	49

Sales Price statistics not available.
Age statistics based on 65 observed cases with age/year built information.

2-4-Unit: 0.0%		
Price (\$)	Age (yrs)	
--	Low	--
--	10th-Percentile	--
--	50th-Percentile	--
--	90th-Percentile	--
--	High	--
--	Average	--

Sales Price statistics not available.
Age statistics not available.

Multi-Family (5+): 0.0%		
Price (\$)	Age (yrs)	
--	Low	--
--	10th-Percentile	--
--	50th-Percentile	--
--	90th-Percentile	--
--	High	--
--	Average	--

Sales Price statistics not available.
Age statistics not available.

Filters applied:none

Report Date: 2/5/2016 8:49:11 AM

Version 2.0

Subject and Comparable Sales Data As Of: (Current) 2/5/2016

Property Characteristics contain most recent data available

Foreclosure Impact is measured by the percentage of foreclosure sales in a local market's total home sales during the most recent month. If the percentage of foreclosure sales is less than 15%, **LOW** value is assigned; if between 15-40%, **MEDIUM** value assigned; if more than 40%, then **HIGH** value is assigned. Homogeneity measures the variation of property characteristics in the area around the subject property location. Conformity measures the degree to which a subject property's given characteristic conforms to those of the nearby housing stock. Flip Possibility identifies if a property has sold twice within 18 months.

Inventory Trend indicates the direction of change in the number of sales in the area.



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SECURED PROMISSORY NOTE

Note Date:	Principal:	Maturity Date:	Interest Rate:	City:	State:
5/10/2016	221,000.00	6/30/2017	14.75%	Winter Haven	Florida

“Borrower”:

[REDACTED]
[REDACTED]
Winter Haven, FL 33884

“Lender”:

Secured Investment High Yield Fund II, LLC
1121 E Mullan Ave
Coeur d’Alene, ID 83814

“Property”:

[REDACTED]
Winter Haven, FL 33884

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, to induce Lender to fund the loan evidenced by the issuance of this promissory note (the “Note”), Borrower covenants, agrees, represents and warrants as follows:

- 1. Obligation to Pay.** For value received, Borrower promises to pay Lender, or order, in lawful money of the United States of America, the principal sum of **Two Hundred Twenty One Thousand and No/100 Dollars (\$221,000.00)** or so much as may be outstanding together with interest thereon, all in accordance with the terms and conditions as set forth herein. Borrower acknowledges and agrees that the Lender may transfer this Note to a servicing agent. All references to the Lender herein shall also be deemed to refer to not only the Lender listed above, but also to the Note holder who takes this Note by transfer and is entitled to receive payments under this Note as a result of such transfer.
- 2. Loan Documents.** The indebtedness evidenced by this Note is further evidenced by a mortgage or deed of trust, whichever is applicable, (the “Security Instrument”), a borrower agreement (the “Borrower Agreement”), a personal guaranty, if applicable (the “Guaranty”), a loan purpose and use of property Affidavit (the “Affidavit”) and such other documents as may be requested by Lender in connection with making the loan evidenced by this Note. Collectively, the Note, Security Instrument, Borrower Agreement, Guaranty, Affidavit and such other documents as may be requested by Lender in connection with making the loan evidenced by this Note shall be collectively referred to herein as the “Loan Documents.” The rights and remedies of the Lender or the holder hereof, as provided in this Note or any other Loan Document, are cumulative and concurrent and may be pursued singularly, successively, or together against Borrower, the Property, any guarantors hereof, and/or any other security given for the repayment hereof all at the discretion of the Lender or the holder hereof.
- 3. Interest.** All sums from time to time owing hereon shall bear interest from the date hereof at the rate of **Fourteen and 75/100 percent (14.75%)** per annum, compounding annually. Interest accruing under this Note will be computed on basis of a 360 day year.
- 4. Payments.** Borrower shall pay monthly interest only payments equal to **Two Thousand Seven Hundred Sixteen and 46/100 Dollars (\$2,716.46)**, with the first monthly interest only payment due and payable on 7/1/2016, and subsequent payments becoming due and payable on the 1st day of each calendar month thereafter. All payments of any kind or nature whatsoever due from Borrower to Lender pursuant to the terms hereof shall be made at such address as the Lender may from time to time specify. The entire principal balance then unpaid, any accrued interest, and all other amounts payable under this Note and any Loan Document due from Borrower to Lender shall be due and payable in full on 6/30/2017 (such

date, or any earlier date of final payment of the principal amount of this Note or other acceleration, the “Maturity Date”).

5. Overdue Payment Charges.

a. **Interest Only Payments.** In the event that any interest only payment payable hereunder shall become overdue for a period in excess of five (5) days, Lender shall charge and Borrower shall pay a late payment charge equal to Three Hundred Seventy One and 65/100 Dollars (\$371.65), which charges, the parties acknowledge and agree, is a reasonable estimate of additional administrative costs, collection costs, loss of interest, and other direct and indirect costs, the exact amount of which would extremely difficult to fix and which late charges shall be in lieu of Lender’s recovery of actual damages.

b. **Maturity Date.** In the event that Borrower fails to pay the entire unpaid principal balance, any accrued interest, and all other amounts payable under this Note and any Loan Document on the Maturity Date, Lender shall charge and Borrower shall pay a late payment charge of ten percent (10%) on the entire balance then-owing or Five Thousand and No/100 Dollars (\$5,000), whichever is greater, which charge, the parties acknowledge and agree, is a reasonable estimate of additional administrative costs, collection costs, loss of interest, and other direct and indirect costs, the exact amount of which would extremely difficult to fix and which late charges shall be in lieu of Lender’s recovery of actual damages.

6. **Prepayment.** All of the principal balance owing under this Note or any portion of the principal balance owing under this Note, provided such partial prepayment is greater than ten percent (10%) of the then-outstanding principal loan balance, may be prepaid without penalty at any time upon ten (10) days prior written notice to the Lender. Any partial repayment not exceeding ten percent (10%) of the then-outstanding principal loan balance shall be held in reserve until the Maturity Date and then applied pursuant to Section 17 of this Note. Any prepayment in whole or in part (provided it exceeds ten percent (10%) of the then-outstanding principal loan balance) shall be applied as specified in Section 17 of this Note. Borrower agrees not to send Lender payments marked “paid in full”, “without recourse” or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lenders rights under the Loan Documents and the Borrower shall remain obligated to pay any further amount owed to Lender.

7. **Extension.** The Lender, in its sole and absolute discretion, may grant the Borrower an extension of the Maturity Date upon a written request made by the Borrower thirty (30) days prior to the Maturity Date; *provided, however*, Borrower acknowledges and agrees that the grant of an extension hereunder is not an obligation of the Lender. Lender may require the Borrower to pay an extension fee equal to an amount as determined by the Lender, in its sole and absolute discretion. In order for an extension granted hereunder to be valid, the extension shall be in writing and executed by both of the Borrower and Lender and Borrower shall have paid any extension fee prior to any extension becoming effective.

8. **Security.** This Note and sums evidenced hereby are secured by the Security Instrument dated as of the same date as this Note, executed and delivered by Borrower to Lender. Borrower agrees to perform and comply with all of the agreements, terms, and conditions contained in the Security Instrument.

9. **Event of Default.** The occurrence of any of the following will constitute an event of default (each an “Event of Default”) under this Note and the Loan Documents:

a. Any event of default under this Note that is not fully cured following any applicable notice and/or prior to the expiration of any applicable grace or cure period.

- b.** Any “Event of Default” under the Security Instrument that is not fully cured following any applicable notice and/or prior to the expiration of any applicable grace or cure period.
- c.** If any payment or principal or interest required under this Note is not received by Lender on or before five (5) days after the date such payment is due (except that no grace period is provided for the payment of principal and interest due on the Maturity Date).
- d.** The failure of Borrower to duly and punctually pay any other amount due under this Note or the Loan Documents and such failure shall continue unremedied for five (5) days following written notice from Lender.
- e.** The determination that any representation, warranty, or statement made or furnished to Lender by Borrower or on Borrower’s behalf under and Loan Document is false, untrue or misleading in any material respect, either now or at any time made or furnished.
- f.** The Borrower shall fail to duly and punctually pay when and as due any payment for taxes and assessments required by the Loan Documents to be paid or shall fail to provide the insurance coverage required by the Loan Documents, and such failure shall continue for five (5) days following written notice from Lender specifying such failure.
- g.** Unless otherwise specified in any other Loan Document, Borrower shall fail duly to perform or observe any of its covenants, conditions or terms contained in any Loan Document and such failure shall remain uncured for five (5) days following notice from Lender; provided, however, that if the nature of such breach is such that it cannot reasonably be cured within five (5) days following such written notice, but can reasonably be cured within thirty (30) days following such written notice, the Borrower may cure such breach by commencing in good faith to cure the breach promptly after its receipt of such written notice and prosecuting the cure of such breach to completion with diligence and continuity within a reasonable time thereafter, but in any event within thirty (30) days thereafter.
- h.** The Borrower dies or becomes insolvent, a receiver is appointed for any part of the collateral securing this Note, Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced against the Borrower under any bankruptcy or insolvency laws.
- i.** The Borrower shall make an assignment for the benefit of its respective creditors, or the Borrower shall generally not be paying its debts as they become due, or a petition shall be filed by or against the Borrower under the United States Bankruptcy Code, or the Borrower shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of a material part of its properties or of all or any part of the Property or shall not, within ninety (90) days after the appointment (without its consent or acquiescence) of a trustee, receiver or liquidator of any material part of its properties or of the Property, have such appointment vacated.
- j.** A judgment, writ or warrant of attachment or execution, or similar process shall be entered and become a lien on, issued or levied against, any Property or any part thereof and shall not be released, vacated or fully bonded within thirty (30) days after its entry, issue or levy.
- k.** The dissolution or termination of Borrower’s (or any partner of Borrower, or any member of any partner of Borrower) existence as a going organization;
- l.** Any creditor or governmental agency tries to take the collateral securing this Note.

- m. The Borrower or any grantor under a mortgage or trust indenture for property securing this Note, or guarantor of this Note defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person which default substantially and materially affects the Property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the Loan Documents.
- n. The Note or Security Instrument ceases to be in full force and effect at any time and for any reason.
- o. The collateral securing this Note is substantially damaged or destroyed and the loss, substantial damage or destruction is not covered by insurance.
- p. If Borrower transfers any part of the Property or any interest in the Property is sold or transferred without Lender's prior written consent.
- q. The Lender reasonably and in good faith believes itself to be insecure.
- r. A material adverse change occurs in Borrower's financial condition, or Lender reasonably and in good faith believes the prospect of payment or performance of this Note is substantially and materially impaired.
- s. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.
- t. Any proceeding is commenced against the Borrower or the Property by any other creditor or lienholder or any city, county, state or federal governmental body that jeopardizes Lender's lien against the Property, could result in the Property being taken, foreclosed upon, forfeited, repossessed or causes Lender to believe itself to be insecure as a result of such action.
- u. Any other event of default under this Note or the Security Instrument that is not fully cured following any applicable notice and/or prior to the expiration of any applicable grace or cure period.

10. Lender's Remedies upon Default; Acceleration. Upon the occurrence of an Event of Default:

- a. Lender shall have no obligation to make any further advance of an undisbursed proceeds of the Loan;
- b. Interest on the Loan will accrue at the Default Rate (as defined below);
- c. Lender may declare the indebtedness immediately due and payable; and
- d. Lender may pursue any and all remedies provided for hereunder and in the Note, Security Instrument and/or any of the other Loan Documents or otherwise available at law or in equity.

In the event of any such default, all sums owing under this Note shall bear interest from the date of such default at the lesser of (i) twenty-five percent (25%) per annum or (ii) the highest rate permitted by law ("Default Rate"). Lender may exercise any remedy herein or in any other Loan Document regardless of any prior forbearance. The remedies of Lender in this Note and the Security Instrument, or at law or in

equity, are cumulative and concurrent, and may be pursued singly, successively or together in Lender's sole discretion as often as occasion therefor arises.

11. Costs and Expenses; Judgment Interest. Borrower shall pay on demand all expenses and costs, including fees and out-of-pocket expenses of attorneys and expert witnesses and costs of investigation, incurred by Lender (i) as a result of any Event of Default, (ii) in connection with efforts to collect any amount due under this Note or (iii) to enforce the provisions of any Loan Documents, including, without limitation, those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or non-judicial foreclosure proceeding. Borrower agrees to pay an NSF fee of \$100 for any check returned unpaid for any reason. Interest will accrue on any judgment obtained by Lender in connection with the enforcement or collection of this Note until such judgment amount is paid in full at a rate equal to the greater of the Default Rate or the legal rate applicable to judgments within such jurisdiction; *provided, however*, that interest will not accrue at a rate in excess of the maximum rate of interest, if any, that may be charged or collected from Borrower under applicable law.

12. Forbearance. Any forbearance by Lender in exercising any right or remedy under this Note or any Loan Document or otherwise afforded by applicable law, will not be deemed to be, or constitute a waiver of, or preclude the exercise of, that or any other right or remedy. The acceptance by Lender of any payment after the due date of such payment, or in an amount that is less than the required payment, will not be deemed to be, or constitute a waiver of: (i) Lender's right to require prompt payment when due of all other payments; (ii) Lender's right to exercise any right or remedy with respect to any failure to make prompt payment; (iii) Lender's right to receive the unpaid amounts; (iv) an accord and satisfaction; or (v) a novation of this Note. Enforcement by Lender of any security for Borrower's obligations under this Note will not be deemed to be or constitute an election by Lender of remedies so as to preclude the exercise of any other right or remedy available to Lender. Lender may release any guarantor, surety or indemnitor of this Note from liability (if any), in every instance without the consent of Borrower and without waiving any rights that Lender may have under this Note, any Loan Documents or applicable law or in equity.

13. Waivers. Borrower, all endorsers and guarantors of this Note (if any) and all other third party obligors (if any) hereby each waive demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace, and diligence in collecting the indebtedness. Borrower, for itself and all others who may become liable for payment of all or any part of the indebtedness, hereby further waive and renounce, to the fullest extent permitted by law, all rights to the benefits of any moratorium, reinstatement, marshaling, forbearance, valuation, stay, extension, redemption, appraisal, exemption and homestead now or hereafter provided by the Constitution and laws of the United States of America or any state thereof, both as to party and property (real and personal), against the enforcement and collection of the indebtedness.

14. Commercial Purpose. Borrower represents that this Note is being incurred by Borrower solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family or household purposes. Borrower agrees that the indebtedness evidenced by this Note is an exempted transaction under the Truth in Lending Act, 15 U.S.C. § 1601, *et. seq*

15. Usury Savings Clause. Anything in this Note to the contrary notwithstanding, no provision contained in this Note which purports to obligate the Borrower to pay any amount of interest or any fees, costs or expenses which are in excess of the maximum permitted by applicable law, shall be effective to the extent it calls for the payment of any interest or other amount in excess of such maximum. If interest would otherwise be payable to Lender in excess of the maximum lawful amount, the interest payable to Lender shall be reduced to the maximum amount permitted under applicable law. If Lender receives

anything of value to deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest shall, at the option of Lender, be refunded to Borrower or be applied to the reduction of the amount owed under this Note, as if a regular payment were made or, if such excessive interest exceeds the amounts owing under this Note, such excess shall be refunded to Borrower.

16. **Notices.** Any notice required to be given shall be given to the place stated above unless the party has given written notice of another place for giving of notice. Any notice given by mail shall be deemed given three (3) business days after deposit of the notice into the United States Mail with first class postage affixed thereto. Any notice given by facsimile transmission shall be deemed received on the following business day. Any notice given by any method that requires a delivery confirmation shall be deemed given on the date of confirmed delivery. Confirmation of delivery shall be sufficient; no confirmation of receipt shall be required.

17. **Application of Payments.** All payments under this Note will be applied first, to the payment of late fees and other costs and charges due in connection with this Note, as Lender determines in its sole discretion, then to the payment of accrued but unpaid interest, and then to reduction of the outstanding principal balance. No principal amount repaid may be re-borrowed. All amounts due under this Note must be paid without setoff, counterclaim or any other deduction whatsoever. Any prepayment amount applied toward the principal balance shall reduce the principal amount then-outstanding and also result in a reduction of the Borrower's monthly payment beginning with the month following the month in which the principal reduction occurred.

18. **Payoff Request.** Payoff can be requested by contacting Lake City Servicing at 800-630-9252 or such other loan servicing entity as Lender may select. Borrower shall be charged a payoff computation charge of \$50 per payoff request. Any such fee will be added to the loan balance set forth on the payoff statement.

19. **Severability.** If for any reason any provision of this Note is determined by a tribunal of competent jurisdiction to be legally invalid or unenforceable, the validity of the remainder of this Note will not be affected and such provision will be deemed modified to the minimum extent necessary to make such provision consistent with applicable law and, in its modified form, such provision will then be enforceable and enforced.

20. **Counting of Days; Time of Essence.** Except where otherwise specifically provided, any reference in this Note to a period of "days" means calendar days, not business days. Time is of the essence with respect to all provisions of this Note.

21. **Negotiable Instrument; No Partnership.** Borrower agrees that this Note is a negotiable instrument. Borrower acknowledges that Lender will not be construed for any purpose to be a partner, joint venturer, agent or associate of Borrower or of any lessee, operator, concessionaire or licensee of Borrower in the conduct of its business. By execution of this Note, Borrower agrees to indemnify, defend and hold Lender harmless from and against any and all damages, costs, expenses and liability that may be incurred by Lender as a result of a claim that Lender is such a partner, joint venturer, agent or associate.

22. **Sale and Transfer of Loan by Lender Authorized; Dissemination of Information.** Lender may, at any time, sell, transfer or assign the loan, this Note, the Loan Documents or any portion thereof or interest therein or grant participations therein or issue securities evidencing a beneficial interest in a public offering or private placement. Lender may forward to each purchaser, transferee, assignee or servicer or and each participant, or investor in the loan or any interest therein all documents and information which Lender now has or may hereafter acquire relating to the Property, Borrower or the

indebtedness evidenced by this Note. Borrower irrevocably waives any and all rights it may have under applicable law to prohibit such disclosure, including, but not limited to any right of privacy.

23. Joint and Several Obligation. If more than one person or entity is defined as the “Borrower,” above, all obligations and agreements of Borrower are joint and several. This Note shall be binding on any marital community of which any Borrower is a part and on any community, quasi-community and separate property of any Borrower.

24. Assignment. Lender has the absolute right to sell transfer or assign this Note. Borrower may not transfer or assign the loan or indebtedness represented by this Note by operation of law or otherwise to any other entity, without the prior written consent of Lender, which consent may be withheld by Lender in its sole and absolute discretion. Borrower acknowledges that certain Loan Documents contain “due on sale” clauses, the effect of which could cause this Note to become due and payable prior to the Maturity Date.

25. Captions, Etc. The captions of the sections of this Note are for convenience only and must be disregarded in construing this Note. This Note, including Schedule 1, together with the Loan Documents, contains the entire agreement between Borrower and Lender relating to the subject matter thereof, and supersedes all prior discussions and agreements (oral or written) that are not contained therein. Neither this Note nor any Loan Documents may be changed, waived, supplemented, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement thereof is sought and then only to the extent expressly set forth in such writing.

26. Governing Law; Consent to Jurisdiction and Venue. Lender and Borrower specifically acknowledge and agree that this Note and its interpretation and enforcement are governed by the laws of the state of Florida. Furthermore, each of Lender and Borrower irrevocably (i) submits to the jurisdiction of any court of the state of Florida located in Polk County for the purpose of any suit, action or other proceeding arising out of this Note (each, a “Proceeding”), (ii) agrees that all claims in respect of any Proceeding may be heard and determined in any such court, (iii) waives, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein, (iv) agrees not to commence any Proceeding other than in such courts and (v) waives, to the fullest extent permitted by law, any claim that such Proceeding is brought in an inconvenient forum.

27. Successors in Interest. This Note is binding upon and enforceable against the Borrower and its successors and assigns. This Note will inure to the benefit of Lender and may be enforced by Lender and its successors and assigns

28. WAIVER OF TRIAL BY JURY. THE BORROWER AND LENDER EACH HAVING BEEN REPRESENTED BY COMPETENT COUNSEL EACH (I) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE, THE SECURITY INSTRUMENT, THE RELATED LOAN DOCUMENTS OR ANY RELATED DOCUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS LENDER AND BORROWER THAT IS TRIABLE OF RIGHT BY A JURY AND (II) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL. FURTHER, BORROWER ACKNOWLEDGES AND AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST LENDER ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

29. **LIMITATION ON LIABILITY.** BORROWER AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST LENDER OR ANY OF ITS MANAGERS, MEMBERS, EMPLOYEES OR AGENTS ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

30. **Miscellaneous.** From time to time, without affecting the obligation of the undersigned or the successors or assigns of the undersigned to pay the outstanding principal balance of this Note and observe the covenants of the undersigned contained herein, without affecting the guaranty of any person, corporation, partnership or other entity for payment of the outstanding principal balance of this Note, without giving notice to or obtaining the consent of the undersigned, the successors or assigns of the undersigned or guarantors, and without liability on the part of the holder hereof, the holder hereof may, at the option of the holder hereof, extend the time for payment of said outstanding principal balance or any part thereof, reduce the payments thereon, release anyone liable on any of said outstanding principal balance, accept a renewal of this Note, modify the terms and time of payment of said outstanding principal balance, join in any extension or subordination agreement, release any security given heretofore, take or release other or additional security, and agree in writing with the undersigned to modify the rate of interest or period of amortization of this Note or change the amount of the monthly installments payable hereunder.

31. **Additional Acknowledgments Regarding Default Rate and Late Charges.**

a. Initial Here:

 Borrower acknowledges and agrees that (i) a default in making the payments herein agreed to be paid when due will result in the Lender incurring additional expense in servicing the loan, loss to Lender of the use of the money due, and frustration to Lender in meeting its other commitments, (ii) if for any reason it fails to pay any amounts due hereunder, Lender shall be entitled to damages for the detriment caused thereby, but that it is extremely difficult and impractical to ascertain the extent of such damages, and (iii) the Default Rate and the late charge described in this Note are a reasonable estimate of such damages.

b. Initial Here:

 Borrower represents that it is a knowledgeable real estate investor and fully understands the effect of the charges, waivers, and agreements contained above. Borrower acknowledges and agrees that the making of the loan by Lender at the interest rate and with the other terms described herein is sufficient consideration for such charges, waiver and agreement, and that Lender would not make this loan on these terms without such charges, waiver and agreement.

32. **Schedules and Exhibits.** All exhibits and schedules, if any, attached to this Note are incorporated fully into this Note by this reference and each constitutes a substantive part of this Note.

ATTACHED SCHEDULE. The following Schedule is attached to this Note:

Schedule 1 Modifications to Note

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

**SCHEDULE 1 TO
PROMISSORY NOTE**

State-Specific Provisions

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Note to which this Schedule is attached.
2. The additional provision(s) set forth below shall also apply and are incorporated into the Note:

FLORIDA: The following provision is hereby added to the Note as Section 33:

33. Documentary Tax. The state documentary tax due on this Note has been paid on the Security Instrument securing this Note.

COMPLIANCE AGREEMENT / ERRORS AND OMISSIONS

<u>"Borrower"</u> [REDACTED] LLC Winter Haven, FL 33884	<u>"Lender"</u> Secured Investment High Yield Fund II, LLC 1121 E Mullan Ave Coeur d'Alene, ID 83814
<u>"Closing Agent"</u> Premium Title Services, Inc. 1000 Abernathy Rd NE, Ste 200 Atlanta, GA 30328	<u>"Loan"</u> Loan Number: [REDACTED] Loan Amount: 221,000.00
Property Address: [REDACTED] Winter Haven, FL 33884	DATE: 5/10/2016

In consideration of the Lender's funding and closing of the Loan, the Borrower agrees, if requested by Lender or Closing Agent, to fully cooperate and adjust for clerical errors, any or all Loan closing documentation if deemed necessary or desirable in the reasonable discretion of Lender to enable Lender to sell, convey, seek guaranty or market the Loan to any investor, individual or entity. Additionally, upon Lender's request, the undersigned will re-execute any Loan document or Loan instrument signed in connection with said Loan transaction or execute any Loan document or Loan instrument that ought to have been signed at or before the closing, or which was incorrectly drafted or signed.

The Borrower agrees to comply with all above noted requests by the Lender within ten (10) days from date of mailing of the requests. Borrower's acknowledges and agrees that Borrower's obligations to comply with the terms and provisions contained herein shall not expire until the Borrower has paid the Loan in full. Borrower further agrees to assume all costs including, by way of illustration and not limitation, actual expenses, legal fees and marketing losses for failing to comply with correction requests pursuant hereto.

The Borrower does hereby so agree in order to assure that the Loan documentation executed will conform and be acceptable in the marketplace in the instance of transfer, sale or conveyance by Lender of its interest in and to the Loan documentation, and to assure marketable title in the Borrower.

The failure of the undersigned to comply with their obligations hereunder shall constitute a default under any Note and Security Instrument (as such terms are defined in the Secured Promissory Note for the subject transaction) executed in connection with the Loan and shall entitle Lender or Lender's successors and assigns, to the remedies available for default under the said Note or Security Instrument.

Effective as of the date first written above.

BORROWER(S):

[REDACTED] Investments, LLC, a Florida Limited Liability Company

By: [REDACTED]
Name: [REDACTED]
Title: Sole Member

**LOAN PURPOSE AND USE OF PROPERTY AFFIDAVIT
(Occupancy and Reasonableness)**

I, **Thomas Bodell aka Tom Bodell II**, the undersigned (the "Affiant") residing at 103 Audubon Rd, Winter Haven, FL 33884, being first duly sworn on oath deposes, declares and says:

1. The purpose of the loan (the "Loan") in the principal amount of **Two Hundred Twenty One Thousand and No/100 Dollars (\$221,000.00)** made on the **Tenth day of May, 2016**, by Mossy Oak Investments, LLC, a(n) Florida Limited Liability Company (the "Borrower"), in favor of Secured Investment High Yield Fund II, LLC, a(n) Idaho Limited Liability Company ("Lender") is solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family or household use.

2. Affiant understands the Lender is relying upon and accepts as true the representations made in this Affidavit and such Affidavit forms the basis upon which Lender is willing to make the Loan and without the statements contained herein Lender would not be willing to make the Loan.

3. Affiant is a principal of and/or has an economic interest in Borrower and Affiant is benefited by Lender making the Loan to Borrower.

4. The following persons shall not occupy the property used as security for the Loan:

- a. the Affiant;
- b. any member of the Affiant's immediate family;
- c. any partner, manager, director, officer, member, or employee of the Borrower; or
- d. any family member of the individuals listed in (iii).

5. In order to obtain and qualify for the Loan, Affiant declares that Affiant:

- a. has not mislead or provided false information or documentation to the Lender in connection with the Loan;
- b. has skill and knowledge regarding general business, real estate transactions, mortgage and lending rules, regulations and practices and private money brokering and lending transactions and practices.

6. Affiant understands that commercial private money lending is not regulated in the same manner as consumer lending and that the Lender may not need any specific licensing or certification.

7. Affiant has looked extensively at Affiant's business options and has pursued the Loan with the terms and conditions as presented. Affiant believes the terms and conditions for the Loan are fair, reasonable and the best available to allow Affiant and Borrower to meet their business needs at this time.

8. AFFIANT IS AWARE OF THE PENALTIES OF PERJURY WHICH INCLUDE THE EXECUTION OF A FALSE AFFIDAVIT, PURSUANT TO 18 U.S.C. SECTION 1621 WHEREIN IT IS PROVIDED THAT ANYONE FOUND GUILTY MAY BE FINED OR IMPRISONED FOR UP TO FIVE (5) YEARS, OR BOTH. AFFIANT IS ALSO AWARE THAT PERJURY IN THE EXECUTION OF A FALSE AFFIDAVIT COULD ALSO A CRIMINAL ACT UNDER APPLICABLE STATE LAW.

**LOAN PURPOSE AND USE OF PROPERTY AFFIDAVIT
(Occupancy and Reasonableness)**

I, [REDACTED], the undersigned (the "Affiant") residing at [REDACTED], NC 27511, being first duly sworn on oath deposes, declares and says:

1. The purpose of the loan (the "Loan") in the principal amount of Two Hundred Twenty One Thousand and No/100 Dollars (\$221,000.00) made on the Tenth day of May, 2016, by [REDACTED] Investments, LLC, a(n) Florida Limited Liability Company (the "Borrower"), in favor of Secured Investment High Yield Fund II, LLC, a(n) Idaho Limited Liability Company ("Lender") is solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family or household use.

2. Affiant understands the Lender is relying upon and accepts as true the representations made in this Affidavit and such Affidavit forms the basis upon which Lender is willing to make the Loan and without the statements contained herein Lender would not be willing to make the Loan.

3. Affiant is a principal of and/or has an economic interest in Borrower and Affiant is benefited by Lender making the Loan to Borrower.

4. The following persons shall not occupy the property used as security for the Loan:

- a. the Affiant;
- b. any member of the Affiant's immediate family;
- c. any partner, manager, director, officer, member, or employee of the Borrower; or
- d. any family member of the individuals listed in (iii).

5. In order to obtain and qualify for the Loan, Affiant declares that Affiant:

- a. has not mislead or provided false information or documentation to the Lender in connection with the Loan;
- b. has skill and knowledge regarding general business, real estate transactions, mortgage and lending rules, regulations and practices and private money brokering and lending transactions and practices.

6. Affiant understands that commercial private money lending is not regulated in the same manner as consumer lending and that the Lender may not need any specific licensing or certification.

7. Affiant has looked extensively at Affiant's business options and has pursued the Loan with the terms and conditions as presented. Affiant believes the terms and conditions for the Loan are fair, reasonable and the best available to allow Affiant and Borrower to meet their business needs at this time.

8. AFFIANT IS AWARE OF THE PENALTIES OF PERJURY WHICH INCLUDE THE EXECUTION OF A FALSE AFFIDAVIT, PURSUANT TO 18 U.S.C. SECTION 1621 WHEREIN IT IS PROVIDED THAT ANYONE FOUND GUILTY MAY BE FINED OR IMPRISONED FOR UP TO FIVE (5) YEARS, OR BOTH. AFFIANT IS ALSO AWARE THAT PERJURY IN THE EXECUTION OF A FALSE AFFIDAVIT COULD ALSO A CRIMINAL ACT UNDER APPLICABLE STATE LAW.

LOAN PURPOSE AND USE OF PROPERTY AFFIDAVIT
(Occupancy and Reasonableness)

I, [REDACTED] the undersigned (the "Affiant") residing at [REDACTED] Marathon, FL 33050, being first duly sworn on oath deposes, declares and says:

1. The purpose of the loan (the "Loan") in the principal amount of Two Hundred Twenty One Thousand and No/100 Dollars (\$221,000.00) made on the Tenth day of May, 2016, by Mossy Oak Investments, LLC, a(n) Florida Limited Liability Company (the "Borrower"), in favor of Secured Investment High Yield Fund II, LLC, a(n) Idaho Limited Liability Company ("Lender") is solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family or household use.
2. Affiant understands the Lender is relying upon and accepts as true the representations made in this Affidavit and such Affidavit forms the basis upon which Lender is willing to make the Loan and without the statements contained herein Lender would not be willing to make the Loan.
3. Affiant is a principal of and/or has an economic interest in Borrower and Affiant is benefited by Lender making the Loan to Borrower.
4. The following persons shall not occupy the property used as security for the Loan:
 - a. the Affiant;
 - b. any member of the Affiant's immediate family;
 - c. any partner, manager, director, officer, member, or employee of the Borrower; or
 - d. any family member of the individuals listed in (iii).
5. In order to obtain and qualify for the Loan, Affiant declares that Affiant:
 - a. has not mislead or provided false information or documentation to the Lender in connection with the Loan;
 - b. has skill and knowledge regarding general business, real estate transactions, mortgage and lending rules, regulations and practices and private money brokering and lending transactions and practices.
6. Affiant understands that commercial private money lending is not regulated in the same manner as consumer lending and that the Lender may not need any specific licensing or certification.
7. Affiant has looked extensively at Affiant's business options and has pursued the Loan with the terms and conditions as presented. Affiant believes the terms and conditions for the Loan are fair, reasonable and the best available to allow Affiant and Borrower to meet their business needs at this time.
8. AFFIANT IS AWARE OF THE PENALTIES OF PERJURY WHICH INCLUDE THE EXECUTION OF A FALSE AFFIDAVIT, PURSUANT TO 18 U.S.C. SECTION 1621 WHEREIN IT IS PROVIDED THAT ANYONE FOUND GUILTY MAY BE FINED OR IMPRISONED FOR UP TO FIVE (5) YEARS, OR BOTH. AFFIANT IS ALSO AWARE THAT PERJURY IN THE EXECUTION OF A FALSE AFFIDAVIT COULD ALSO A CRIMINAL ACT UNDER APPLICABLE STATE LAW.

PAGE 1

LOAN PURPOSE AND USE OF PROPERTY AFFIDAVIT

ESCROW INSTRUCTIONS

5/10/2016

Premium Title Services, Inc.
1000 Abernathy Rd NE, Ste 200
Atlanta, GA 30328

Panhandle Escrow Company, Inc.
PO Box 1027
801 Pine St, Ste 2
Sandpoint, ID 83864

(Referred to herein as the "Escrow Agent")

(Referred to herein as the "Funder")

**Re: Private Money Investment Loan Secured by real property located at
2418 Cypress Gardens Blvd, Winter Haven, FL 33884
File #: 001-161579**

Ladies and Gentlemen:

This letter ("Letter") is furnished to the Escrow Agent in connection with the closing of a private money investment loan (the "Loan") funding in the principal amount of \$221,000.00 from **Secured Investment High Yield Fund II, LLC**, a(n) Idaho Limited Liability Company ("Lender") to **Investments, LLC**, a(n) Florida Limited Liability Company ("Borrower"). The closing is scheduled to be completed no later than **5/10/2016** (the "Closing Date"). This Letter constitutes the joint escrow instructions of Lender and Borrower in connection with such closing. Terms not otherwise defined in this Letter shall have the meaning ascribed to them in the Loan Documents.

The Loan is evidenced by that certain Borrower Agreement between Borrower and Lender (the "Borrower Agreement"), that certain promissory note (the "Note"), that certain Mortgage and Assignment of Rents or Deed of Trust and Assignment of Rents, whichever is applicable, made by Borrower in favor of Lender (the "Security Instrument"), a loan purpose and use affidavit (the "Affidavit"), a guaranty, if applicable (the "Guaranty"), that certain compliance agreement (the "Compliance Agreement"), that certain Rider, if applicable (the "Rider"), those certain Borrower resolutions ("Borrower Resolutions"), that certain notice of insurance requirements ("Insurance Notice") and such other documents evidencing, securing or pertaining to the Loan as Lender may require to be executed and delivered by Borrower, the guarantor, or any other person or entity in connection with the Loan. Collectively, all of the foregoing may be referred to herein as the "Loan Documents."

On or before the Closing Date, Lender or Funder will wire transfer to Escrow Agent an amount equal to \$221,000.00 less certain amounts set forth herein, including those amounts set forth in in Paragraphs 13 and 14 (the "Loan Amount") or deposit the Loan Amount with Escrow Agent in immediately available funds. The Loan Amount shall be held by in escrow by the Escrow and disbursed strictly in accordance with the terms of this Letter.

Closing of the Escrow established pursuant to this Letter is subject to the following conditions precedent:

1. The Escrow Agent has received the following documents in form acceptable for recording and shall be in a position to record the same:
 - a. to be recorded immediately, and in a **first lien position**, that certain original Security Instrument, made by Borrower for the benefit of the Lender.

2. The Escrow Agent has received the following documents:

- a. executed original Borrower Agreement;
- b. executed and notarized original Note;
- c. executed, notarized, and initialed original Guaranty (if applicable);
- d. executed and notarized original Affidavit;
- e. executed original Compliance Agreement;
- f. executed original Rider, if applicable;
- g. executed original Borrower Resolutions;
- h. executed original Insurance Notice; and
- i. executed original Escrow Agreement.

3. The Escrow Agent shall have proof of insurance in the form acceptable to Lender and as further described in the Security Instrument. **The Escrow Agent shall pay the insurance premium through escrow unless the Borrower can provide paid receipt to the Escrow Agent.**

4. Unless otherwise prohibited by state law, the Escrow Agent shall deliver a closing protection letter issued in the name of the Lender and emailed to cm Myers@cogocapital.com.

5. The Escrow Agent shall ensure that Premium Title Services, Inc. shall be in a position to irrevocably issue a policy of title insurance to Lender insuring that (i) Borrower is the owner of the Fee Simple interest in the Property; (ii) Lender (Secured Investment High Yield Fund II, LLC) is the beneficiary of the Security Instrument; (iii) Lender is in first lien position upon recording of the Security Instrument (the "Title Policy"); and (iv) the Title Policy shall also include the following language: its successors and assigns, after listing the Lender as the named insured. Please ensure that a copy of the final executed Title Policy is delivered to the Lender within 14 days of the date of this Letter.

6. The Title Policy shall be dated as of the later of (i) the date of funding or (ii) recording of the Security Instrument, and shall not be subject to any unpaid real estate taxes that are due or a lien.

7. Furthermore, the Title Policy shall be free from encumbrances except:

- a. Current, general, and special taxes for the fiscal year in which the Loan closes, and taxes for the ensuring year, if any;
- b. Bonds and assessments with no delinquent payments, if any;
- c. Covenants, conditions, restrictions, reservations, easements and rights of way now of record, if any; and
- d. Security Instrument in favor of Lender listing Lender in first lien position.

8. The Funder shall have received via wire transfer into its escrow account the principal amount of the Loan.

9. The Escrow Agent shall have accepted the terms of this Letter and shall have executed and delivered to Cogo Capital, LLC (the “Consultant”) a copy of this Letter to indicate that the Escrow Agent has consented to and accepted the instructions set forth in this Letter.

10. The Consultant has approved the terms of the HUD settlement statement to be prepared by the Escrow Agent.

11. The Escrow Agent shall have received email confirmation from the Consultant that Consultant is in possession of copies of all executed documents necessary for the closing of the Loan including those set forth in Paragraph 2 above.

12. The Consultant shall have received email or telephonic confirmation from the Escrow Agent that the events described in paragraphs 1, 2, 3, 4, 5, 6, 7, 8, and 9 has occurred.

13. The Funder is hereby authorized and instructed to withhold the following fees and disburse to the respective party as listed below:

a. 2.1% Origination Fee (paid to Cogo Capital, LLC):	\$4,641.00
b. Consulting Fee (paid to Cogo Capital, LLC):	\$2,265.00
c. Servicing Setup Fee (paid to Lake City Servicing):	\$200.00
d. Loan Servicing Fee (paid to Lake City Servicing):	\$180.00
e. Escrow Holdback Fee (paid to Panhandle Escrow Company, Inc.):	\$150.00
f. Funding Fee (paid to Panhandle Escrow Company, Inc.):	\$300.00
g. Draw Processing Fee (paid to Secured Asset Recovery, LLC):	\$1,000.00
h. Inspection Fee (paid to Construction Inspection Specialists):	\$1,625.00
i. CLM Closing Services, LLC:	\$200.00
j. Rehab Escrow Funds (paid to Panhandle Escrow Company, Inc.):	\$77,990.00

14. The Escrow Agent is hereby authorized and instructed to collect daily per diem interest from the Closing Date through the last day of the month. The daily per diem is equal to **\$90.55**.

15. The Escrow Agent shall have received written confirmation from the Consultant consenting to the disbursement of funds, which written confirmation shall not be delivered until the Consultant has an executed copy of the Loan Document package along with an executed HUD Closing Statement, which may be delivered via email.

16. The Escrow Agent is hereby authorized and instructed to withhold a certain portion of the Loan Amount equal to the amounts described above in Paragraphs 13(j) which amounts shall be deposited into an escrow account with Panhandle Escrow Company, Inc., and held and disbursed pursuant to the terms and conditions of the Escrow Agreement.

17. The conditions set forth on Exhibit A shall remain true and correct as of the execution of the Loan Documents on the Closing Date. If the conditions set forth on Exhibit A are not true and accurate as of the Closing Date, Escrow Agent shall have no authority to close the Loan.

Upon satisfaction of the above conditions precedent and receiving written confirmation from the Consultant:

- The Escrow Agent is hereby instructed and authorized to
 - disburse the proceeds of the escrow account to Borrower;
 - record the Security Instrument described in paragraph 1 above; and
 - deliver to the Consultant via Federal Express or other nationally recognized courier service:
 - the original of the Title Policy, complying with the requirements set forth in this Letter;
 - the original executed Note;
 - the original executed Guaranty;
 - the original executed Compliance Agreement;
 - the original executed version of this Letter;
 - the original executed Affidavit;
 - the original executed Borrower Agreement;
 - a copy of the closing statement;
 - a copy of the original executed Security Instrument;
 - executed original Rider, if applicable;
 - executed original Borrower Resolutions;
 - executed original Insurance Notice; and
 - executed original Escrow Agreement.
 - deliver to the Insurance Agent (as set forth in the Insurance Notice) via Federal Express or other nationally recognized courier service:
 - the executed original Insurance Notice.
- the Funder is hereby instructed and authorized to deliver to the Consultant via Federal Express or other nationally recognized courier service:
 - funds in the amount set for above in Paragraph 13 above; and

- o funds in the amount of odd days' interest as set forth above in Paragraph 14 above.

In that there are any outstanding items that need to be approved by Lender prior to the closing of the transaction or the delivery or recording of any Loan Document, Lender does not waive any rights of Lender to withdraw the Loan Documents from escrow, and, upon request by Lender or Consultant, you are to return all of the Loan Documents to the Consultant and return all funds to Lender.

Borrower shall countersign these instructions to acknowledge that Borrower shall pay interest on all funds wired by Lender to the escrow account from the date so wired until the Loan is paid in full, whether or not the funds are returned to Lender pursuant to the preceding paragraph, and whether or not funds are disbursed from the escrow account on the Closing Date.

The Escrow Agent is not to charge the Lender or the Consultant for any escrow fees, title insurance premiums, recording fees, filing fees or taxes or other charges in connection with the Loan or this Letter, all of which are to be paid by Borrower.

It is understood that the instructions contained in this Letter may only be modified by a written letter from the Consultant to the Escrow Agent without the necessity of obtaining the consent of Borrower to such modifications.

Attached and incorporated into this Letter by this reference are two exhibits: Exhibit A contains a list of certain conditions which must be true and correct as of the signing of the Loan Documents and Exhibit B contains the complete contact information for Borrower, Lender and Funder.

This Letter may be executed in one or more counterparts, each of which shall be an original, but all of which shall constitute one and the same Letter of instructions.

Please acknowledge your receipt of this letter and your agreement to comply strictly with the foregoing instructions by returning a copy of this letter duly endorsed by you in the space provided below.

If you have any questions regarding these instructions please contact Cheryl Myers via email at cmyers@cogocapital.com or via phone at 800-473-6051.

Very Truly Yours,

/s/ Cheryl Myers

ACCEPTED AND AGREED TO:

ESCROW AGENT:

Premium Title Services, Inc.

By: Lynette Davis
Name: Lynette DAVIS
Title: Post Closer

BORROWER:

[REDACTED] LLC, a Florida Limited Liability Company

By: [REDACTED]
Name: [REDACTED]
Title: Sole Member

FUNDER:

Panhandle Escrow Company, Inc.

By: /s/Authorized Signatory

**EXHIBIT A
ADDITIONAL CLOSING CONDITIONS**

N/A

EXHIBIT B
ADDRESSES AND CONTACT INFORMATION

Borrower:

[REDACTED] Investments, LLC

Winter Haven, FL 33884

Lender:

Secured Investment High Yield Fund II, LLC

1121 E Mullan Ave

Coeur d'Alene, ID 83814

Consultant:

Cogo Capital, LLC

1121 E Mullan Ave

Coeur d'Alene, ID 83814

Funder:

Panhandle Escrow Company, Inc.

PO Box 1027

801 Pine St, Ste 2

Sandpoint, ID 83864

**GUARANTY
(Payment)**

THIS GUARANTY (this "Guaranty") is made as of **Tenth day of May, 2016** and executed by each of the undersigned individuals (each undersigned individual referred to herein as a "Guarantor" and collectively as the "Guarantors") for the benefit **Secured Investment High Yield Fund II, LLC**, a(n) Idaho Limited Liability Company and its successors, transferees and assigns (the "Lender").

RECITALS:

Lender has or intends to loan up to **Two Hundred Twenty One Thousand and No/100 Dollars** (U.S. **\$221,000.00**) (the "Loan") to [REDACTED] **Investments, LLC**, a(n) Florida Limited Liability Company (the "Borrower")

The Loan is evidenced by a certain promissory note from Borrower to Lender (the "Note") dated as of even date herewith, and is further evidenced and secured by among other things that certain Deed of Trust and Assignment of Rents or Mortgage and Assignment of Rents, whichever is applicable (the "Security Instrument") dated as of even date herewith encumbering the real property described in the Security Instrument (the "Property") and that certain borrower agreement dated as of even date herewith between Borrower and Lender ("Borrower Agreement"). Collectively the Note, Security Instrument, Borrower Agreement and all other documents executed in connection with the Loan will be collectively referred to herein as the "Loan Documents".

Guarantors' execution and delivery of this Guaranty is a principal part of the consideration of Lender making the Loan to Borrower and Lender is not willing to accept the Note and other Loan Documents unless this Guaranty is executed and delivered at the closing of the Loan.

The Guarantors are principals of and/or have an economic interest in Borrower and each Guarantor is benefited by the Loan from Lender to Borrower.

AGREEMENT:

NOW, THEREFORE, in order to induce the Lender to make the Loan and in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantors agree as follows:

1. **Incorporation of Recitals.** The recitals set forth above are incorporated herein by reference as if fully set forth in the body of this Guaranty.
2. **Capitalized Terms.** Capitalized terms used and not specifically defined herein shall have the meanings given to such terms in the Borrower Agreement or Security Instrument.
3. **Guaranteed Obligations.** Guarantors hereby absolutely, unconditionally and irrevocably guarantee to Lender:
 - (a) the payment and performance by Borrower of all of the Indebtness, covenants, agreements, terms and conditions under the Loan Documents, including any renewals, extensions and modifications thereof; and
 - (b) the prompt payment of all sums which may become payable by Borrower pursuant to any of the Loan Documents in full when due in accordance with the provisions thereof, including, without

limitation, costs, expenses, attorneys' fees and all other amounts incurred by Lender in enforcing its rights under this Guaranty ((a), and (b) are referred to herein collectively as the "Obligations").

This Guaranty is irrevocable, unconditional and absolute. The obligations of Guarantors hereunder shall continue in full force and effect against Guarantors for the unpaid balance and the unperformed obligations guaranteed hereby until same are paid in full and/or fully performed or upon written release of Guarantors by Lender. This Guaranty covers any and all of the Obligations whether presently outstanding or arising subsequent to the date hereof. This Guaranty is binding upon and enforceable against Guarantors and Guarantors' heirs, legal representatives, personal representatives, executors, administrators, assigns and successors of Guarantors and shall continue in full force and effect, notwithstanding the death, incapacity or legal disability of Guarantors.

If for any reason any sums shall not be paid by Borrower promptly, when due or any such agreement, covenant, term or condition is not performed or observed by Borrower in accordance with the Loan Documents (after delivery of such notice as may be required by the Loan Documents and prior to the expiration of any applicable grace period), Guarantors promptly after notice thereof will pay the same to the person entitled thereto pursuant to the provisions of any such Loan Document and will promptly perform and observe the same or cause the same promptly to be performed or observed, in any case regardless of (a) any defenses or rights of set-off or counterclaims that Borrower may have or assert, (b) any anti-deficiency statute, (c) any limitations on the liability of Borrower contained in the Note, and (d) whether Lender shall have taken any steps to enforce any rights against Borrower or any other remedy thereunder as a result of the default of Borrower thereunder. This Guaranty is a guaranty of payment and performance and not of collection.

Any amount received by Lender from whatever source and applied by it toward the payment of the Obligations shall be applied in such order of application as set forth in the Note. If claim is ever made upon Lender for repayment or recovery of any amount or amounts received by Lender in payment of any of the Obligations and Lender repays all or part of such amount, Guarantors shall be and remain obligated to Lender hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by Lender.

4. **Survival of Guaranteed Obligations.** The obligations of Guarantor under this Guaranty shall survive any foreclosure event against the Property, and any recorded release or reconveyance of the Security Instrument or any release of any other security for any of the Indebtedness.

5. **Guaranty of Payment; Community Property.** Guarantor's obligations under this Guaranty constitute a present and unconditional guaranty of payment and not merely a guaranty of collection. If Guarantor (or any Guarantor, if more than one) is a married person, and the state of residence of Guarantor or Guarantor's spouse is a community property jurisdiction, Guarantor (or each such married Guarantor, if more than one) agrees that Lender may satisfy Guarantor's obligations under this Guaranty to the extent of all Guarantor's separate property and Guarantor's interest in any community property.

6. **Obligations Unsecured; Cross-Default.** The obligations of Guarantor under this Guaranty shall not be secured by the Security Instrument or the Borrower Agreement. However, a default under this Guaranty shall be an event of default under the Loan Documents, and a default under this Guaranty shall entitle Lender to be able to exercise all of its rights and remedies under the Borrower Agreement and other Loan Documents.

7. **Continuing Guaranty.** The obligations of Guarantor under this Guaranty shall be unconditional irrespective of the genuineness, validity, regularity or enforceability of any provision of this Guaranty, the Note, the Borrower Agreement, the Security Instrument or any other Loan Document. Guarantor agrees

that performance of the obligations hereunder shall be a primary obligation, shall not be subject to any counterclaim, set-off, recoupment, abatement, deferment or defense based upon any claim that Guarantor may have against Lender, Borrower, any other guarantor of the obligations hereunder or any other person or entity, and shall remain in full force and effect without regard to, and shall not be released, discharged or affected in any way by any circumstance or condition (whether or not Guarantor shall have any knowledge thereof), including:

(a) any furnishing, exchange, substitution or release of any collateral securing repayment of the Loan, or any failure to perfect any lien in such collateral;

(b) any failure, omission or delay on the part of Borrower, Guarantor, any other guarantor of the obligations hereunder or Lender to conform or comply with any term of any of the Loan Documents or failure of Lender to give notice of any Event of Default (as such term is used and defined in any Loan Document);

(c) any action or inaction by Lender under or in respect of any of the Loan Documents, any failure, lack of diligence, omission or delay on the part of Lender to perfect, enforce, assert or exercise any lien, security interest, right, power or remedy conferred upon it in any of the Loan Documents, or any other action or inaction on the part of Lender;

(d) any Bankruptcy Event (as defined below), or any voluntary or involuntary bankruptcy, insolvency, reorganization, arrangement, readjustment, assignment for the benefit of creditors, composition, receivership, liquidation, marshaling of assets and liabilities or similar events or proceedings with respect to Guarantor or any other guarantor of the obligations hereunder, or any of their respective property or creditors or any action taken by any trustee or receiver or by any court in such proceeding;

(e) any merger or consolidation of Borrower into or with any entity or any sale, lease or Transfer of any asset of Borrower, Guarantor or any other guarantor of the obligations hereunder to any other Person;

(f) any change in the ownership of Borrower or any change in the relationship between Borrower, Guarantor or any other guarantor of the obligations hereunder, or any termination of such relationship;

(g) any release or discharge by operation of law of Borrower, Guarantor or any other guarantor of the obligations hereunder, any obligation or agreement contained in any of the Loan Documents; or

(h) any other occurrence, circumstance, happening or event, whether similar or dissimilar to the foregoing, and whether seen or unforeseen, which otherwise might constitute a legal or equitable defense or discharge of the liabilities of a guarantor or surety or which otherwise might limit recourse against Borrower or Guarantor to the fullest extent permitted by law.

As used in this Section the term “Bankruptcy Event” means any one or more of the following: (i) the commencement, filing or continuation of a voluntary case or proceeding under one or more of the Insolvency Laws by Borrower; (ii) the acknowledgment in writing by Borrower (other than to Lender in connection with a workout) that it is unable to pay its debts generally as they mature; (iii) the making of a general assignment for the benefit of creditors by Borrower; (iv) the commencement, filing or continuation of an involuntary case or proceeding under one or more Insolvency Laws against Borrower; or (v) the appointment of a receiver (other than a receiver appointed at the direction or request of Lender

under the terms of the Loan Documents), liquidator, custodian, sequestrator, trustee or other similar officer who exercises control over Borrower or any substantial part of the assets of Borrower,

8. Guarantor Waivers. Guarantor hereby waives:

(a) the benefit of all principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Guaranty (and agrees that Guarantor's obligations shall not be affected by any circumstances, whether or not referred to in this Guaranty, which might otherwise constitute a legal or equitable discharge of a surety or a guarantor);

(b) the benefits of any right of discharge under any and all statutes or other laws relating to guarantors or sureties and any other rights of sureties and guarantors;

(c) diligence in collecting the Indebtedness, presentment, demand for payment, protest and all notices with respect to the Loan Documents and this Guaranty which may be required by statute, rule of law or otherwise to preserve Lender's rights against Guarantor under this Guaranty, including notice of acceptance, notice of any amendment of the Loan Documents, notice of the occurrence of any Event of Default, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of foreclosure, notice of protest and notice of the incurring by Borrower of any obligation or indebtedness; and

(d) all rights to require Lender to:

(1) proceed against or exhaust any collateral held by Lender to secure the repayment of the Indebtedness;

(2) proceed against or pursue any remedy it may now or hereafter have against Borrower or any guarantor, or, if Borrower or any guarantor is a partnership, any general partner of Borrower or general partner of any guarantor; or

(3) demand or require collateral security from Borrower, any other guarantor or any other Person as provided by applicable law or otherwise.

9. No Effect Upon Obligations. At any time or from time to time and any number of times, without notice to Guarantor and without releasing, discharging or affecting the liability of Guarantor:

(a) the time for payment of the principal of or interest on the Indebtedness may be extended or the Indebtedness may be renewed in whole or in part;

(b) the rate of interest on or period of amortization of the Loan or the amount of the monthly debt service payments payable under the Loan Documents may be modified;

(c) the time for Borrower's performance of or compliance with any covenant or agreement contained in any Loan Document, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived;

(d) the maturity of the Indebtedness may be accelerated as provided in the Loan Documents;

(e) any or all payments due under the Borrower Agreement or any other Loan Document may be reduced;

(f) any Loan Document may be modified or amended by Lender and Borrower in any respect, including an increase in the principal amount of the Loan;

(g) any amounts under the Borrower Agreement or any other Loan Document may be released;

(h) any security for the Indebtedness may be modified, exchanged, released, surrendered or otherwise dealt with or additional security may be pledged or mortgaged for the Indebtedness;

(i) the payment of the Indebtedness or any security for the Indebtedness, or both, may be subordinated to the right to payment or the security, or both, of any other present or future creditor of Borrower;

(j) any payments made by Borrower to Lender may be applied to the Indebtedness in such priority as Lender may determine in its discretion; and

(k) any other terms of the Loan Documents may be modified as required by Lender.

10. Joint and Several (or Solidary) Liability. If more than one natural person, corporation, limited liability company or any other entity (a "Person") executes this Guaranty as Guarantor, such Persons shall be liable for the obligations hereunder on a joint and several (solidary instead for purposes of Louisiana law, if applicable) basis. Lender, in its discretion, may:

(a) to the extent permitted by applicable law, bring suit against Guarantor, or any one or more of the Persons constituting Guarantor, and any other guarantor, jointly and severally (solidarily instead for purposes of Louisiana law, if applicable), or against any one or more of them;

(b) compromise or settle with any one or more of the Persons constituting Guarantor, or any other guarantor, for such consideration as Lender may deem proper;

(c) discharge or release one or more of the Persons constituting Guarantor, or any other guarantor, from liability or agree not to sue such Person; and

(d) otherwise deal with Guarantor and any guarantor, or any one or more of them, in any manner, and no such action shall impair the rights of Lender to collect from Guarantor any amount guaranteed by Guarantor under this Guaranty.

Nothing contained in this Section 10 shall in any way affect or impair the rights or obligations of Guarantor with respect to any other guarantor.

11. Subordination of Affiliated Debt. Any indebtedness of Borrower held by Guarantor now or in the future is and shall be subordinated to the Indebtedness and any such indebtedness of Borrower shall be collected, enforced and received by Guarantor, as trustee for Lender, but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guaranty.

12. Subrogation. Guarantor shall have no right of, and hereby waives any claim for, subrogation or reimbursement against Borrower or any general partner of Borrower by reason of any payment by Guarantor under this Guaranty, whether such right or claim arises at law or in equity or under any contract or statute, until the Indebtedness has been paid in full and there has expired the maximum

possible period thereafter during which any payment made by Borrower to Lender with respect to the Indebtedness could be deemed a preference under any applicable insolvency laws.

13. Voidable Transfer. If any payment by Borrower is held to constitute a preference under any applicable insolvency laws or similar laws, or if for any other reason Lender is required to refund any sums to Borrower, such refund shall not constitute a release of any liability of Guarantor under this Guaranty. It is the intention of Lender and Guarantor that Guarantor's obligations under this Guaranty shall not be discharged except by Guarantor's performance of such obligations and then only to the extent of such performance. If any payment by any Guarantor should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the applicable insolvency laws relating to a Voidable Transfer, and if Lender is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the advice of its counsel, then the obligations guaranteed hereunder shall automatically be revived, reinstated and restored by the amount of such Voidable Transfer or the amount of such Voidable Transfer that Lender is required or elects to repay or restore, including all reasonable costs, expenses and legal fees incurred by Lender in connection therewith, and shall exist as though such Voidable Transfer had never been made, and any other guarantor, if any, shall remain liable for such obligations in full. As used in this Section 11, the term "Voidable Transfer" means any fraudulent conveyance, preference or other voidable or recoverable payment of money or transfer of property.

14. Successors or Assigns. Lender may assign its rights under this Guaranty in whole or in part and, upon any such assignment, all the terms and provisions of this Guaranty shall inure to the benefit of such assignee to the extent so assigned. Guarantor may not assign its rights, duties and obligations under this Guaranty, in whole or in part, without Lender's prior written consent and any such assignment shall be deemed void *ab initio*. The terms used to designate any of the parties herein shall be deemed to include the heirs, legal representatives, successors and assigns of such parties.

15. Further Assurances. Guarantor acknowledges that Lender (including its successors and assigns) may sell or transfer the Loan, or any interest (including a participation interest) in the Loan. Guarantor shall:

(a) do anything necessary to comply with the requirements of Lender or any investor of the Loan or provide, or cause to be provided, to Lender or any investor of the Loan, at Borrower's and Guarantor's cost and expense, such further documentation or information required by Lender or investor, in order to enable:

- (1) Lender to sell the Loan to such investor;
- (2) Lender to obtain a refund of any commitment fee from any such investor; or
- (3) any such investor to further sell or securitize the Loan;

(b) confirm that Guarantor is not in default under this Guaranty or in observing any of the covenants or agreements contained in this Guaranty (or, if Guarantor is in default, describing such default in reasonable detail); and

(c) execute and deliver to Lender and/or any investor such other documentation, including any amendments, corrections, deletions or additions to this Guaranty as is required by Lender or such investor.

(d) Nothing in this Section 15 shall require Guarantor to do any further act that has the effect of:

(1) changing the essential economic terms of the Loan set forth in the related commitment letter between Borrower and Lender; or

(2) imposing on Borrower or Guarantor greater personal liability under the Loan Documents than that set forth in the related commitment letter between Borrower and Lender.

16. Representations and Warranties Regarding Guarantor. Each Guarantor represents and warrants to Lender the following, as of the date first written above. With respect to each Individual Guarantor:

(a) **No Impairment.** Guarantor is not in violation of any provision of (i) the Guaranty or (ii) any applicable law, statute or ordinance. There has occurred and is subsisting no default under the Guaranty, or any indenture, mortgage, lien, agreement, contract, deed, lease, loan agreement, note, order, judgment, decree or other instrument or restriction of any kind or character to which Guarantor is a party, by which Guarantor is bound, or to which Guarantor, or any of Guarantor's assets, is subject that, individually or in the aggregate, could adversely affect the financial condition of Guarantor or the ability of Guarantor to perform its obligations under the Guaranty. Neither the execution and delivery by Guarantor of the Guaranty, nor the compliance by Guarantor with the terms, conditions and provisions of the Guaranty will conflict with or result in a breach of, or constitute a default under, any of the foregoing.

(b) **No Defaults with Respect to Indebtedness.** Guarantor is not in default in the payment of the principal of or interest on any indebtedness for borrowed money, and Guarantor is not in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute a default thereunder.

(c) **No Material Disputes.** There is no action, suit, proceeding or investigation, at law, in equity, or before or by any court, arbitrator or administrative, governmental, regulatory or adjudicative agency or body of any kind pending, contemplated or, to the best of Guarantor's knowledge, threatened against or involving Guarantor, nor any facts or circumstances that could result in the same, wherein an unfavorable decision, ruling or finding (i) could adversely affect the transactions contemplated by the Loan Documents and the Guaranty; (ii) could adversely affect the ability of Guarantor to comply with the terms of the Guaranty; or (iii) individually or in the aggregate, could have an adverse effect on the financial condition or operations of Guarantor.

(d) **Financial Information.** The financial statements heretofore which Lender may have required delivered to Lender by Guarantor in connection with the Obligations are true and correct in all material respects and have been prepared in accordance with accounting principles consistently applied and correctly and fairly present the financial condition of the subjects thereof. There have been no material adverse changes in the condition or prospects, financial or otherwise, of the subjects thereof since the dates of such financial statements. Guarantor is not insolvent as of the date hereof.

17. Final Agreement. Guarantor acknowledges receipt of a copy of each of the Loan Documents and this Guaranty. THIS GUARANTY REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL

AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Guaranty. Neither this Guaranty nor any of its provisions may be waived, modified, amended, discharged or terminated except by an agreement in writing signed by the party against which the enforcement of the waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in that agreement.

18. Usury. Notwithstanding any other provisions herein contained, no provision of this Guaranty shall require or permit the collection from Guarantors of interest in excess of the maximum rate or amount that Guarantors may be required or permitted to pay to Lender pursuant to the applicable law and as to which Guarantors could not successfully assert the claim or defense of usury. If any excess of interest in such respect is provided for or shall be adjudged to be so provided for, then in such event, (i) the provisions of this Paragraph shall govern and control, (ii) neither Guarantors nor Guarantors' heirs, executors or administrators, successors or assigns or any other party liable under Guarantors, shall be obligated to pay the amount of such interest, to the extent that it is in excess of the maximum non-usurious amount permitted by applicable law, (iii) any such excess which may have been collected shall be, at Lender's option, either refunded or applied to the Obligations, and (iv) the effective rate of interest covered by this Guaranty shall be automatically subject to reduction to the maximum non-usurious lawful contract rate allowed under the applicable law as now or hereafter construed by the courts having jurisdiction thereof.

19. Governing Law; Jurisdiction; Venue. This Guaranty shall be governed by and construed in accordance with the substantive law of the jurisdiction where the property subject to the Security Instrument is located (the "Property Jurisdiction") without regard to the application of choice of law principles that would result in the application of the laws of another jurisdiction. Guarantor agrees that any controversy arising under or in relation to this Guaranty shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Guaranty or any other Loan Document with respect to the subject matter hereof. Guarantor irrevocably consents to service, jurisdiction and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

20. No Reliance. Each Guarantor acknowledges, represents and warrants that:

(a) it understands the nature and structure of the transactions contemplated by this Guaranty and the other Loan Documents;

(b) it is familiar with the provisions of all of the documents and instruments relating to such transactions;

(c) it understands the risks inherent in such transactions, including the risk of loss of all or any part of the Property or of the assets of Guarantor;

(d) it has had the opportunity to consult counsel; and

(e) it has not relied on Lender for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Guaranty or any other Loan Document or otherwise relied on Lender in any manner in connection with interpreting, entering into or otherwise in connection with this Guaranty, any other Loan Document or any of the matters contemplated hereby or thereby.

21. **Miscellaneous.**

(a) **Time is of the Essence.** Guarantor agrees that, with respect to each and every obligation and covenant contained in this Guaranty, time is of the essence.

(b) **Severability.** In case any one or more of the provisions hereof or of the Loan Documents shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Guaranty shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) **Notice.** Guarantor agrees to notify Lender of any change in Guarantor's address within ten (10) Business Days after such change of address occurs. All notices under this Guaranty shall be:

(1) in writing and shall be

(A) delivered, in person;

(B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested;

(C) sent by overnight courier; or

(D) sent by electronic mail with originals to follow by overnight courier;

(d) addressed to the intended recipient at the notice addresses provided under the signature block at the end of this Guaranty; and

(1) deemed given on the earlier to occur of:

(A) the date when the notice is received by the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

(e) **Waiver.** Notice of acceptance of this Guaranty and notice of any obligations or liabilities contracted or incurred by Borrower under any of the Loan Documents are hereby waived by Guarantors.

(f) **Modification.** This Guaranty may not be modified, supplemented or amended except by written agreement duly executed by Guarantors and Lender.

(g) **Binding Effect.** This Guaranty shall be binding upon, and inure to the benefit of and be enforceable by, the parties hereto and their respective heirs, successors and assigns.

(h) **Construction.**

(1) Any reference in this Guaranty to an "Exhibit" or a "Section" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit or schedule attached to this Guaranty or to a Section of this Guaranty.

(2) Any reference in this Guaranty to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(3) Use of the singular in this Guaranty includes the plural and use of the plural includes the singular.

(4) As used in this Guaranty, the term “including” means “including, but not limited to” or “including, without limitation,” and is for example only, and not a limitation.

(5) Whenever Guarantor’s knowledge is implicated in this Guaranty or the phrase “to Guarantor’s knowledge” or a similar phrase is used in this Guaranty, Guarantor’s knowledge or such phrase(s) shall be interpreted to mean to the best of Guarantor’s knowledge after reasonable and diligent inquiry and investigation.

(6) Unless otherwise provided in this Guaranty, if Lender’s approval, designation, determination, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, designation, determination, selection, estimate, action or decision shall be made in Lender’s sole and absolute discretion.

(7) All references in this Guaranty to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(8) “Lender may” shall mean at Lender’s discretion, but shall not be an obligation.

(i) **Counterparts.** This Guaranty may be executed in multiple counterparts, all of which taken together shall constitute one and the same Guaranty and the signature page of any counterpart may be removed therefrom and attached to any other counterpart. This Guaranty will be binding on any Guarantor who executes it regardless of whether or not is executed by any or all of the other Guarantors first described above or elsewhere in the Loan Documents.

(j) **WAIVER OF JURY TRIAL.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF GUARANTOR AND LENDER (A) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS GUARANTY OR ANY LOAN DOCUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS GUARANTOR AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY GUARANTOR AND LENDER, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

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SIGNATURE PAGE
GUARANTY

IN WITNESS WHEREOF, the undersigned have each hereunto subscribed their signature as of the date first written above.

INDIVIDUAL GUARANTOR:

[Redacted Signature]

Address for Notices to Guarantor:

[Redacted Address]
Winter Haven, FL
33884

Email: [Redacted Email]

Subject Property Address:

2418 Cypress Gardens Blvd
Winter Haven, FL 33884

STATE OF Florida)
County of Polk) : ss

On this 10 day of May, 2016, personally appeared before me [Redacted], to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he/she signed the same as his / her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER my hand and official seal the day and year in this certificate first above written.



Juana Rosa Valdes
Notary Public (Signature)

JUANA ROSA VALDES
(Print Name)

My appointment expires: 6/23/18

**GUARANTY
(Payment)**

THIS GUARANTY (this "Guaranty") is made as of Tenth day of May, 2016 and executed by each of the undersigned individuals (each undersigned individual referred to herein as a "Guarantor" and collectively as the "Guarantors") for the benefit Secured Investment High Yield Fund II, LLC, a(n) Idaho Limited Liability Company and its successors, transferees and assigns (the "Lender").

RECITALS:

Lender has or intends to loan up to Two Hundred Twenty One Thousand and No/100 Dollars (U.S. \$221,000.00) (the "Loan") to [REDACTED] Investments, LLC, a(n) Florida Limited Liability Company (the "Borrower")

The Loan is evidenced by a certain promissory note from Borrower to Lender (the "Note") dated as of even date herewith, and is further evidenced and secured by among other things that certain Deed of Trust and Assignment of Rents or Mortgage and Assignment of Rents, whichever is applicable (the "Security Instrument") dated as of even date herewith encumbering the real property described in the Security Instrument (the "Property") and that certain borrower agreement dated as of even date herewith between Borrower and Lender ("Borrower Agreement"). Collectively the Note, Security Instrument, Borrower Agreement and all other documents executed in connection with the Loan will be collectively referred to herein as the "Loan Documents".

Guarantors' execution and delivery of this Guaranty is a principal part of the consideration of Lender making the Loan to Borrower and Lender is not willing to accept the Note and other Loan Documents unless this Guaranty is executed and delivered at the closing of the Loan.

The Guarantors are principals of and/or have an economic interest in Borrower and each Guarantor is benefited by the Loan from Lender to Borrower.

AGREEMENT:

NOW, THEREFORE, in order to induce the Lender to make the Loan and in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantors agree as follows:

1. **Incorporation of Recitals.** The recitals set forth above are incorporated herein by reference as if fully set forth in the body of this Guaranty.
2. **Capitalized Terms.** Capitalized terms used and not specifically defined herein shall have the meanings given to such terms in the Borrower Agreement or Security Instrument.
3. **Guaranteed Obligations.** Guarantors hereby absolutely, unconditionally and irrevocably guarantee to Lender:

(a) the payment and performance by Borrower of all of the Indebtedness, covenants, agreements, terms and conditions under the Loan Documents, including any renewals, extensions and modifications thereof; and

(b) the prompt payment of all sums which may become payable by Borrower pursuant to any of the Loan Documents in full when due in accordance with the provisions thereof, including, without

limitation, costs, expenses, attorneys' fees and all other amounts incurred by Lender in enforcing its rights under this Guaranty ((a), and (b) are referred to herein collectively as the "Obligations").

This Guaranty is irrevocable, unconditional and absolute. The obligations of Guarantors hereunder shall continue in full force and effect against Guarantors for the unpaid balance and the unperformed obligations guaranteed hereby until same are paid in full and/or fully performed or upon written release of Guarantors by Lender. This Guaranty covers any and all of the Obligations whether presently outstanding or arising subsequent to the date hereof. This Guaranty is binding upon and enforceable against Guarantors and Guarantors' heirs, legal representatives, personal representatives, executors, administrators, assigns and successors of Guarantors and shall continue in full force and effect, notwithstanding the death, incapacity or legal disability of Guarantors.

If for any reason any sums shall not be paid by Borrower promptly, when due or any such agreement, covenant, term or condition is not performed or observed by Borrower in accordance with the Loan Documents (after delivery of such notice as may be required by the Loan Documents and prior to the expiration of any applicable grace period), Guarantors promptly after notice thereof will pay the same to the person entitled thereto pursuant to the provisions of any such Loan Document and will promptly perform and observe the same or cause the same promptly to be performed or observed, in any case regardless of (a) any defenses or rights of set-off or counterclaims that Borrower may have or assert, (b) any anti-deficiency statute, (c) any limitations on the liability of Borrower contained in the Note, and (d) whether Lender shall have taken any steps to enforce any rights against Borrower or any other remedy thereunder as a result of the default of Borrower thereunder. This Guaranty is a guaranty of payment and performance and not of collection.

Any amount received by Lender from whatever source and applied by it toward the payment of the Obligations shall be applied in such order of application as set forth in the Note. If claim is ever made upon Lender for repayment or recovery of any amount or amounts received by Lender in payment of any of the Obligations and Lender repays all or part of such amount, Guarantors shall be and remain obligated to Lender hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by Lender.

4. **Survival of Guaranteed Obligations.** The obligations of Guarantor under this Guaranty shall survive any foreclosure event against the Property, and any recorded release or reconveyance of the Security Instrument or any release of any other security for any of the Indebtedness.

5. **Guaranty of Payment; Community Property.** Guarantor's obligations under this Guaranty constitute a present and unconditional guaranty of payment and not merely a guaranty of collection. If Guarantor (or any Guarantor, if more than one) is a married person, and the state of residence of Guarantor or Guarantor's spouse is a community property jurisdiction, Guarantor (or each such married Guarantor, if more than one) agrees that Lender may satisfy Guarantor's obligations under this Guaranty to the extent of all Guarantor's separate property and Guarantor's interest in any community property.

6. **Obligations Unsecured; Cross-Default.** The obligations of Guarantor under this Guaranty shall not be secured by the Security Instrument or the Borrower Agreement. However, a default under this Guaranty shall be an event of default under the Loan Documents, and a default under this Guaranty shall entitle Lender to be able to exercise all of its rights and remedies under the Borrower Agreement and other Loan Documents.

7. **Continuing Guaranty.** The obligations of Guarantor under this Guaranty shall be unconditional irrespective of the genuineness, validity, regularity or enforceability of any provision of this Guaranty, the Note, the Borrower Agreement, the Security Instrument or any other Loan Document. Guarantor agrees

that performance of the obligations hereunder shall be a primary obligation, shall not be subject to any counterclaim, set-off, recoupment, abatement, deferment or defense based upon any claim that Guarantor may have against Lender, Borrower, any other guarantor of the obligations hereunder or any other person or entity, and shall remain in full force and effect without regard to, and shall not be released, discharged or affected in any way by any circumstance or condition (whether or not Guarantor shall have any knowledge thereof), including:

(a) any furnishing, exchange, substitution or release of any collateral securing repayment of the Loan, or any failure to perfect any lien in such collateral;

(b) any failure, omission or delay on the part of Borrower, Guarantor, any other guarantor of the obligations hereunder or Lender to conform or comply with any term of any of the Loan Documents or failure of Lender to give notice of any Event of Default (as such term is used and defined in any Loan Document);

(c) any action or inaction by Lender under or in respect of any of the Loan Documents, any failure, lack of diligence, omission or delay on the part of Lender to perfect, enforce, assert or exercise any lien, security interest, right, power or remedy conferred upon it in any of the Loan Documents, or any other action or inaction on the part of Lender;

(d) any Bankruptcy Event (as defined below), or any voluntary or involuntary bankruptcy, insolvency, reorganization, arrangement, readjustment, assignment for the benefit of creditors, composition, receivership, liquidation, marshaling of assets and liabilities or similar events or proceedings with respect to Guarantor or any other guarantor of the obligations hereunder, or any of their respective property or creditors or any action taken by any trustee or receiver or by any court in such proceeding;

(e) any merger or consolidation of Borrower into or with any entity or any sale, lease or Transfer of any asset of Borrower, Guarantor or any other guarantor of the obligations hereunder to any other Person;

(f) any change in the ownership of Borrower or any change in the relationship between Borrower, Guarantor or any other guarantor of the obligations hereunder, or any termination of such relationship;

(g) any release or discharge by operation of law of Borrower, Guarantor or any other guarantor of the obligations hereunder, any obligation or agreement contained in any of the Loan Documents; or

(h) any other occurrence, circumstance, happening or event, whether similar or dissimilar to the foregoing, and whether seen or unforeseen, which otherwise might constitute a legal or equitable defense or discharge of the liabilities of a guarantor or surety or which otherwise might limit recourse against Borrower or Guarantor to the fullest extent permitted by law.

As used in this Section the term "Bankruptcy Event" means any one or more of the following: (i) the commencement, filing or continuation of a voluntary case or proceeding under one or more of the Insolvency Laws by Borrower; (ii) the acknowledgment in writing by Borrower (other than to Lender in connection with a workout) that it is unable to pay its debts generally as they mature; (iii) the making of a general assignment for the benefit of creditors by Borrower; (iv) the commencement, filing or continuation of an involuntary case or proceeding under one or more Insolvency Laws against Borrower; or (v) the appointment of a receiver (other than a receiver appointed at the direction or request of Lender

under the terms of the Loan Documents), liquidator, custodian, sequestrator, trustee or other similar officer who exercises control over Borrower or any substantial part of the assets of Borrower,

8. Guarantor Waivers. Guarantor hereby waives:

(a) the benefit of all principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Guaranty (and agrees that Guarantor's obligations shall not be affected by any circumstances, whether or not referred to in this Guaranty, which might otherwise constitute a legal or equitable discharge of a surety or a guarantor);

(b) the benefits of any right of discharge under any and all statutes or other laws relating to guarantors or sureties and any other rights of sureties and guarantors;

(c) diligence in collecting the Indebtedness, presentment, demand for payment, protest and all notices with respect to the Loan Documents and this Guaranty which may be required by statute, rule of law or otherwise to preserve Lender's rights against Guarantor under this Guaranty, including notice of acceptance, notice of any amendment of the Loan Documents, notice of the occurrence of any Event of Default, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of foreclosure, notice of protest and notice of the incurring by Borrower of any obligation or indebtedness; and

(d) all rights to require Lender to:

(1) proceed against or exhaust any collateral held by Lender to secure the repayment of the Indebtedness;

(2) proceed against or pursue any remedy it may now or hereafter have against Borrower or any guarantor, or, if Borrower or any guarantor is a partnership, any general partner of Borrower or general partner of any guarantor; or

(3) demand or require collateral security from Borrower, any other guarantor or any other Person as provided by applicable law or otherwise.

9. No Effect Upon Obligations. At any time or from time to time and any number of times, without notice to Guarantor and without releasing, discharging or affecting the liability of Guarantor:

(a) the time for payment of the principal of or interest on the Indebtedness may be extended or the Indebtedness may be renewed in whole or in part;

(b) the rate of interest on or period of amortization of the Loan or the amount of the monthly debt service payments payable under the Loan Documents may be modified;

(c) the time for Borrower's performance of or compliance with any covenant or agreement contained in any Loan Document, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived;

(d) the maturity of the Indebtedness may be accelerated as provided in the Loan Documents;

(e) any or all payments due under the Borrower Agreement or any other Loan Document may be reduced;

(f) any Loan Document may be modified or amended by Lender and Borrower in any respect, including an increase in the principal amount of the Loan;

(g) any amounts under the Borrower Agreement or any other Loan Document may be released;

(h) any security for the Indebtedness may be modified, exchanged, released, surrendered or otherwise dealt with or additional security may be pledged or mortgaged for the Indebtedness;

(i) the payment of the Indebtedness or any security for the Indebtedness, or both, may be subordinated to the right to payment or the security, or both, of any other present or future creditor of Borrower;

(j) any payments made by Borrower to Lender may be applied to the Indebtedness in such priority as Lender may determine in its discretion; and

(k) any other terms of the Loan Documents may be modified as required by Lender.

10. Joint and Several (or Solidary) Liability. If more than one natural person, corporation, limited liability company or any other entity (a "Person") executes this Guaranty as Guarantor, such Persons shall be liable for the obligations hereunder on a joint and several (solidary instead for purposes of Louisiana law, if applicable) basis. Lender, in its discretion, may:

(a) to the extent permitted by applicable law, bring suit against Guarantor, or any one or more of the Persons constituting Guarantor, and any other guarantor, jointly and severally (solidarily instead for purposes of Louisiana law, if applicable), or against any one or more of them;

(b) compromise or settle with any one or more of the Persons constituting Guarantor, or any other guarantor, for such consideration as Lender may deem proper;

(c) discharge or release one or more of the Persons constituting Guarantor, or any other guarantor, from liability or agree not to sue such Person; and

(d) otherwise deal with Guarantor and any guarantor, or any one or more of them, in any manner, and no such action shall impair the rights of Lender to collect from Guarantor any amount guaranteed by Guarantor under this Guaranty.

Nothing contained in this Section 10 shall in any way affect or impair the rights or obligations of Guarantor with respect to any other guarantor.

11. Subordination of Affiliated Debt. Any indebtedness of Borrower held by Guarantor now or in the future is and shall be subordinated to the Indebtedness and any such indebtedness of Borrower shall be collected, enforced and received by Guarantor, as trustee for Lender, but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guaranty.

12. Subrogation. Guarantor shall have no right of, and hereby waives any claim for, subrogation or reimbursement against Borrower or any general partner of Borrower by reason of any payment by Guarantor under this Guaranty, whether such right or claim arises at law or in equity or under any contract or statute, until the Indebtedness has been paid in full and there has expired the maximum

possible period thereafter during which any payment made by Borrower to Lender with respect to the Indebtedness could be deemed a preference under any applicable insolvency laws.

13. Voidable Transfer. If any payment by Borrower is held to constitute a preference under any applicable insolvency laws or similar laws, or if for any other reason Lender is required to refund any sums to Borrower, such refund shall not constitute a release of any liability of Guarantor under this Guaranty. It is the intention of Lender and Guarantor that Guarantor's obligations under this Guaranty shall not be discharged except by Guarantor's performance of such obligations and then only to the extent of such performance. If any payment by any Guarantor should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the applicable insolvency laws relating to a Voidable Transfer, and if Lender is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the advice of its counsel, then the obligations guaranteed hereunder shall automatically be revived, reinstated and restored by the amount of such Voidable Transfer or the amount of such Voidable Transfer that Lender is required or elects to repay or restore, including all reasonable costs, expenses and legal fees incurred by Lender in connection therewith, and shall exist as though such Voidable Transfer had never been made, and any other guarantor, if any, shall remain liable for such obligations in full. As used in this Section 11, the term "Voidable Transfer" means any fraudulent conveyance, preference or other voidable or recoverable payment of money or transfer of property.

14. Successors or Assigns. Lender may assign its rights under this Guaranty in whole or in part and, upon any such assignment, all the terms and provisions of this Guaranty shall inure to the benefit of such assignee to the extent so assigned. Guarantor may not assign its rights, duties and obligations under this Guaranty, in whole or in part, without Lender's prior written consent and any such assignment shall be deemed void *ab initio*. The terms used to designate any of the parties herein shall be deemed to include the heirs, legal representatives, successors and assigns of such parties.

15. Further Assurances. Guarantor acknowledges that Lender (including its successors and assigns) may sell or transfer the Loan, or any interest (including a participation interest) in the Loan. Guarantor shall:

(a) do anything necessary to comply with the requirements of Lender or any investor of the Loan or provide, or cause to be provided, to Lender or any investor of the Loan, at Borrower's and Guarantor's cost and expense, such further documentation or information required by Lender or investor, in order to enable:

- (1) Lender to sell the Loan to such investor;
- (2) Lender to obtain a refund of any commitment fee from any such investor; or
- (3) any such investor to further sell or securitize the Loan;

(b) confirm that Guarantor is not in default under this Guaranty or in observing any of the covenants or agreements contained in this Guaranty (or, if Guarantor is in default, describing such default in reasonable detail); and

(c) execute and deliver to Lender and/or any investor such other documentation, including any amendments, corrections, deletions or additions to this Guaranty as is required by Lender or such investor.

(d) Nothing in this Section 15 shall require Guarantor to do any further act that has the effect of:

(1) changing the essential economic terms of the Loan set forth in the related commitment letter between Borrower and Lender; or

(2) imposing on Borrower or Guarantor greater personal liability under the Loan Documents than that set forth in the related commitment letter between Borrower and Lender.

16. Representations and Warranties Regarding Guarantor. Each Guarantor represents and warrants to Lender the following, as of the date first written above. With respect to each Individual Guarantor:

(a) **No Impairment.** Guarantor is not in violation of any provision of (i) the Guaranty or (ii) any applicable law, statute or ordinance. There has occurred and is subsisting no default under the Guaranty, or any indenture, mortgage, lien, agreement, contract, deed, lease, loan agreement, note, order, judgment, decree or other instrument or restriction of any kind or character to which Guarantor is a party, by which Guarantor is bound, or to which Guarantor, or any of Guarantor's assets, is subject that, individually or in the aggregate, could adversely affect the financial condition of Guarantor or the ability of Guarantor to perform its obligations under the Guaranty. Neither the execution and delivery by Guarantor of the Guaranty, nor the compliance by Guarantor with the terms, conditions and provisions of the Guaranty will conflict with or result in a breach of, or constitute a default under, any of the foregoing.

(b) **No Defaults with Respect to Indebtedness.** Guarantor is not in default in the payment of the principal of or interest on any indebtedness for borrowed money, and Guarantor is not in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute a default thereunder.

(c) **No Material Disputes.** There is no action, suit, proceeding or investigation, at law, in equity, or before or by any court, arbitrator or administrative, governmental, regulatory or adjudicative agency or body of any kind pending, contemplated or, to the best of Guarantor's knowledge, threatened against or involving Guarantor; nor any facts or circumstances that could result in the same, wherein an unfavorable decision, ruling or finding (i) could adversely affect the transactions contemplated by the Loan Documents and the Guaranty; (ii) could adversely affect the ability of Guarantor to comply with the terms of the Guaranty; or (iii) individually or in the aggregate, could have an adverse effect on the financial condition or operations of Guarantor.

(d) **Financial Information.** The financial statements heretofore which Lender may have required delivered to Lender by Guarantor in connection with the Obligations are true and correct in all material respects and have been prepared in accordance with accounting principles consistently applied and correctly and fairly present the financial condition of the subjects thereof. There have been no material adverse changes in the condition or prospects, financial or otherwise, of the subjects thereof since the dates of such financial statements. Guarantor is not insolvent as of the date hereof.

17. Final Agreement. Guarantor acknowledges receipt of a copy of each of the Loan Documents and this Guaranty. THIS GUARANTY REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL

AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Guaranty. Neither this Guaranty nor any of its provisions may be waived, modified, amended, discharged or terminated except by an agreement in writing signed by the party against which the enforcement of the waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in that agreement.

18. **Usury.** Notwithstanding any other provisions herein contained, no provision of this Guaranty shall require or permit the collection from Guarantors of interest in excess of the maximum rate or amount that Guarantors may be required or permitted to pay to Lender pursuant to the applicable law and as to which Guarantors could not successfully assert the claim or defense of usury. If any excess of interest in such respect is provided for or shall be adjudged to be so provided for, then in such event, (i) the provisions of this Paragraph shall govern and control, (ii) neither Guarantors nor Guarantors' heirs, executors or administrators, successors or assigns or any other party liable under Guarantors, shall be obligated to pay the amount of such interest, to the extent that it is in excess of the maximum non-usurious amount permitted by applicable law, (iii) any such excess which may have been collected shall be, at Lender's option, either refunded or applied to the Obligations, and (iv) the effective rate of interest covered by this Guaranty shall be automatically subject to reduction to the maximum non-usurious lawful contract rate allowed under the applicable law as now or hereafter construed by the courts having jurisdiction thereof.

19. **Governing Law; Jurisdiction; Venue.** This Guaranty shall be governed by and construed in accordance with the substantive law of the jurisdiction where the property subject to the Security Instrument is located (the "Property Jurisdiction") without regard to the application of choice of law principles that would result in the application of the laws of another jurisdiction. Guarantor agrees that any controversy arising under or in relation to this Guaranty shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Guaranty or any other Loan Document with respect to the subject matter hereof. Guarantor irrevocably consents to service, jurisdiction and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

20. **No Reliance.** Each Guarantor acknowledges, represents and warrants that:

- (a) it understands the nature and structure of the transactions contemplated by this Guaranty and the other Loan Documents;
- (b) it is familiar with the provisions of all of the documents and instruments relating to such transactions;
- (c) it understands the risks inherent in such transactions, including the risk of loss of all or any part of the Property or of the assets of Guarantor;
- (d) it has had the opportunity to consult counsel; and
- (e) it has not relied on Lender for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Guaranty or any other Loan Document or otherwise relied on Lender in any manner in connection with interpreting, entering into or otherwise in connection with this Guaranty, any other Loan Document or any of the matters contemplated hereby or thereby.

21. **Miscellaneous.**

(a) **Time is of the Essence.** Guarantor agrees that, with respect to each and every obligation and covenant contained in this Guaranty, time is of the essence.

(b) **Severability.** In case any one or more of the provisions hereof or of the Loan Documents shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Guaranty shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) **Notice.** Guarantor agrees to notify Lender of any change in Guarantor's address within ten (10) Business Days after such change of address occurs. All notices under this Guaranty shall be:

(1) in writing and shall be

(A) delivered, in person;

(B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested;

(C) sent by overnight courier; or

(D) sent by electronic mail with originals to follow by overnight courier;

(d) addressed to the intended recipient at the notice addresses provided under the signature block at the end of this Guaranty; and

(1) deemed given on the earlier to occur of:

(A) the date when the notice is received by the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

(e) **Waiver.** Notice of acceptance of this Guaranty and notice of any obligations or liabilities contracted or incurred by Borrower under any of the Loan Documents are hereby waived by Guarantors.

(f) **Modification.** This Guaranty may not be modified, supplemented or amended except by written agreement duly executed by Guarantors and Lender.

(g) **Binding Effect.** This Guaranty shall be binding upon, and inure to the benefit of and be enforceable by, the parties hereto and their respective heirs, successors and assigns.

(h) **Construction.**

(1) Any reference in this Guaranty to an "Exhibit" or a "Section" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit or schedule attached to this Guaranty or to a Section of this Guaranty.

(2) Any reference in this Guaranty to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(3) Use of the singular in this Guaranty includes the plural and use of the plural includes the singular.

(4) As used in this Guaranty, the term "including" means "including, but not limited to" or "including, without limitation," and is for example only, and not a limitation.

(5) Whenever Guarantor's knowledge is implicated in this Guaranty or the phrase "to Guarantor's knowledge" or a similar phrase is used in this Guaranty, Guarantor's knowledge or such phrase(s) shall be interpreted to mean to the best of Guarantor's knowledge after reasonable and diligent inquiry and investigation.

(6) Unless otherwise provided in this Guaranty, if Lender's approval, designation, determination, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, designation, determination, selection, estimate, action or decision shall be made in Lender's sole and absolute discretion.

(7) All references in this Guaranty to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(8) "Lender may" shall mean at Lender's discretion, but shall not be an obligation.

(i) **Counterparts.** This Guaranty may be executed in multiple counterparts, all of which taken together shall constitute one and the same Guaranty and the signature page of any counterpart may be removed therefrom and attached to any other counterpart. This Guaranty will be binding on any Guarantor who executes it regardless of whether or not is executed by any or all of the other Guarantors first described above or elsewhere in the Loan Documents.

(j) **WAIVER OF JURY TRIAL.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF GUARANTOR AND LENDER (A) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS GUARANTY OR ANY LOAN DOCUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS GUARANTOR AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY GUARANTOR AND LENDER, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

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SIGNATURE PAGE
GUARANTY

IN WITNESS WHEREOF, the undersigned have each hereunto subscribed their signature as of the date first written above.

INDIVIDUAL GUARANTOR:

[Redacted Name]

Address for Notices to Guarantor:

[Redacted Address]

Cary NC 27511

Email: [Redacted Email]

Subject Property Address:

2418 Cypress Gardens Blvd
Winter Haven, FL 33884

STATE OF North Carolina)
County of Wake) : ss

On this 2nd day of June, 2016, personally appeared before me JOAN HAWTHORNE, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he/she signed the same as his / her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER my hand and official seal the day and year in this certificate first above written.



Gina M. Montana
Notary Public (Signature)

Gina M. Montana
(Print Name)

My appointment expires: 12/17/2020

**GUARANTY
(Payment)**

THIS GUARANTY (this "Guaranty") is made as of **Tenth day of May, 2016** and executed by each of the undersigned individuals (each undersigned individual referred to herein as a "Guarantor" and collectively as the "Guarantors") for the benefit **Secured Investment High Yield Fund II, LLC**, a(n) Idaho Limited Liability Company and its successors, transferees and assigns (the "Lender").

RECITALS:

Lender has or intends to loan up to **Two Hundred Twenty One Thousand and No/100 Dollars** (U.S. **\$221,000.00**) (the "Loan") to [REDACTED] **Investments, LLC**, a(n) Florida Limited Liability Company (the "Borrower")

The Loan is evidenced by a certain promissory note from Borrower to Lender (the "Note") dated as of even date herewith, and is further evidenced and secured by among other things that certain Deed of Trust and Assignment of Rents or Mortgage and Assignment of Rents, whichever is applicable (the "Security Instrument") dated as of even date herewith encumbering the real property described in the Security Instrument (the "Property") and that certain borrower agreement dated as of even date herewith between Borrower and Lender ("Borrower Agreement"). Collectively the Note, Security Instrument, Borrower Agreement and all other documents executed in connection with the Loan will be collectively referred to herein as the "Loan Documents".

Guarantors' execution and delivery of this Guaranty is a principal part of the consideration of Lender making the Loan to Borrower and Lender is not willing to accept the Note and other Loan Documents unless this Guaranty is executed and delivered at the closing of the Loan.

The Guarantors are principals of and/or have an economic interest in Borrower and each Guarantor is benefited by the Loan from Lender to Borrower.

AGREEMENT:

NOW, THEREFORE, in order to induce the Lender to make the Loan and in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantors agree as follows:

1. **Incorporation of Recitals.** The recitals set forth above are incorporated herein by reference as if fully set forth in the body of this Guaranty.
2. **Capitalized Terms.** Capitalized terms used and not specifically defined herein shall have the meanings given to such terms in the Borrower Agreement or Security Instrument.
3. **Guaranteed Obligations.** Guarantors hereby absolutely, unconditionally and irrevocably guarantee to Lender:
 - (a) the payment and performance by Borrower of all of the Indebtness, covenants, agreements, terms and conditions under the Loan Documents, including any renewals, extensions and modifications thereof; and
 - (b) the prompt payment of all sums which may become payable by Borrower pursuant to any of the Loan Documents in full when due in accordance with the provisions thereof, including, without

limitation, costs, expenses, attorneys' fees and all other amounts incurred by Lender in enforcing its rights under this Guaranty ((a), and (b) are referred to herein collectively as the "Obligations").

This Guaranty is irrevocable, unconditional and absolute. The obligations of Guarantors hereunder shall continue in full force and effect against Guarantors for the unpaid balance and the unperformed obligations guaranteed hereby until same are paid in full and/or fully performed or upon written release of Guarantors by Lender. This Guaranty covers any and all of the Obligations whether presently outstanding or arising subsequent to the date hereof. This Guaranty is binding upon and enforceable against Guarantors and Guarantors' heirs, legal representatives, personal representatives, executors, administrators, assigns and successors of Guarantors and shall continue in full force and effect, notwithstanding the death, incapacity or legal disability of Guarantors.

If for any reason any sums shall not be paid by Borrower promptly, when due or any such agreement, covenant, term or condition is not performed or observed by Borrower in accordance with the Loan Documents (after delivery of such notice as may be required by the Loan Documents and prior to the expiration of any applicable grace period), Guarantors promptly after notice thereof will pay the same to the person entitled thereto pursuant to the provisions of any such Loan Document and will promptly perform and observe the same or cause the same promptly to be performed or observed, in any case regardless of (a) any defenses or rights of set-off or counterclaims that Borrower may have or assert, (b) any anti-deficiency statute, (c) any limitations on the liability of Borrower contained in the Note, and (d) whether Lender shall have taken any steps to enforce any rights against Borrower or any other remedy thereunder as a result of the default of Borrower thereunder. This Guaranty is a guaranty of payment and performance and not of collection.

Any amount received by Lender from whatever source and applied by it toward the payment of the Obligations shall be applied in such order of application as set forth in the Note. If claim is ever made upon Lender for repayment or recovery of any amount or amounts received by Lender in payment of any of the Obligations and Lender repays all or part of such amount, Guarantors shall be and remain obligated to Lender hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by Lender.

4. **Survival of Guaranteed Obligations.** The obligations of Guarantor under this Guaranty shall survive any foreclosure event against the Property, and any recorded release or reconveyance of the Security Instrument or any release of any other security for any of the Indebtedness.

5. **Guaranty of Payment; Community Property.** Guarantor's obligations under this Guaranty constitute a present and unconditional guaranty of payment and not merely a guaranty of collection. If Guarantor (or any Guarantor, if more than one) is a married person, and the state of residence of Guarantor or Guarantor's spouse is a community property jurisdiction, Guarantor (or each such married Guarantor, if more than one) agrees that Lender may satisfy Guarantor's obligations under this Guaranty to the extent of all Guarantor's separate property and Guarantor's interest in any community property.

6. **Obligations Unsecured; Cross-Default.** The obligations of Guarantor under this Guaranty shall not be secured by the Security Instrument or the Borrower Agreement. However, a default under this Guaranty shall be an event of default under the Loan Documents, and a default under this Guaranty shall entitle Lender to be able to exercise all of its rights and remedies under the Borrower Agreement and other Loan Documents.

7. **Continuing Guaranty.** The obligations of Guarantor under this Guaranty shall be unconditional irrespective of the genuineness, validity, regularity or enforceability of any provision of this Guaranty, the Note, the Borrower Agreement, the Security Instrument or any other Loan Document. Guarantor agrees

that performance of the obligations hereunder shall be a primary obligation, shall not be subject to any counterclaim, set-off, recoupment, abatement, deferment or defense based upon any claim that Guarantor may have against Lender, Borrower, any other guarantor of the obligations hereunder or any other person or entity, and shall remain in full force and effect without regard to, and shall not be released, discharged or affected in any way by any circumstance or condition (whether or not Guarantor shall have any knowledge thereof), including:

(a) any furnishing, exchange, substitution or release of any collateral securing repayment of the Loan, or any failure to perfect any lien in such collateral;

(b) any failure, omission or delay on the part of Borrower, Guarantor, any other guarantor of the obligations hereunder or Lender to conform or comply with any term of any of the Loan Documents or failure of Lender to give notice of any Event of Default (as such term is used and defined in any Loan Document);

(c) any action or inaction by Lender under or in respect of any of the Loan Documents, any failure, lack of diligence, omission or delay on the part of Lender to perfect, enforce, assert or exercise any lien, security interest, right, power or remedy conferred upon it in any of the Loan Documents, or any other action or inaction on the part of Lender;

(d) any Bankruptcy Event (as defined below), or any voluntary or involuntary bankruptcy, insolvency, reorganization, arrangement, readjustment, assignment for the benefit of creditors, composition, receivership, liquidation, marshaling of assets and liabilities or similar events or proceedings with respect to Guarantor or any other guarantor of the obligations hereunder, or any of their respective property or creditors or any action taken by any trustee or receiver or by any court in such proceeding;

(e) any merger or consolidation of Borrower into or with any entity or any sale, lease or Transfer of any asset of Borrower, Guarantor or any other guarantor of the obligations hereunder to any other Person;

(f) any change in the ownership of Borrower or any change in the relationship between Borrower, Guarantor or any other guarantor of the obligations hereunder, or any termination of such relationship;

(g) any release or discharge by operation of law of Borrower, Guarantor or any other guarantor of the obligations hereunder, any obligation or agreement contained in any of the Loan Documents; or

(h) any other occurrence, circumstance, happening or event, whether similar or dissimilar to the foregoing, and whether seen or unforeseen, which otherwise might constitute a legal or equitable defense or discharge of the liabilities of a guarantor or surety or which otherwise might limit recourse against Borrower or Guarantor to the fullest extent permitted by law.

As used in this Section the term "Bankruptcy Event" means any one or more of the following: (i) the commencement, filing or continuation of a voluntary case or proceeding under one or more of the Insolvency Laws by Borrower; (ii) the acknowledgment in writing by Borrower (other than to Lender in connection with a workout) that it is unable to pay its debts generally as they mature; (iii) the making of a general assignment for the benefit of creditors by Borrower; (iv) the commencement, filing or continuation of an involuntary case or proceeding under one or more Insolvency Laws against Borrower; or (v) the appointment of a receiver (other than a receiver appointed at the direction or request of Lender

under the terms of the Loan Documents), liquidator, custodian, sequestrator, trustee or other similar officer who exercises control over Borrower or any substantial part of the assets of Borrower,

8. Guarantor Waivers. Guarantor hereby waives:

(a) the benefit of all principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Guaranty (and agrees that Guarantor's obligations shall not be affected by any circumstances, whether or not referred to in this Guaranty, which might otherwise constitute a legal or equitable discharge of a surety or a guarantor);

(b) the benefits of any right of discharge under any and all statutes or other laws relating to guarantors or sureties and any other rights of sureties and guarantors;

(c) diligence in collecting the Indebtedness, presentment, demand for payment, protest and all notices with respect to the Loan Documents and this Guaranty which may be required by statute, rule of law or otherwise to preserve Lender's rights against Guarantor under this Guaranty, including notice of acceptance, notice of any amendment of the Loan Documents, notice of the occurrence of any Event of Default, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of foreclosure, notice of protest and notice of the incurring by Borrower of any obligation or indebtedness; and

(d) all rights to require Lender to:

(1) proceed against or exhaust any collateral held by Lender to secure the repayment of the Indebtedness;

(2) proceed against or pursue any remedy it may now or hereafter have against Borrower or any guarantor, or, if Borrower or any guarantor is a partnership, any general partner of Borrower or general partner of any guarantor; or

(3) demand or require collateral security from Borrower, any other guarantor or any other Person as provided by applicable law or otherwise.

9. No Effect Upon Obligations. At any time or from time to time and any number of times, without notice to Guarantor and without releasing, discharging or affecting the liability of Guarantor:

(a) the time for payment of the principal of or interest on the Indebtedness may be extended or the Indebtedness may be renewed in whole or in part;

(b) the rate of interest on or period of amortization of the Loan or the amount of the monthly debt service payments payable under the Loan Documents may be modified;

(c) the time for Borrower's performance of or compliance with any covenant or agreement contained in any Loan Document, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived;

(d) the maturity of the Indebtedness may be accelerated as provided in the Loan Documents;

(e) any or all payments due under the Borrower Agreement or any other Loan Document may be reduced;

(f) any Loan Document may be modified or amended by Lender and Borrower in any respect, including an increase in the principal amount of the Loan;

(g) any amounts under the Borrower Agreement or any other Loan Document may be released;

(h) any security for the Indebtedness may be modified, exchanged, released, surrendered or otherwise dealt with or additional security may be pledged or mortgaged for the Indebtedness;

(i) the payment of the Indebtedness or any security for the Indebtedness, or both, may be subordinated to the right to payment or the security, or both, of any other present or future creditor of Borrower;

(j) any payments made by Borrower to Lender may be applied to the Indebtedness in such priority as Lender may determine in its discretion; and

(k) any other terms of the Loan Documents may be modified as required by Lender.

10. Joint and Several (or Solidary) Liability. If more than one natural person, corporation, limited liability company or any other entity (a "Person") executes this Guaranty as Guarantor, such Persons shall be liable for the obligations hereunder on a joint and several (solidary instead for purposes of Louisiana law, if applicable) basis. Lender, in its discretion, may:

(a) to the extent permitted by applicable law, bring suit against Guarantor, or any one or more of the Persons constituting Guarantor, and any other guarantor, jointly and severally (solidarily instead for purposes of Louisiana law, if applicable), or against any one or more of them;

(b) compromise or settle with any one or more of the Persons constituting Guarantor, or any other guarantor, for such consideration as Lender may deem proper;

(c) discharge or release one or more of the Persons constituting Guarantor, or any other guarantor, from liability or agree not to sue such Person; and

(d) otherwise deal with Guarantor and any guarantor, or any one or more of them, in any manner, and no such action shall impair the rights of Lender to collect from Guarantor any amount guaranteed by Guarantor under this Guaranty.

Nothing contained in this Section 10 shall in any way affect or impair the rights or obligations of Guarantor with respect to any other guarantor.

11. Subordination of Affiliated Debt. Any indebtedness of Borrower held by Guarantor now or in the future is and shall be subordinated to the Indebtedness and any such indebtedness of Borrower shall be collected, enforced and received by Guarantor, as trustee for Lender, but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guaranty.

12. Subrogation. Guarantor shall have no right of, and hereby waives any claim for, subrogation or reimbursement against Borrower or any general partner of Borrower by reason of any payment by Guarantor under this Guaranty, whether such right or claim arises at law or in equity or under any contract or statute, until the Indebtedness has been paid in full and there has expired the maximum

possible period thereafter during which any payment made by Borrower to Lender with respect to the Indebtedness could be deemed a preference under any applicable insolvency laws.

13. Voidable Transfer. If any payment by Borrower is held to constitute a preference under any applicable insolvency laws or similar laws, or if for any other reason Lender is required to refund any sums to Borrower, such refund shall not constitute a release of any liability of Guarantor under this Guaranty. It is the intention of Lender and Guarantor that Guarantor's obligations under this Guaranty shall not be discharged except by Guarantor's performance of such obligations and then only to the extent of such performance. If any payment by any Guarantor should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the applicable insolvency laws relating to a Voidable Transfer, and if Lender is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the advice of its counsel, then the obligations guaranteed hereunder shall automatically be revived, reinstated and restored by the amount of such Voidable Transfer or the amount of such Voidable Transfer that Lender is required or elects to repay or restore, including all reasonable costs, expenses and legal fees incurred by Lender in connection therewith, and shall exist as though such Voidable Transfer had never been made, and any other guarantor, if any, shall remain liable for such obligations in full. As used in this Section 11, the term "Voidable Transfer" means any fraudulent conveyance, preference or other voidable or recoverable payment of money or transfer of property.

14. Successors or Assigns. Lender may assign its rights under this Guaranty in whole or in part and, upon any such assignment, all the terms and provisions of this Guaranty shall inure to the benefit of such assignee to the extent so assigned. Guarantor may not assign its rights, duties and obligations under this Guaranty, in whole or in part, without Lender's prior written consent and any such assignment shall be deemed void *ab initio*. The terms used to designate any of the parties herein shall be deemed to include the heirs, legal representatives, successors and assigns of such parties.

15. Further Assurances. Guarantor acknowledges that Lender (including its successors and assigns) may sell or transfer the Loan, or any interest (including a participation interest) in the Loan. Guarantor shall:

(a) do anything necessary to comply with the requirements of Lender or any investor of the Loan or provide, or cause to be provided, to Lender or any investor of the Loan, at Borrower's and Guarantor's cost and expense, such further documentation or information required by Lender or investor, in order to enable:

- (1) Lender to sell the Loan to such investor;
- (2) Lender to obtain a refund of any commitment fee from any such investor; or
- (3) any such investor to further sell or securitize the Loan;

(b) confirm that Guarantor is not in default under this Guaranty or in observing any of the covenants or agreements contained in this Guaranty (or, if Guarantor is in default, describing such default in reasonable detail); and

(c) execute and deliver to Lender and/or any investor such other documentation, including any amendments, corrections, deletions or additions to this Guaranty as is required by Lender or such investor.

(d) Nothing in this Section 15 shall require Guarantor to do any further act that has the effect of:

(1) changing the essential economic terms of the Loan set forth in the related commitment letter between Borrower and Lender; or

(2) imposing on Borrower or Guarantor greater personal liability under the Loan Documents than that set forth in the related commitment letter between Borrower and Lender.

16. Representations and Warranties Regarding Guarantor. Each Guarantor represents and warrants to Lender the following, as of the date first written above. With respect to each Individual Guarantor:

(a) **No Impairment.** Guarantor is not in violation of any provision of (i) the Guaranty or (ii) any applicable law, statute or ordinance. There has occurred and is subsisting no default under the Guaranty, or any indenture, mortgage, lien, agreement, contract, deed, lease, loan agreement, note, order, judgment, decree or other instrument or restriction of any kind or character to which Guarantor is a party, by which Guarantor is bound, or to which Guarantor, or any of Guarantor's assets, is subject that, individually or in the aggregate, could adversely affect the financial condition of Guarantor or the ability of Guarantor to perform its obligations under the Guaranty. Neither the execution and delivery by Guarantor of the Guaranty, nor the compliance by Guarantor with the terms, conditions and provisions of the Guaranty will conflict with or result in a breach of, or constitute a default under, any of the foregoing.

(b) **No Defaults with Respect to Indebtedness.** Guarantor is not in default in the payment of the principal of or interest on any indebtedness for borrowed money, and Guarantor is not in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute a default thereunder.

(c) **No Material Disputes.** There is no action, suit, proceeding or investigation, at law, in equity, or before or by any court, arbitrator or administrative, governmental, regulatory or adjudicative agency or body of any kind pending, contemplated or, to the best of Guarantor's knowledge, threatened against or involving Guarantor, nor any facts or circumstances that could result in the same, wherein an unfavorable decision, ruling or finding (i) could adversely affect the transactions contemplated by the Loan Documents and the Guaranty; (ii) could adversely affect the ability of Guarantor to comply with the terms of the Guaranty; or (iii) individually or in the aggregate, could have an adverse effect on the financial condition or operations of Guarantor.

(d) **Financial Information.** The financial statements heretofore which Lender may have required delivered to Lender by Guarantor in connection with the Obligations are true and correct in all material respects and have been prepared in accordance with accounting principles consistently applied and correctly and fairly present the financial condition of the subjects thereof. There have been no material adverse changes in the condition or prospects, financial or otherwise, of the subjects thereof since the dates of such financial statements. Guarantor is not insolvent as of the date hereof.

17. Final Agreement. Guarantor acknowledges receipt of a copy of each of the Loan Documents and this Guaranty. THIS GUARANTY REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL

AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Guaranty. Neither this Guaranty nor any of its provisions may be waived, modified, amended, discharged or terminated except by an agreement in writing signed by the party against which the enforcement of the waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in that agreement.

18. Usury. Notwithstanding any other provisions herein contained, no provision of this Guaranty shall require or permit the collection from Guarantors of interest in excess of the maximum rate or amount that Guarantors may be required or permitted to pay to Lender pursuant to the applicable law and as to which Guarantors could not successfully assert the claim or defense of usury. If any excess of interest in such respect is provided for or shall be adjudged to be so provided for, then in such event, (i) the provisions of this Paragraph shall govern and control, (ii) neither Guarantors nor Guarantors' heirs, executors or administrators, successors or assigns or any other party liable under Guarantors, shall be obligated to pay the amount of such interest, to the extent that it is in excess of the maximum non-usurious amount permitted by applicable law, (iii) any such excess which may have been collected shall be, at Lender's option, either refunded or applied to the Obligations, and (iv) the effective rate of interest covered by this Guaranty shall be automatically subject to reduction to the maximum non-usurious lawful contract rate allowed under the applicable law as now or hereafter construed by the courts having jurisdiction thereof.

19. Governing Law; Jurisdiction; Venue. This Guaranty shall be governed by and construed in accordance with the substantive law of the jurisdiction where the property subject to the Security Instrument is located (the "Property Jurisdiction") without regard to the application of choice of law principles that would result in the application of the laws of another jurisdiction. Guarantor agrees that any controversy arising under or in relation to this Guaranty shall be litigated exclusively in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Guaranty or any other Loan Document with respect to the subject matter hereof. Guarantor irrevocably consents to service, jurisdiction and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

20. No Reliance. Each Guarantor acknowledges, represents and warrants that:

(a) it understands the nature and structure of the transactions contemplated by this Guaranty and the other Loan Documents;

(b) it is familiar with the provisions of all of the documents and instruments relating to such transactions;

(c) it understands the risks inherent in such transactions, including the risk of loss of all or any part of the Property or of the assets of Guarantor;

(d) it has had the opportunity to consult counsel; and

(e) it has not relied on Lender for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Guaranty or any other Loan Document or otherwise relied on Lender in any manner in connection with interpreting, entering into or otherwise in connection with this Guaranty, any other Loan Document or any of the matters contemplated hereby or thereby.

21. Miscellaneous.

(a) **Time is of the Essence.** Guarantor agrees that, with respect to each and every obligation and covenant contained in this Guaranty, time is of the essence.

(b) **Severability.** In case any one or more of the provisions hereof or of the Loan Documents shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Guaranty shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) **Notice.** Guarantor agrees to notify Lender of any change in Guarantor's address within ten (10) Business Days after such change of address occurs. All notices under this Guaranty shall be:

(1) in writing and shall be

(A) delivered, in person;

(B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested;

(C) sent by overnight courier; or

(D) sent by electronic mail with originals to follow by overnight courier;

(d) addressed to the intended recipient at the notice addresses provided under the signature block at the end of this Guaranty; and

(1) deemed given on the earlier to occur of:

(A) the date when the notice is received by the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

(e) **Waiver.** Notice of acceptance of this Guaranty and notice of any obligations or liabilities contracted or incurred by Borrower under any of the Loan Documents are hereby waived by Guarantors.

(f) **Modification.** This Guaranty may not be modified, supplemented or amended except by written agreement duly executed by Guarantors and Lender.

(g) **Binding Effect.** This Guaranty shall be binding upon, and inure to the benefit of and be enforceable by, the parties hereto and their respective heirs, successors and assigns.

(h) **Construction.**

(1) Any reference in this Guaranty to an "Exhibit" or a "Section" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit or schedule attached to this Guaranty or to a Section of this Guaranty.

(2) Any reference in this Guaranty to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(3) Use of the singular in this Guaranty includes the plural and use of the plural includes the singular.

(4) As used in this Guaranty, the term “including” means “including, but not limited to” or “including, without limitation,” and is for example only, and not a limitation.

(5) Whenever Guarantor’s knowledge is implicated in this Guaranty or the phrase “to Guarantor’s knowledge” or a similar phrase is used in this Guaranty, Guarantor’s knowledge or such phrase(s) shall be interpreted to mean to the best of Guarantor’s knowledge after reasonable and diligent inquiry and investigation.

(6) Unless otherwise provided in this Guaranty, if Lender’s approval, designation, determination, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, designation, determination, selection, estimate, action or decision shall be made in Lender’s sole and absolute discretion.

(7) All references in this Guaranty to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(8) “Lender may” shall mean at Lender’s discretion, but shall not be an obligation.

(i) **Counterparts.** This Guaranty may be executed in multiple counterparts, all of which taken together shall constitute one and the same Guaranty and the signature page of any counterpart may be removed therefrom and attached to any other counterpart. This Guaranty will be binding on any Guarantor who executes it regardless of whether or not is executed by any or all of the other Guarantors first described above or elsewhere in the Loan Documents.

(j) **WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF GUARANTOR AND LENDER (A) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS GUARANTY OR ANY LOAN DOCUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS GUARANTOR AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY GUARANTOR AND LENDER, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.**

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BORROWER AGREEMENT

THIS BORROWER AGREEMENT ("Agreement") dated 5/10/2016 (the "Effective Date") is entered into between [REDACTED] Investments, LLC, a(n) Florida Limited Liability Company (the "Borrower") whose address is 103 Audubon Rd, Winter Haven, FL 33884 and Secured Investment High Yield Fund II, LLC, whose address is 1121 E Mullan Ave, Coeur d'Alene, ID 83814 (together with its successors and assigns, the "Lender").

RECITALS

Borrower has applied to Lender for a commercial or business purpose loan in the amount of **Two Hundred Twenty One Thousand and No/100 Dollars (\$221,000.00)** (the "Loan"); which will be evidenced by a promissory note dated as of the date of this Agreement made by Borrower in favor of Lender (together with all amendments, extensions, modifications and renewals, the "Note").

The Loan will be evidenced and secured by certain other documents, including, without limitation, by a mortgage or deed of trust, whichever is applicable, (the "Security Instrument"), a personal guaranty, if applicable (the "Guaranty"), a loan purpose and use of property Affidavit (the "Affidavit"), escrow instructions (the "Escrow Instructions"), a compliance agreement (the "Compliance Agreement") and such other documents as may be requested by Lender in connection with making the loan evidenced by the Note. Collectively, the Note, Security Instrument, Borrower Agreement, Guaranty, Affidavit and such other documents as may be requested by Lender in connection with making the loan evidenced by the Note shall be collectively referred to herein as the "Loan Documents."

Lender has agreed to make the Loan subject to the conditions, and upon the terms, set forth in this Agreement

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, conditions, representations and warranties herein contained, and for other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Borrower and Lender agree as follows:

1. **Definitions**. For purposes of this Agreement, the following terms shall have the meanings ascribed to them below, unless the context requires otherwise:

"Agreement" shall mean this Borrower Agreement and all exhibits and supplements hereto as it or they may be amended or supplemented from time to time as provided in this Agreement.

"Borrower" has the meaning set forth in the first paragraph to this Agreement.

"Business Day" shall mean any day of the year, excluding Saturday, Sunday and any day which is a legal holiday or a day on which banking institutions are authorized by law or other governmental actions to close and are actually closed in the Property Jurisdiction (as such term is defined in the Security Instrument).

"Compliance Agreement" has the meaning set forth in the Recitals.

"Closing" shall mean the consummation of the Loan, the delivery by the parties to each other of every document, instrument, certificate or other item necessary or appropriate to the Closing of the Loan and the transactions connected therewith or contemplated herein.

"Closing Date" shall mean the date on which the Closing occurs.

"Default" shall mean the happening or occurrence of any event or circumstance which with notice or the lapse of time or both would constitute an Event of Default as deemed in this Agreement or in any of the Loan Documents.

"Escrow Instructions" has the meaning set forth in the Recitals.

"Event of Default" shall mean any of the events described in Section 7 below.

"Guarantor" shall mean, if applicable, Thomas Bodell aka Tom Bodell II, joint and severally if more than one individual.

"Guaranty" shall mean, if applicable, the Guaranty executed and delivered to Lender by the Guarantor.

"Lender" has the meaning set forth in the first paragraph to this Agreement.

"Loan" has the meaning set forth in the Recitals.

"Loan Amount" shall mean Two Hundred Twenty One Thousand and No/100 Dollars (\$221,000.00).

"Loan Documents" has the meaning set forth in the Recitals.

"Maturity Date" shall mean 6/30/2017, subject to extension as provided in the Note.

"Note" has the meaning set forth in the Recitals.

"Person" or "Persons" shall mean natural persons, corporations, associations, companies, partnerships, joint ventures, trusts or other entities, and governments, agencies and political subdivisions thereof.

"Property" shall mean that certain real property and improvements described in the Security Instrument.

"Security Instrument" shall mean that certain Mortgage and Assignment of Rents or Deed of Trust and Assignment of Rents, whichever is applicable, made by Borrower in favor of Lender in connection with the Loan.

2. **The Loan.** Subject to the terms and conditions of this Agreement, Lender will lend to Borrower the Loan Amount on the Closing Date. The Loan shall be evidenced by this Agreement, the Note and the other Loan Documents.

3. **Conditions Precedent to Loan.** The making of the Loan by Lender to Borrower is conditioned upon the occurrence of the following events. Notwithstanding anything to the contrary, Lender will not be obligated to make any advance to Borrower unless and until all of the following conditions precedent have been satisfied in form and substance satisfactory to Lender. In the event that all of the conditions precedent have not occurred on or before the Closing Date, then this Agreement shall be void and of no further force and effect.

a. **Loan Documents.** Borrower shall have properly executed (and delivered to Lender the Loan Documents, all in form and content satisfactory to Lender.

b. **Representations and Warranties.** Any and all representations and warranties of the Borrower contained in any Loan Document must be true and correct in all material respects.

c. **Release and Payment of Existing Encumbrances.** Borrower shall obtain a release of any and all existing security interests or encumbrances affecting the Property.

d. **Title Policy.** Premium Title Services, Inc. shall have irrevocably committed to issue a commitment for a standard lender's title insurance policy in the amount of the Loan, in a form acceptable to, and with endorsements required by, Lender in its sole direction, dated effective as of the Closing Date, insuring the Security Instrument as valid first position lien upon fee title to the Property, together with legible copies of all documents referred to in Schedule B of the commitment (the commitment and the documents are collectively referred to in this Agreement as the "Title Report").

e. **Additional Documents.** Delivery to Lender of such other documents regarding Borrower or the Property as Lender may reasonably request.

f. **Fees.** Borrower shall have paid to Lender all fees, costs and expenses specified in the Loan Documents. Such fees include, without limitation, the premium for the Title Policy and the fees for recording the Security Instrument.

g. **Organizational Documents.** If the Borrower is an Entity (as defined below), the Borrower shall have delivered the Borrower's organizational documents, and any amendments and modifications thereto, in form and content satisfactory to Lender. As used in this Section "organization documents" shall mean articles of organization or certificate of formation (or such other document which was filed with the state agency in the state in which the borrower is organized), whichever is applicable, the Borrower's operating agreement or bylaws, whichever is applicable, and any and all other documents creating and governing the operation of the Borrower.

h. **Event of Default.** There shall not exist at the time of any advance a condition which would constitute an Event of Default.

i. **Insurance Certificates.** Borrower shall have delivered any and all insurance certificates for all insurance policies required to be delivered under the Loan Documents.

4. **Representations and Warranties of Borrower.** In order to induce Lender to make the Loan to Borrower and in consideration of Lender's reliance thereon, Borrower hereby represents and warrants as follows:

a. All written information supplied or delivered to Lender by or on behalf of Borrower and Guarantor in connection with the transactions contemplated by this Agreement is materially true, correct, and complete as of the dates specified therein; with respect to third party reports, Borrower represents and warrants to Lender that to the best of Borrower's knowledge, they are true, correct and complete as of the dates specified therein. No material adverse change has occurred, nor is anticipated, in the financial condition of Borrower or Guarantor since the dates of the financial information (i.e. bank statements or financial statements) and of any other information which may have been previously delivered to Lender. Furthermore, no statement of

fact made by or on behalf of Borrower in the Loan Documents or in any other document or certificate delivered to Lender by Borrower contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained herein or therein not misleading.

b. If applicable, Borrower is and, until the Loan is paid in full, will continue to (i) be a duly organized and validly existing corporation, limited or general partnership, limited liability company, trust, limited liability partnership, association or other legal entity ("Entity") in good standing under the laws of the state of its formation; (ii) if applicable, be duly qualified as a foreign Entity in each jurisdiction in which the nature of its business; (iii) have the requisite Entity power and authority to carry on its business as now being conducted; (iv) have the requisite Entity power to execute, deliver and perform its obligations under the Loan Documents; and (v) comply with all laws and regulations of the governmental authorities.

c. The execution, delivery and performance of the Loan Documents and the borrowing evidenced by the Note (i) are within the applicable powers of the Borrower and each other party to the Loan Documents; (ii) have been authorized by all requisite action; (iii) have received all necessary approvals and consents, corporate, governmental or otherwise; (iv) will not violate, conflict with, result in a breach of or constitute (with notice or lapse of time or both) a default under any provision of law, any order or judgment of any court or governmental authority, the operating agreement, certificate of formation, articles of incorporation, by-laws, partnership or trust agreement, or other governing instrument of Borrower or any other party to the Loan Documents (other than Lender), or any indenture, agreement or other instrument to which Borrower or any other party to the Loan Documents (other than Lender) is a party or by which each such party is or may be bound or affected; and (v) will not require any authorization or license from, or any filing with, any governmental authority or other body.

d. The Loan Documents constitute the legal, valid and binding obligations of Borrower, Guarantors and any other party to the Loan Documents (other than Lender), enforceable against each such party in accordance with their respective terms. Such Loan Documents are, as of the date hereof, not subject to any right of rescission, set-off, counterclaim or defense by Borrower, Guarantor, or any other party to the Loan Documents (other than Lender), including the defense of usury, nor will the operation of any of the terms of the Note or other Loan Documents, or the exercise of any right thereunder, render the Note unenforceable against Borrower, in whole or in part, or subject to any right of rescission, set-off, counterclaim or defense by Borrower, including the defense of usury, and Borrower nor any other party to the Loan Documents (other than Lender) have asserted any right of rescission, set-off, counterclaim or defense with respect thereto.

e. Borrower (i) is solvent and no bankruptcy, reorganization, insolvency or similar proceeding under any state or federal law with respect to the Borrower has been initiated, by Borrower or any third party; (ii) has not entered into this Loan transaction with the intent to hinder, delay or defraud any creditor; (iii) has received reasonably equivalent value for the making of the Loan; (iv) has not made an assignment for the benefit of creditors; and (v) has no known contingent liabilities which could have a material adverse effect on the Loan, the Borrower or the Property.

f. Each and every individual executing the Loan Documents has been authorized by all necessary corporate, partnership or other action and has obtained all consents and approvals required in connection with the execution, delivery and performance of the Loan Documents.

g. There is no action, suit, proceeding or investigation, at law, in equity, or before or by any court, arbitrator or administrative, governmental, regulatory or adjudicative agency or body of any kind pending, contemplated or, to the best of Borrower's knowledge, threatened against or involving the Borrower or the Property, nor any facts or circumstances that could result in the same, wherein an unfavorable decision, ruling or finding (i) could adversely affect the transactions contemplated by the Loan Documents; (ii) could adversely affect the ability of Borrower to comply with the terms of the Loan Documents; or (iii) individually or in the aggregate, could have an adverse effect on the financial condition or operations of the Borrower.

h. The Loan is a business loan and is an exempted transaction under the Truth-In-Lending Act, 12 U.S.C. 1601 et seq. The Property is owned and held by (or will be owned and held) Borrower as an investment property. The Property is not used principally for agricultural purposes and the Security Instrument does not secure an obligation incurred primarily for person, family or household purposes. Borrower does not now occupy or use the Property and has no intention to occupy or use the Property in the future, either as Borrower's principal residence or as a second home. Borrower now occupies and uses other property or properties as Borrower's principal residence and/or second home.

i. Borrower is not a "foreign person" within the meaning of §1445(f)(3) of the Internal Revenue Code of 1986, as amended, and as it may be further amended from time to time, any successor statutes thereto, together with applicable U.S. Department of Treasury regulations issued pursuant thereto in temporary or final form (the "Code").

j. Neither Borrower nor any Affiliate thereof is in violation of any laws relating to terrorism or money laundering, including, but not limited to, Executive Order No. 13224 on Terrorist Financing, effective September 23, 2001, as amended from time-to-time and the U.S. Secrecy Act of 1970, as amended by the United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as otherwise amended from time-to-time.

k. As of the date hereof and until the Loan is paid in full: (i) Borrower is not and will not be an "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which is subject to Title I of ERISA; (ii) the assets of Borrower do not and will not constitute "plan assets" of one or more such plans for purposes of Title I of ERISA; (iii) Borrower is not and will not be a "governmental plan" within the meaning of Section 3(32) of ERISA; (iv) transactions by or with Borrower are not and will not be subject to state statutes applicable to Borrower regulating investments of and fiduciary obligations with respect to governmental plans; (v) Borrower has made and will continue to make all required contributions to all employee benefit plans, if any, established for or on behalf of Borrower or to which Borrower is required to contribute; (vi) Borrower has and will continue to administer each such plan, if any, in accordance with its terms and the applicable provisions of ERISA and any other federal or state law; and (vii) Borrower has not and will not permit any liability under Sections 4201, 4243, 4062 or 4069 of Title IV of ERISA or taxes or penalties relating to any employee benefit plan or multi-employer plan to become delinquent or assessed, respectively, which would have a material adverse effect.

l. Borrower is not and, until the Loan is paid in full, Borrower will not be (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as

amended; or (iii) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

m. Borrower is not in default in any respect in the performance, observance or fulfillment of any of the material obligations, covenants or conditions contained in any indenture, agreement or instrument to which it is a party or by which Borrower is bound.

n. The liens, security interests and assignments created by the Loan Documents will, when granted and after filing or recording, with all filing and recording fees paid, be valid, effective, properly perfected, and enforceable liens, security interests and assignments.

o. Borrower shall execute and deliver such additional documents and do such other acts as Lender may reasonably require in connection with the Loan.

p. Borrower shall not merge or consolidate with or into any other entity.

q. There is no pending or, to the best of Borrower's knowledge, threatened, litigation, action, proceeding or investigation, including without limitation, any condemnation proceeding against the Borrower or the Property.

r. To the best of Borrower's knowledge, access to and egress from the Property are available and provided by public streets or through valid easements and Borrower has no knowledge of any federal, state, county, municipal or other governmental plans to change such access.

s. All public utility services necessary for the operation of all improvements for their intended purpose are available at the boundaries of the land or through valid easements.

t. Borrower has filed all tax returns which are required to be filed by it and has paid all taxes as shown on such returns or on any assessment received pertaining to the Property.

u. There are no purchase options, purchase contracts or other similar agreements of any type (written or oral) presently affecting any part of the Property.

v. The representations and warranties of Borrower contained in the Loan Documents, and in all other instruments and agreements executed in connection therewith, including without limitation, information concerning environmental matters, are true and correct as of the date hereof.

w. The Property and its current use comply with all applicable restrictive covenants, zoning ordinances, building codes and all applicable and material health and environmental laws and regulations, and all other material applicable laws, rules and regulations.

Borrower agrees that (i) all of the representations and warranties of Borrower set forth in this Agreement, in the other Loan Documents delivered as of the date hereof are made as of the date hereof (except as expressly otherwise provided) and (ii) all representations, warranties and covenants made by Borrower shall survive the delivery of the Note and continue for so long as any portion of the Loan remains owing.

5. Covenants.

a. **Transfer of Loan by Lender.** Lender may, at any time, sell, transfer or assign the Loan or any portion thereof or interest therein or grant participations therein or issue securities

evidencing a beneficial interest in a public offering or private placement. Lender may forward to each purchaser, transferee, assignee or servicer or and each participant, or investor in the Loan or any interest therein all documents and information which Lender now has or may hereafter acquire relating to the Property, Borrower or the indebtedness evidenced hereby. Borrower irrevocably waives any and all rights it may have under applicable law to prohibit such disclosure, including, but not limited to any right of privacy. Furthermore, Borrower agrees that Lender will not have any liability whatsoever as a result of disclosing any such information for such purposes and Borrower, on behalf of itself, hereby releases and discharges Lender from any liability, claims, damages or causes of actions arising out of, connected with or incidental to the disclosure of any such information. Borrower agrees that it shall cooperate with Lender and use Borrower's reasonable efforts to facilitate the consummation of any such sale, transfer or assignment.

b. Reimbursement of Lender's Expenses in Administering the Loan. Borrower will promptly reimburse Lender upon request for Lender's commercially reasonable (determined with respect to Lender's interests under the Loan Documents) out-of-pocket costs, expenses and fees relating to (i) the administration of the Loan, including, without limitation, protective advances, reasonable attorneys' fees (including fees of local counsel), all appraisal fees, filing and recording fees, taxes, abstract fees, title search or examination fees, title policy and endorsement premiums and fees, uniform commercial code search fees, escrow fees, survey fees, and all other out-of-pocket costs and expenses of every character incurred by Borrower or Lender (and/or any such trustee) in connection with the preparation of the Loan Documents and (ii) the exercise of any right or remedy of Lender, or the enforcement of any obligation of Borrower under the Loan Documents, including, without limitation reasonable attorneys' fees and expenses.

c. Negative Covenants. Borrower shall not sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, encumber, or permit any encumbrance of the Property. Additionally, Borrower shall not (i) except for any debt incurred in the ordinary course of business and the Loan, incur or assume any indebtedness for borrowed money; (ii) engage in any business activities substantially different than those in which Borrower is engaged as of the date of this Agreement; (iii) cease operations, liquidate, merge, acquire, or consolidate with any other entity; (iv) make any distribution with respect to any capital account (if Borrower is a limited liability company); (v) loan, invest money in, or advance money or assets to any other any Person thereof and any fiduciary acting in such capacity on behalf of any of the foregoing; (vi) incur any obligation as surety or guarantor other than in the ordinary course of business; or (vii) enter into any agreement containing a provision that would violate or breach the Borrower's obligations under the Loan Documents.

6. Indemnification. To the fullest extent permitted by law, Borrower agrees to protect, indemnify, defend and save harmless, Lender and its manager, members, agents and representatives from and against any and all liability, expense or damage of any kind or nature and from any suits, claims or demands, including legal fees and expenses on account of any matter or thing or action or failure to act by Lender, whether or not in litigation, arising out of this Agreement or in connection herewith unless such suit, claim or damage is caused solely by any act, omission, gross negligence or willful malfeasance of Lender or its manager, members, agents or representatives. This indemnity is not intended to excuse Lender from performing its obligations under this Agreement. Borrower's obligations under this Section will survive the closing of the Loan, the repayment thereof and any cancellation of this Agreement. Borrower shall pay, and hold Lender harmless from, any and all claims of any brokers, finders or agents claiming a right to any fees in connection with arranging the financing contemplated in this Agreement.

7. **Events of Default.** The occurrence of any one or more of the following events shall constitute an Event of Default under this Agreement:

- a. Borrower shall fail to make any payment or principal or interest required under the Note is not received by Lender on or before five (5) days after the date such payment is due (except that no grace period is provided for the payment of principal and interest due on the Maturity Date (as defined in the Note)).
- b. Borrower shall fail to duly and punctually pay any other amount due under the Loan Documents and such failure shall continue unremedied for five (5) days following written notice from Lender.
- c. Any representation or warranty made by Borrower herein or any other Loan Document shall be untrue in any material respect when made.
- d. Any specified "Event of Default" or breach under any Loan Documents shall occur.
- e. Borrower shall fail to duly and punctually pay when and as due any payment for taxes and assessments required by the Loan Documents to be paid or shall fail to provide the insurance coverage required by the Loan Documents, and such failure shall continue for five (5) days following written notice from Lender specifying such failure.
- f. Unless otherwise specified herein or in any other Loan Document, Borrower shall fail to duly perform or observe any of its covenants, conditions or terms contained in any Loan Document and such failure shall remain uncured for five (5) days following notice from Lender; *provided, however*, that if the nature of such breach is such that it cannot reasonably be cured within five (5) days following such written notice, but can reasonably be cured within thirty (30) days following such written notice, the Borrower may cure such breach by commencing in good faith to cure the breach promptly after its receipt of such written notice and prosecuting the cure of such breach to completion with diligence and continuity within a reasonable time thereafter, but in any event within thirty (30) days thereafter.
- g. Borrower shall make an assignment for the benefit of its respective creditors, or the Borrower shall generally not be paying its debts as they become due, or a petition shall be filed by or against the Borrower under the United States Bankruptcy Code, or the Borrower shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of a material part of its properties or of all or any part of the Property or shall not, within ninety (90) days after the appointment (without its consent or acquiescence) of a trustee, receiver or liquidator of any material part of its properties or of the Property, have such appointment vacated.
- h. A judgment, writ or warrant of attachment or execution, or similar process shall be entered and become a lien on, issued or levied against, any Property or any part thereof and shall not be released, vacated or fully bonded within thirty (30) days after its entry, issue or levy.
- i. The dissolution or termination of Borrower's (or any partner of Borrower, or any member of any partner of Borrower) existence as a going organization.
- j. Any creditor or governmental agency tries to take the collateral securing the Note.

k. Borrower or any subsidiary shall suffer final judgments for payment of money and shall not discharge the same within a period of thirty (30) days, unless, pending further proceedings, execution has not been commenced or, if commenced, has been effectively stayed.

l. A judgment creditor of Borrower or any subsidiary shall obtain possession of any of the collateral by any means, including, but not limited to, levy, distraint, replevin or self-help.

m. The Note or Security Instrument ceases to be in full force and effect at any time and for any reason.

n. The collateral securing the Note is substantially damaged or destroyed and the loss, substantial damage or destruction is not covered by insurance.

o. A material adverse change occurs in Borrower's financial condition, or Lender reasonably and in good faith believes the prospect of payment or performance of the Note is substantially and materially impaired.

p. Any proceeding is commenced against the Borrower or the Property by any other creditor or lienholder or any city, county, state or federal governmental body that jeopardizes Lender's lien against the Property, could result in the Property being taken, foreclosed upon, forfeited, repossessed or causes Lender to believe itself to be insecure as a result of such action.

q. The Lender reasonably and in good faith believes itself to be insecure

8. **Third Party Authorization.** Borrower hereby authorizes Cogo Capital, LLC to release any and all information about the Loan to all of its employees, representatives and affiliated entities. This authorization covers all public and non-public Borrower financial information contained in Borrower's Loan file/account, including, but not limited to, loan balances, final payoff statement, loan status, payment activity, and/or property information.

9. **Remedies.** Upon the occurrence of an Event of Default:

a. Lender shall have no obligation to make any further advance of an undisbursed proceeds of the Loan;

b. Interest on the Loan will accrue at the Default Rate, as described in the Note;

c. Lender may declare the indebtedness immediately due and payable; and

d. Lender may pursue any and all remedies provided for hereunder and in the Note, Security Instrument and/or any of the other Loan Documents or otherwise available at law or in equity.

Additionally, upon an Event of Default, Borrower hereby appoints Lender as the attorney-in-fact of Borrower, with full power of substitution, and in the name of Borrower, if Lender elects to do so, upon the occurrence of an Event of Default, to endorse the name of Borrower on any checks or drafts representing proceeds of the any insurance policies maintained by Borrower, or other checks or instruments payable to Borrower. The power of attorney granted under this Section is a power coupled with an interest and is irrevocable until all obligations under this Agreement and the other Loan Documents have been fully satisfied. Lender shall have no obligation to undertake any of the foregoing actions, and if Lender should do so, and except for the gross negligence or willful malfeasance of Lender,

the Lender shall have no liability to Borrower for the sufficiency or adequacy of any such actions by Lender.

10. **Limitation of Liability.** In no event shall Lender be liable to Borrower for any consequential, exemplary, special, incidental, reliance or indirect damages (including lost profits or loss of goodwill) (collectively, "Consequential Damages") arising out of or related to this Agreement, the Loan or the Loan Documents, regardless of whether such damages are based in contract, tort (including negligence and strict liability) or any other form of action, even if such has been advised of the possibility of any Consequential Damages.

11. **Notices.** Any notice, demand, or communication required or permitted to be given by any provision of this Agreement will be deemed sufficiently given or serviced for all purposes if (i) delivered personally to the party or to any executive officer of the party to whom the same is directed; (ii) sent by registered or certified mail, postage and charges prepaid, addressed as directed below; or (iii) delivered by reputable overnight courier or personal delivery addressed as follows:

If to Borrower: [REDACTED] investments, LLC
[REDACTED]
Winter Haven, FL 33884

If to Lender: Secured Investment High Yield Fund II, LLC
1121 E Mullan Ave
Coeur d'Alene, ID 83814

A copy to: Lake City Servicing
Attn: Manager
1121 E Mullan Ave
Coeur d'Alene, Idaho 83814

12. **Relationship of the Parties.** The relationship of the parties is strictly one of borrower and lender. This Agreement is neither intended to, nor will it be construed as, an agreement to create a joint venture, partnership or other form of business association between the parties.

13. **Governing Law; Venue.** Each party specifically acknowledges and agrees that this Agreement and its interpretation and enforcement are governed by the laws of the state of Florida. Furthermore, each party irrevocably (i) submits to the jurisdiction of any court of the state of Florida located in Polk County for the purpose of any suit, action or other proceeding arising out of this Agreement or any of the agreements or transactions contemplated hereby (each, a "Proceeding"); (ii) agrees that all claims in respect of any Proceeding may be heard and determined in any such court; (iii) waives, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein; (iv) agrees not to commence any Proceeding other than in such courts; and (v) waives, to the fullest extent permitted by law, any claim that such Proceeding is brought in an inconvenient forum.

14. **Attorneys' Fees.** The substantially prevailing party will be entitled to recover its attorneys' fees from the substantially non-prevailing parties incurred in connection with the prevailing party's efforts to enforce this Agreement, regardless of whether any action or proceeding is commenced.

15. **Actions in Connection with Bankruptcy.**

a. Without the necessity of an evidentiary hearing and without the necessity or requirement that Lender establish or prove the value of the Property (or any other collateral pledged to Lender

pursuant to the Loan Documents), or the lack of adequate protection of Lender's interest in the Property (or any other collateral pledged to Lender pursuant to the Loan Documents), Lender shall be entitled to the immediate termination of the automatic stay of 11 U.S.C. § 362 in order to permit Lender to exercise all of its rights and remedies in respect of the Property (or any other collateral pledged to Lender pursuant to the Loan Documents), the existence of this provision constituting sufficient "cause" for purposes of 11 U.S.C. § 362(d)(1).

b. The Borrower agrees not to directly or indirectly oppose or otherwise defend against the termination of the automatic stay.

c. Any reasonable attorney's fees and other expenses incurred by Lender in connection with the Borrower's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Borrower.

16. **Section Headings.** All section headings contained herein exist solely for the convenience of the parties and are not binding upon the parties. This Agreement constitutes the entire agreement among the parties and supersedes any prior understandings or agreements, written or oral, that relate to the subject hereof.

17. **No Waiver, Cumulative Remedies.** No failure by Lender to exercise and no delay in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other further exercise thereof or the exercise of any other right, power or privilege.

18. **Survival of Agreement.** All agreements, representations and warranties made in this Agreement shall survive the making of the Loan hereunder.

19. **Assignment of Right to Loan Proceeds.** The proceeds of the Loan shall not be assignable by Borrower nor subject to the process of any court upon legal action by or against Borrower or by or against anyone claiming under or through it; provided, however, that nothing herein contained shall be considered as in any way modifying, affecting or subordinating the obligations heretofore given or to be given by Borrower as security for the Loan and the same shall be and remain in full force and effect, this Agreement being intended only as additional security and protection for the Loan and to assure the use of the proceeds of the Loan for the purposes agreed to and intended by Lender and Borrower.

20. **Successors.** This Agreement shall be binding upon and inure to the benefit of Borrower and Lender, their respective successors, the permitted assigns of Lender and the permitted assigns of Borrower.

21. **Amendment.** This Agreement may not be amended except by a writing signed by each party.

22. **Severability.** If for any reason any provision of this Agreement is determined by a tribunal of competent jurisdiction to be legally invalid or unenforceable, the validity of the remainder of the Agreement will not be affected and such provision will be deemed modified to the minimum extent necessary to make such provision consistent with applicable law and, in its modified form, such provision will then be enforceable and enforced.

23. **Time is of the Essence.** Time is of the essence with respect to each and every term and condition of this Agreement to be performed by Borrower hereunder.

24. **Joint and Several Liability.** Each Borrower is jointly and severally liable for all obligations of Borrower under this Agreement and the other Loan Documents.

25. **Waiver of Jury Trial.** BORROWER AND LENDER SHALL AND HEREBY DO WAIVE TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW, IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THE SAID PARTIES TO THIS AGREEMENT AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY CLAIM OF DAMAGE RESULTING FROM ANY ACT OR OMISSION OF THE PARTIES IN ANY WAY CONNECTED WITH THIS AGREEMENT.

26. **Terminology.** Unless specifically indicated to the contrary: (i) wherever from the context it appears appropriate, each term stated in either the singular or the plural will include the plural and the masculine gender will include the feminine and neuter genders; (ii) the term “or” is not exclusive; (iii) the term “including” (or any form thereof) will not be limiting or exclusive; (iv) the words “Agreement,” “herein,” “hereof,” “hereunder,” or other words of similar import refer to this Agreement as a whole, including exhibits and schedules (if any), as the same may be modified, amended or supplanted. The headings in this Agreement have no independent meaning.

27. **Counterparts.** This Agreement may be executed in any number of counterparts, including facsimile counterpart signature pages and counterpart signature pages in “portable document format” (.pdf), all of which taken together shall constitute one and the same instrument, and each of the parties hereto may execute this Agreement by signing any such counterpart.

28. **Disclaimer.** THE PARTIES AGREE THAT THE PREPARATION OF THIS AGREEMENT SHALL NOT CREATE ANY PRESUMPTION IN FAVOR OR AGAINST ANY PARTY IN RESPECT OF THE INTERPRETATION OR ENFORCEMENT OF THIS AGREEMENT. EACH OTHER PARTY IS ADVISED TO HAVE THIS AGREEMENT REVIEWED BY INDEPENDENT LEGAL AND TAX COUNSEL PRIOR TO ITS EXECUTION. BY EXECUTING THIS AGREEMENT, EACH SUCH PARTY REPRESENTS (i) THAT IT HAS READ AND UNDERSTANDS THIS AGREEMENT, (ii) THAT IT HAS HAD THE OPPORTUNITY TO OBTAIN INDEPENDENT LEGAL AND TAX ADVICE REGARDING THIS AGREEMENT AND (iii) THAT IT HAS OBTAINED SUCH INDEPENDENT ADVICE OR HAS FREELY ELECTED NOT TO DO SO.

[Remainder of the page intentionally left blank]

**SIGNATURE PAGE
BORROWER AGREEMENT**

IN WITNESS WHEREOF, Lender and Borrower have caused this Agreement to be executed the day and year first above written.

BORROWER(S):

██████████ Investments, LLC, a Florida
Limited Liability Company

By: _____
Name: _____
Title: Sole Member

LENDER:

Secured Investment High Yield Fund II, LLC,
an Idaho Limited Liability Company

By: /s/Jaclyn Olsen
Name: Jaclyn Olsen
Title: CFO



A. Settlement Statement (HUD-1)

B. Type of Loan							
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input type="checkbox"/> Conv. Unins.	6. File Number:	7. Loan Number:	8. Mortgage Insurance Case Number:		
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.						
C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.," were paid outside the closing, they are shown here for informational purposes and are not included in the totals.							
D. Name & Address of Borrower: INVESTMENTS, LLC WINTER HAVEN, FL 33884			E. Name & Address of Seller: WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE FOR CARRINGTON MORTGAGE LOAN TRUST, OPT1, ASSET BACKED PASS-THROUGH CERTIFICATES, SERIES 2006-OPT1 1661 WORTHINGTON ROAD SUITE 100 WEST PALM BEACH, FL 33409			F. Name & Address of Lender: SECURED INVESTMENT HIGH YIELD FUND II, LLC 1121 E MULLAN AVE COEUR D'ALENE, ID 83814	
G. Property Location: WINTER HAVEN, FL 33884 (POLK) (352826-662630-000010)			H. Settlement Agent: PREMIUM TITLE SERVICES, INC. 1000 ABERNATHY ROAD NE, SUITE 200, ATLANTA, GA 30328 (855)339-6325 Place Of Settlement: 1000 ABERNATHY ROAD NE, SUITE 200, ATLANTA, GA 30328 (877)318-3442		I. Settlement Date: 5/10/2016		

J. Summary of Borrower's Transaction	
100. Gross Amount Due From Borrower	
101. Contract sales price	\$161,000.00
102. Personal Property	
103. Settlement Charges to Borrower (line 1400)	\$105,372.58
104.	
105.	
Adjustments for items paid by seller in advance	
106. City/town taxes	
107. County taxes	
108. Assessments	
109.	
110.	
111.	
112.	
120. Gross Amount Due From Borrower	\$266,372.58
200. Amounts Paid By Or In Behalf Of Borrower	
201. Deposit or Earnest Money	\$5,130.00
202. Principal amount of new loan	\$221,000.00
203. Existing loan taken subject to	
204. Borrower Credit from Cogo Capital, LLC	\$500.00
205.	
206. Seller Paid Credit for Owner's Title Insurance.	\$880.00
207. Seller Paid Credit for Lender's Title Insurance.	\$325.00
208.	
209.	
Adjustments for items unpaid by seller	
210. City/town taxes	
211. County taxes 1/1/2016 to 5/10/2016 @ \$4,583.19/Year	\$1,632.37
212. Assessments	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. Total Paid By/For Borrower	\$229,467.37
300. Cash At Settlement From/To Borrower	
301. Gross Amount Due From Borrower (line 120)	\$266,372.58
302. Less Amounts Paid By/For Borrower (line 220)	\$229,467.37
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$36,905.21

K. Summary of Seller's Transaction	
400. Gross Amount Due To Seller	
401. Contract sales price	\$161,000.00
402. Personal Property	
403.	
404.	
405.	
Adjustments for items paid by seller in advance	
406. City/town taxes	
407. County taxes	
408. Assessments	
409.	
410.	
411.	
412.	
420. Gross Amount Due To Seller	\$161,000.00
500. Reductions In Amount Due To Seller	
501. Excess deposit (see instructions)	
502. Settlement Charges to Seller (line 1400)	\$10,967.28
503. Existing loan taken subject to	
504. Payoff of first mortgage loan	
505. Payoff of second mortgage loan	
506. See Addendum 506	\$880.00
507. Seller Paid Credit for Lender's Title Insurance.	\$325.00
508.	
509.	
Adjustments for items unpaid by seller	
510. City/town taxes	
511. County taxes 1/1/2016 to 5/10/2016 @ \$4,583.19/Year	\$1,632.37
512. Assessments	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. Total Reduction Amount Due Seller	\$13,804.65
600. Cash At Settlement To/From Seller	
601. Gross Amount Due To Seller (line 420)	\$161,000.00
602. Less Deduction in Amt. Due To Seller (line 520)	\$13,804.65
603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	\$147,195.35

Roshan Chavan

Authorized Signatory for Ocwen Loan Servicing, LLC, as attorney-in-fact Wells Fargo Bank, National Association, as Trustee for Carrington Mortgage Loan Trust, Series 2006-OPT1, Asset Backed Pass-Through Certificates, Series 2006-OPT1

L. Settlement Charges			
700. Total Real Estate Broker Fees			
Division of Commission (Line 700) as follows:			
701. \$2,415.00 to Real Home Services and Solutions, Inc.		Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
702. \$4,830.00 to Keller Williams			
703. Commission paid at Settlement			\$7,245.00
704. Referral Fee to REO Management, LLC			\$2,415.00
800. Items Payable in Connection With Loan			
801. Our origination charge (from GFE #1)			
802. Your credit or charge (points) for the specific interest rate chosen (from GFE #2)			
803. Your adjusted origination charges (from GFE A)			
805. Credit Report (from GFE #3)			
806. Tax service to (from GFE #3)			
807. Flood certification to (from GFE #3)			
808. Escrow Holdback Fee to Panhandle Escrow Company, Inc		\$150.00	
809. 2.1% Origination Fee to Cogo Capital, LLC		\$4,641.00	
810. Consulting Fee to Cogo Capital, LLC		\$2,265.00	
811. Servicing Setup Fee to Lake City Servicing		\$200.00	
812. Loan Servicing Fee to Lake City Servicing		\$180.00	
813. Funding Fee to Panhandle Escrow Company, Inc		\$300.00	
814. Draw Processing Fee to Secured Asset Recovery, LLC		\$1,000.00	
815. See Addendum 815		\$79,815.00	
900. Items Required By Lender To Be Paid In Advance			
901. Daily interest charges from 5/10/2016 to 6/1/2016 @ 90.5500/day to Cogo Capital, LLC (from GFE #10)		\$1,992.10	
902. Mortgage Insurance Premium (from GFE #3)			
903. Homeowner's insurance for 12.00 months to Lloyd's of London (from GFE #11)		\$2,283.48	
1000. Reserves Deposited With Lender			
1001. Initial deposit for your escrow account (from GFE #9)			
1002. Homeowner's insurance 12.00 months @ per month			
1003. Mortgage insurance 12.00 months @ per month			
1004. County property taxes 12.00 months @ per month			
1007. Aggregate Adjustment			
1100. Title Charges			
1101. Title services and lender's title insurance (from GFE #4)		\$1,003.50	\$154.00
1102. Settlement or closing fee to Premium Title Services, Inc. \$525.00			\$400.00
1103. Owner's title insurance to Premium Title Services, Inc. (from GFE #5)		\$880.00	
1104. Lender's title insurance to Premium Title Services, Inc. \$470.50			
1105. Lender's title policy limit \$221,000.00			
1106. Owner's title policy limit \$161,000.00			
1107. Agent's portion of the total title insurance premium to Premium Title Services, Inc. \$843.50			
1108. Underwriter's portion of the total title insurance premium to Westcor Land Title Insurance Company \$361.50			
1113. Recording Service Fee to Simplifile \$12.00			
11108. (includes above item numbers:)			
1200. Government Recording and Transfer Charges			
1201. Government recording charges (from GFE #7)		\$326.00	
1202. Deed \$86.50 Mortgage \$239.50 Releases \$			
1203. Transfer taxes (from GFE #8)		\$2,342.50	
1204. City/County tax/stamps Deed \$ Mortgage \$			
1205. State tax/stamps Deed \$1,127.00 Mortgage \$773.50			
1207. Intangible Taxes to Simplifile \$442.00			
1300. Additional Settlement Charges			
1301. Required services that you can shop for (from GFE #6)			
1302. Survey to			
1303. Pest Inspection			
1306. Closing Coordination, Review & Processing Fee to Afisource Holdings, LLC - Operating Account \$0.00			\$750.00
1307. Web Technology Fee to Hubzu USA, Inc Real Home go Home BP \$0.00		\$299.00	
1308. Buyer's Premium Fee to Hubzu USA, Inc Real Home go Home BP \$0.00		\$7,695.00	
1311. Statutory Surcharge to Westcor Land Title Insurance Company \$0.00			\$3.28
1400. Total Settlement Charges (enter on line 103, Section J and 502, Section K)		\$105,372.58	\$10,967.28

Roshan Chavan

Authorized Signatory for Owen Loan Servicing, LLC, as attorney-in-fact, Wells Fargo Bank, National Association, as Trustee for Carrington Mortgage Loan Trust, Series 2008-OPT1, Asset Backed Pass-Through Certificates, Series 2006-OPT1

**Supplemental Page
HUD-1 Settlement Statement**

Addendums for Page 1	Amount
Addendum 506	
a. Seller Paid Credit for Owner's Title Insurance.	\$880.00
b. Earnest money retained by	\$0.00
Total:	\$880.00

Addendum for 800. Items Payable In Connection With Loan	Buyer	Seller
Addendum 815		
a. CLM Closing Services, LLC to Cogo Capital, LLC	\$200.00	
b. Inspection Fee to Construction Inspection Specialists	\$1,625.00	
c. Rehab Escrow Funds to Cogo Capital, LLC	\$77,990.00	
Total:	\$79,815.00	\$0.00

Itemization	Buyer	Seller
Line 1101		
a. Document preparation to Premium Title Services, Inc.		
Total:	\$0.00	\$0.00
Line 1102		
a. Notary fees to Notary Service Fee	\$125.00	
b. Attorney's fees to Premium Title Services, Inc.		
Total:	\$125.00	\$0.00

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief it is true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

BORROWERS

Tom Bodeff, Authorized Signor

SELLERS

Roshan Chavan

Authorized Signatory for Owen Loan Servicing, LLC, as attorney-in-fact

WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE FOR
CARRINGTON MORTGAGE LOAN TRUST, SERIES 2006-OPT1, ASSET BACKED
PASS-THROUGH CERTIFICATES, SERIES 2006-OPT1

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or I will cause the funds to be disbursed in accordance with this statement.

David Jenkins



Date

5/10/2016

DAVID JENKINS



A. Settlement Statement (HUD-1)

B. Type of Loan			
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input type="checkbox"/> Conv. Unins.	6. File Number: [REDACTED]
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.		7. Loan Number: [REDACTED]
			8. Mortgage Insurance Case Number:
C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.			
D. Name & Address of Borrower: [REDACTED] INVESTMENTS, LLC WINTER HAVEN, FL 33884		E. Name & Address of Seller: WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE FOR CARRINGTON MORTGAGE LOAN TRUST, SERIES 2006- OPT1, ASSET BACKED PASS-THROUGH CERTIFICATES, SERIES 2006-OPT1 1661 WORTHINGTON ROAD SUITE 100 WEST PALM BEACH, FL 33409	
		F. Name & Address of Lender: SECURED INVESTMENT HIGH YIELD FUND II, LLC 1121 E MULLAN AVE COEUR D'ALENE, ID 83814	
G. Property Location: [REDACTED] WINTER HAVEN, FL 33884 (POLK) [REDACTED]		H. Settlement Agent: PREMIUM TITLE SERVICES, INC. 1000 ABERNATHY ROAD NE, SUITE 200, ATLANTA, GA 30328 (855)339-6325	I. Settlement Date: 6/10/2016
		Place Of Settlement: 1000 ABERNATHY ROAD NE, SUITE 200, ATLANTA, GA 30328 (877)318-3442	

J. Summary of Borrower's Transaction	
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103. Settlement Charges to Borrower (line 1400)	\$105,372.58
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Adjustments for items paid by seller in advance	
106. City/town taxes	
107. County taxes	
108. Assessments	
109.	
110.	
111.	
112.	
120. Gross Amount Due From Borrower	\$266,372.58
200. Amounts Paid By Or In Behalf Of Borrower	
201. Deposit or Earnest Money	\$5,130.00
202. Principal amount of new loan	\$221,000.00
203. Existing loan taken subject to	
204. Borrower Credit from Cogo Capital, LLC	\$500.00
205.	
206. Seller Paid Credit for Owner's Title Insurance	\$880.00
207. Seller Paid Credit for Lender's Title Insurance	\$325.00
208.	
209.	
Adjustments for items unpaid by seller	
210. City/town taxes	
211. County taxes 1/1/2016 to 6/10/2016 @ \$4,583.19/Year	\$1,632.37
212. Assessments	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. Total Paid By/For Borrower	\$229,467.37
300. Cash At Settlement From/To Borrower	
301. Gross Amount Due From Borrower (line 120)	\$266,372.58
302. Less Amounts Paid By/For Borrower (line 220)	\$229,467.37
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$36,905.21

K. Summary of Seller's Transaction	
400. Gross Amount Due To Seller	
401. Contract sales price	\$161,000.00
402. Personal Property	
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Adjustments for items paid by seller in advance	
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420. Gross Amount Due To Seller	\$161,000.00
500. Reductions in Amount Due To Seller	
501. Excess deposit (see instructions)	
502. Settlement Charges to Seller (line 1400)	\$10,967.28
503. Existing loan taken subject to	
504. Payoff of first mortgage loan	
505. Payoff of second mortgage loan	
506. See Addendum 506	\$880.00
507. Seller Paid Credit for Lender's Title Insurance	\$325.00
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509.	
Adjustments for items unpaid by seller	
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511. County taxes 1/1/2016 to 6/10/2016 @ \$4,583.19/Year	\$1,632.37
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513.	
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515.	
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520. Total Reduction Amount Due Seller	\$13,804.65
600. Cash At Settlement To/From Seller	
601. Gross Amount Due To Seller (line 420)	\$161,000.00
602. Less Deduction in Amt. Due To Seller (line 520)	\$13,804.65
603. Cash <input checked="" type="checkbox"/> To <input type="checkbox"/> From Seller	\$147,195.35

L. Settlement Charges			
700. Total Real Estate Broker Fees		Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
Division of Commission (line 700) as follows:			
701.	\$2,415.00 to Real Home Services and Solutions, Inc.		
702.	\$4,830.00 to Keller Williams		
703.	Commission paid at Settlement		\$7,245.00
704.	Referral Fee to REO Management, LLC		\$2,415.00
800. Items Payable in Connection With Loan			
801.	Our origination charge (from GFE #1)		
802.	Your credit or charge (points) for the specific interest rate chosen (from GFE #2)		
803.	Your adjusted origination charges (from GFE A)		
805.	Credit Report (from GFE #3)		
806.	Tax service to (from GFE #3)		
807.	Flood certification to (from GFE #3)		
808.	Escrow Holdback Fee to Panhandle Escrow Company, Inc.		\$150.00
809.	2.1% Origination Fee to Cogo Capital, LLC		\$4,841.00
810.	Consulting Fee to Cogo Capital, LLC		\$2,265.00
811.	Servicing Setup Fee to Lake City Servicing		\$200.00
812.	Loan Servicing Fee to Lake City Servicing		\$180.00
813.	Funding Fee to Panhandle Escrow Company, Inc.		\$300.00
814.	Draw Processing Fee to Secured Asset Recovery, LLC		\$1,000.00
815.	See Addendum 815		\$79,815.00
900. Items Required By Lender To Be Paid In Advance			
901.	Daily interest charges from 5/10/2016 to 8/1/2016 @ 90.5500/day to Cogo Capital, LLC (from GFE #10)		\$1,992.10
902.	Mortgage Insurance Premium (from GFE #3)		
903.	Homeowner's insurance for 12.00 months to Lloyds of London (from GFE #11)		\$2,283.48
1000. Reserves Deposited With Lender			
1001.	Initial deposit for your escrow account (from GFE #9)		
1002.	Homeowner's Insurance 12.00 months @ per month		
1003.	Mortgage insurance 12.00 months @ per month		
1004.	County property taxes 12.00 months @ per month		
1007.	Aggregate Adjustment		
1100. Title Charges			
1101.	Title services and lender's title insurance (from GFE #4)	\$1,003.50	\$154.00
1102.	Settlement or closing fee to Premium Title Services, Inc. \$525.00		\$400.00
1103.	Owner's title insurance to Premium Title Services, Inc. (from GFE #5)	\$880.00	
1104.	Lender's title insurance to Premium Title Services, Inc. \$470.50		
1105.	Lender's title policy limit \$221,000.00		
1106.	Owner's title policy limit \$161,000.00		
1107.	Agent's portion of the total title insurance premium to Premium Title Services, Inc. \$843.50		
1108.	Underwriter's portion of the total title insurance premium to Westcor Land Title Insurance Company \$361.50		
1113.	Recording Service Fee to Simplifile \$12.00		
11108.	(includes above item numbers.)		
1200. Government Recording and Transfer Charges			
1201.	Government recording charges (from GFE #7)	\$326.00	
1202.	Deed \$86.50 Mortgage \$239.50 Releases \$		
1203.	Transfer taxes (from GFE #8)	\$2,342.50	
1204.	City/County tax/stamps Deed \$ Mortgage \$		
1205.	State tax/stamps Deed \$1,127.00 Mortgage \$773.50		
1207.	Intangible Taxes to Simplifile \$442.00		
1300. Additional Settlement Charges			
1301.	Required services that you can shop for (from GFE #6)		
1302.	Survey to		
1303.	Pest Inspection		
1306.	Closing Coordination, Review & Processing Fee to Allsource Holdings, LLC - Operating Account \$0.00		\$750.00
1307.	Web Technology Fee to Hubzu USA, Inc Real Home go Home BP \$0.00	\$299.00	
1308.	Buyer's Premium Fee to Hubzu USA, Inc Real Home go Home BP \$0.00	\$7,695.00	
1311.	Statutory Surcharge to Westcor Land Title Insurance Company \$0.00		\$3.28
1400. Total Settlement Charges (enter on line 103, Section J and 502, Section K)		\$105,372.58	\$10,967.28

Supplemental Page HUD-1 Settlement Statement

Addendums for Page 1	Amount
Addendum 506	
a. Seller Paid Credit for Owner's Title Insurance.	\$880.00
b. Earnest money retained by	\$0.00
Total:	\$880.00

Addendum for 800, Items Payable in Connection With Loan	Buyer	Seller
Addendum 815		
a. CLM Closing Services, LLC to Cogo Capital, LLC	\$200.00	
b. Inspection Fee to Construction Inspection Specialists	\$1,625.00	
c. Rehab Escrow Funds to Cogo Capital, LLC	\$77,990.00	
Total:	\$79,815.00	\$0.00

Itemization	Buyer	Seller
Line 1101		
a. Document preparation to Premium Title Services, Inc.		
Total:	\$0.00	\$0.00
Line 1102		
a. Notary fees to Notary Service Fea	\$125.00	
b. Attorney's fees to Premium Title Services, Inc.		
Total:	\$125.00	\$0.00

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief it is true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

BORROWERS




SELLERS

WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE FOR
 CARRINGTON MORTGAGE LOAN TRUST, SERIES 2006-OPT1, ASSET BACKED
 PASS-THROUGH CERTIFICATES, SERIES 2006-OPT1

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or I will cause the funds to be disbursed in accordance with this statement.

David Jenkins



Date

5/10/2016

DAVID JENKINS

5/10/2016

National Real Estate Insurance Group LLC
7509 NW Tiffany Springs Parkway #200
Kansas City, MO 64153

Reference: [REDACTED] Winter Haven, FL 33884

To Whom It May Concern:

Borrower, [REDACTED] Investments, LLC, a(n) Florida Limited Liability Company (“Borrower”) is obtaining a loan from Secured Investment High Yield Fund II, LLC, a(n) Idaho Limited Liability Company. Please send appropriate evidence of insurance to Secured Investment High Yield Fund II, LLC c/o Lake City Servicing, ISAOA, together with the requested endorsements, on the following property, which Borrower is giving as security for the loan.

Collateral:

[REDACTED]
Winter Haven, FL 33884

Type: All risks, including fire, theft and liability.

Amount: Full Insurable Value.

Basis: Replacement Value.

Endorsements: Standard mortgagee’s clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Secured Investment High Yield Fund II, LLC, and without disclaimer of the insurer’s liability for failure to give such notice.

Latest Delivery Date: By the loan closing date – estimated 5/10/2016.

Lender:
Company

Secured Investment High Yield Fund II, LLC, a(n) Idaho Limited Liability

c/o Lake City Servicing
1121 E Mullan Ave
Coeur d’Alene, ID 83814
Effective Date: 5/10/2016

Additional Insured: Lake City Servicing, ISAOA

BORROWER:

[REDACTED] Investments, LLC, a Florida Limited Liability Company

By: [REDACTED]

Name: [REDACTED]

Title: Sole Member

5/10/2016

National Real Estate Insurance Group LLC
7509 NW Tiffany Springs Parkway #200
Kansas City, MO 64153

Reference: [REDACTED] Winter Haven, FL 33884

To Whom It May Concern:

Borrower, [REDACTED] Investments, LLC, a(n) Florida Limited Liability Company ("Borrower") is obtaining a loan from Secured Investment High Yield Fund II, LLC, a(n) Idaho Limited Liability Company. Please send appropriate evidence of insurance to Secured Investment High Yield Fund II, LLC c/o Lake City Servicing, ISAOA, together with the requested endorsements, on the following property, which Borrower is giving as security for the loan.

Collateral:

[REDACTED]
Winter Haven, FL 33884

Type: All risks, including fire, theft and liability.

Amount: Full Insurable Value.

Basis: Replacement Value.

Endorsements: Standard mortgagee's clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Secured Investment High Yield Fund II, LLC, and without disclaimer of the insurer's liability for failure to give such notice.

Latest Delivery Date: By the loan closing date – estimated 5/10/2016.

Lender:
Company

Secured Investment High Yield Fund II, LLC, a(n) Idaho Limited Liability

c/o Lake City Servicing
1121 E Mullan Ave
Coeur d'Alene, ID 83814
Effective Date: 5/10/2016

Additional Insured: Lake City Servicing, ISAOA

BORROWER:

[REDACTED] Investments, LLC, a Florida Limited Liability Company

By: [REDACTED]

Name: [REDACTED]

Title: Sole Member

**UNANIMOUS MEMBER RESOLUTIONS
AND
AUTHORITY OF MANAGER TO EXECUTE
OF
Mossy Oak Investments, LLC**

The undersigned being all of the members of [REDACTED] Investments, LLC, a(n) Florida limited liability company (the "Company"), do hereby consent to the following actions and adopt the following resolutions:

WHEREAS, the Company is acquiring certain real property located at [REDACTED] Winter Haven, FL 33884 (the "Property"); and

WHEREAS, the Company has applied for a private money investment loan (the "Loan") from Secured Investment High Yield Fund II, LLC, a(n) Idaho Limited Liability Company ("Lender") in the principal amount of up to Two Hundred Twenty One Thousand and No/100 Dollars (\$221,000.00) for the purpose of acquiring and/or rehabilitating the Property; and

WHEREAS, the Loan will be evidenced by certain documents, including without limitation, a promissory note, a mortgage or deed of trust (whichever is applicable), a guaranty, a compliance agreement (errors and omissions), an affidavit, escrow instructions, notice of insurance requirements and certain other documents as reasonable requested by the Lender (collectively, the "Loan Documents");

WHEREAS, in connection with the Loan, the Company will be required to execute the Loan Documents.

NOW THEREFORE IT IS RESOLVED, that (i) the Company hereby accepts the Loan and ratifies and confirms the acceptance and agreement to the Loan by the Company and (ii) the manager of the Company, [REDACTED] (the "Manager"), shall take or cause such actions and shall execute such documents as may be necessary, desirable, or appropriate to obtain from Lender the Loan financing contemplated by the Loan Documents, to close and consummate the Loan, and to provide all documents, materials, assurances, and matters of whatever kind and character that may be required by Lender in connection with the Loan.

IT IS FURTHER RESOLVED, that the form, terms and provisions of the Loan Documents to be executed by the Company in favor of the Lender are hereby in each and every respect approved, ratified and confirmed, and each and every transaction effected or to be effected pursuant to, and in substantial accordance with, the terms of the Loan Documents and such other documents as contemplated thereby are hereby in each and every respect authorized, approved, ratified and confirmed.

IT IS FURTHER RESOLVED, that action by the Company's Manager, to do and perform, or cause to be done and performed, in the name and on behalf of the Company, or the execution and delivery, or causing to be executed and delivered, such other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications, under organizational seal of the Company if required, in the name and on behalf of the Company or otherwise, as they, or any of them, may deem to be necessary or advisable in order to carry into effect the intent of the foregoing resolutions or to comply with the requirements of the

Unanimous Member Resolutions and Authority of Manager to Execute
[REDACTED] Investments, LLC

instruments approved or authorized by the foregoing resolutions is hereby approved, ratified and confirmed.

IT IS FURTHER RESOLVED, that the execution and delivery by the Company's Manager of any of the aforesaid agreements, documents and instruments authorized in the foregoing resolutions and the taking by the Company's Manager of any acts in any way related to the transactions contemplated by the foregoing resolutions, and such other agreements, documents and instruments shall be conclusive evidence of his/her approval thereof and of his/her authority to execute and deliver such agreements, documents and instruments and to take and perform such acts in the name and on behalf of the Company.

IT IS FURTHER RESOLVED, that this Resolution may be executed in any number of counterparts, including execution by electronic or telephonic means, such as email or facsimile, and taken together such signatures shall be consider one final, original agreement.

DATED: 5/10/2016

MEMBER(S):

[REDACTED]

INSTR # [REDACTED]
BK 9823 [REDACTED]
05/16/2016 04:41:12 PM
STACY M. BUTTERFIELD,
CLERK OF COURT POLK COUNTY
RECORDING FEES 231.00
MTG DOC 773.50
INTANGIBLE 442.00

Prepared by, and after recording return to:
Cogo Capital, LLC
1121 E Mullan Ave
Coeur d'Alene, ID 83814

MORTGAGE AND ASSIGNMENT OF RENTS

THIS IS A BALLOON MORTGAGE AND THE FINAL PRINCIPAL PAYMENT OR THE PRINCIPAL BALANCE DUE UPON MATURITY IS \$221,000.00, TOGETHER WITH ACCRUED INTEREST, IF ANY, AND ALL ADVANCEMENTS MADE BY THE MORTGAGEE (LENDER) UNDER THE TERMS OF THIS SECURITY INSTRUMENT.

Aspose.Pdf

MORTGAGE AND ASSIGNMENT OF RENTS

THIS MORTGAGE AND ASSIGNMENT OF RENTS (the "Instrument") is made to be effective this **Tenth day of May, 2016**, by [REDACTED] **Investments, LLC**, a(n) Florida Limited Liability Company whose address is [REDACTED] Winter Haven, FL 33884, as mortgagor ("Borrower") to and for the benefit of **Secured Investment High Yield Fund II, LLC**, a(n) Idaho Limited Liability Company whose address is 1121 E Mullan Ave, Coeur d'Alene, ID 83814, as mortgagee ("Lender").

Borrower, in consideration of (i) the loan in the original principal amount of **Two Hundred Twenty One Thousand and No/100 Dollars (U.S. \$221,000.00)** (the "Loan") evidenced by that certain Promissory Note dated as of the date of this Instrument, executed by Borrower and made payable to the order of Lender (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the "Note"), and (ii) that certain Borrower Agreement dated as of the date of this Instrument, executed by and between Borrower and Lender (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "Borrower Agreement"), and to secure to Lender the repayment of the Indebtedness (as defined below), and all renewals, extensions and modifications thereof, and the performance of the covenants and agreements of Borrower contained in the Loan Documents (as defined below), irrevocably and unconditionally mortgages, grants, assigns, remises, releases, warrants and conveys to and for the benefit of Lender the Property (as defined below), including the real property located in the County of Polk, State of Florida, and described in Exhibit A attached to this Instrument and incorporated by reference (the "Land"), to have and to hold such Property unto Lender and Lender's successors and assigns, forever; Borrower hereby releasing, relinquishing and waiving, to the fullest extent allowed by law, all rights and benefits, if any, under and by virtue of the homestead exemption laws of the Property Jurisdiction (as defined below), if applicable.

If Borrower keeps, observes and performs all of the covenants and conditions of this Instrument on its part to be kept and performed and pays, or causes to be paid, to Lender the Note as to both principal and interest, the last payment of which is due **6/30/2017** (the "Maturity Date") as provided in the Loan Documents, and all extensions and renewals thereof, and all of the other Indebtedness, and repays any loans and advances hereafter made by Lender under the terms hereof, then this Instrument will be void; otherwise it will remain in effect. The intent of the preceding sentence is that if all of the Indebtedness is paid in full, then this Instrument will be void; otherwise the Instrument will remain in effect.

Borrower represents and warrants that Borrower is lawfully seized of the Property and has the right, power and authority to grant, convey and assign the Property, and that the Property is unencumbered except as shown on the schedule of exceptions to coverage in the title policy ("Title Policy") issued to and accepted by Lender contemporaneously with the execution and recordation of this Instrument and insuring Lender's interest in the Property (the "Schedule of Title Exceptions"). Borrower covenants that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions listed in the Schedule of Title Exceptions.

UNIFORM COVENANTS: In consideration of the mutual promises set forth in this Instrument, Borrower and Lender covenant and agree as follows:

1. **Definitions.** The following terms, when used in this Instrument (including when used in the above recitals), shall have the following meanings:

PAGE 2

- a. **"Borrower"** means all persons or entities identified as "Borrower" in the first paragraph of this Instrument, together with their successors and assigns.
- b. **"Business Day"** means any day other than a Saturday, a Sunday or any other day on which the national banking associations are not open for business in the Property Jurisdiction.
- c. **"Controlling Interest"** means (i) 51 % or more of the ownership interests in an entity, or (ii) a percentage ownership interest in an entity of less than 51 %, if the owner(s) of that interest actually direct(s) the business and affairs of the entity without the requirement of consent of any other party.
- d. **"Enforcement Costs"** means all expenses and costs, including reasonable attorneys' fees and expenses, fees and out-of-pocket expenses of expert witnesses and costs of investigation, incurred by Lender as a result of any Event of Default under the Loan Documents or in connection with efforts to collect any amount due under the Loan Documents, or to enforce the provisions of the other Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy or insolvency proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding or foreclosure) or judicial or non-judicial foreclosure proceeding, to the extent permitted by law.
- e. **"Event of Default"** means the occurrence of any event listed in Section 18.
- f. **"Governmental Authority"** means any board, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision of any of them, that has or acquires jurisdiction over the Property or the use, operation or improvement of the Property or over the Borrower.
- g. **"Hazardous Materials"** means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them; lead and lead-based paint; asbestos or asbestos containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which on the Property is prohibited by any federal, state or local authority; any substance that requires special handling and any other material or substance now or in the future that (i) is defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "contaminant," or "pollutant" by or within the meaning of any Hazardous Materials Law, or (ii) is regulated in any way by or within the meaning of any Hazardous Materials Law.
- h. **"Hazardous Materials Laws"** means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future and including all amendments, that relate to Hazardous Materials or the protection of human health or the environment and apply to Borrower or to the Property. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 et seq., and their state analogs.

- i. **“Improvements”** means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements, facilities and additions and other construction on the Land.
- j. **“Indebtedness”** means the principal of, interest on, and all other amounts due at any time under the Note, the Borrower Agreement (the “Borrower Agreement”), this Instrument or any other Loan Document (other than any guaranty), including late charges, interest charged at the Default Rate (as defined in the Note), and accrued interest as provided in the Note and this Instrument, advances, costs and expenses to perform the obligations of Borrower or to protect the Property or the security of this Instrument, all other monetary obligations of Borrower under the Loan Documents, including amounts due as a result of any indemnification obligations, and any Enforcement Costs.
- k. **“Initial Owners”** means, with respect to Borrower or any other entity, the persons or entities that (i) on the date of the Note, or (ii) on the date of a Transfer to which Lender has consented, own in the aggregate 100% of the ownership interests in Borrower or that entity.
- l. **“Land”** means the land described in Exhibit A.
- m. **“Leases”** means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Property, or any portion of the Property, and all modifications, extensions or renewals.
- n. **“Lender”** means the entity identified as “Lender” in the first paragraph of this Instrument, or any subsequent holder of the Note.
- o. **“Loan Documents”** means the Note, this Instrument, all guaranties, all borrower agreements, the loan purpose and use affidavit, the compliance agreement, any riders, borrower resolutions and any other documents now or in the future executed by Borrower, any guarantor or any other person in connection with the Loan evidenced by the Note, as such documents may be amended from time to time.
- p. **“Loan Servicer”** means the entity that from time to time is designated by Lender to collect payments and deposits and receive Notices under the Note, this Instrument and any other Loan Document, and otherwise to service the loan evidenced by the Note for the benefit of Lender.
- q. **“Note”** means that certain Promissory Note from Borrower to Lender in the original principal amount of \$221,000.00 and dated as of even date herewith.
- r. **“Property”** means all of Borrower’s present and future right, title and interest in and to all of the following: (i) the Land; (ii) the Improvements; (iii) all current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights of way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefiting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated; (iv) all proceeds paid or to be paid by any insurer of the Land, the Improvements or any other part of the Property, whether or not Borrower obtained the insurance pursuant to Lender’s requirement; (v) all awards, payments and other compensation made or to be made by

any municipal, state or federal authority with respect to the Land, the Improvements or any other part of the Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Land, the Improvements or any other part of the Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof; (vi) all contracts, options and other agreements for the sale of the Land, the Improvements or any other part of the Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations; (vii) all proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds; (viii) all Rents and Leases; (ix) all earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Property, and all undisbursed proceeds of the loan secured by this Instrument; and (x) all tenant security deposits which have not been forfeited by any tenant under any Lease and any bond or other security in lieu of such deposits.

s. **“Property Jurisdiction”** shall have the meaning as set forth in Section 22.

t. **“Rents”** means all rents, revenues and other income of the Land or the Improvements, whether now due, past due, or to become due and tenant security deposits.

u. **“Taxes”** means all taxes, assessments, vault rentals and other charges, if any, whether general, special or otherwise, including all assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, will become a lien on the Land or the Improvements.

v. **“Transfer”** means (i) a sale, assignment, transfer or other disposition (whether voluntary, involuntary or by operation of law); (ii) the granting, creating or attachment of a lien, encumbrance or security interest (whether voluntary, involuntary or by operation of law); (iii) the issuance or other creation of an ownership interest in a legal entity, including a partnership interest, interest in a limited liability company or corporate stock; (iv) the withdrawal, retirement, removal or involuntary resignation of a partner in a partnership or a member or manager in a limited liability company; or (v) the merger, dissolution, liquidation, or consolidation of a legal entity or the reconstitution of one type of legal entity into another type of legal entity. “Transfer” does not include: (i) a conveyance of the Property at a judicial or non-judicial foreclosure sale under this Instrument; (ii) the Property becoming part of a bankruptcy estate by operation of law under the United States Bankruptcy Code, or (iii) a lien against the Property for local taxes and/or assessments not then due and payable.

For purposes of defining the term Transfer, the term “partnership” shall mean a general partnership, a limited partnership, a joint venture and a limited liability partnership, and the term “partner” shall mean a general partner, a limited partner and a joint venturer.

2. **Payment of Indebtedness; Performance under Loan Documents.** Borrower shall pay the Indebtedness when due in accordance with the terms of the Note and the other Loan Documents and shall perform, observe and comply with all other provisions of the Note and the other Loan Documents.

3. **Assignment of Leases and Rents; Appointment of Receiver; Lender in Possession.**

a. As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all Leases and Rents. It is the intention of Borrower to establish present, absolute and irrevocable transfers and assignments to Lender of all Leases and Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower. Borrower and Lender intend the assignments of Leases and Rents to be effective immediately and to constitute absolute present assignments, and not assignments for additional security only. Only for purposes of giving effect to these absolute assignments of Leases and Rents, and for no other purpose, the Leases and Rents shall not be deemed to be a part of the Property. However, if these present, absolute and unconditional assignments of Leases and Rents are not enforceable by their terms under the laws of the Property Jurisdiction, then each of the Leases and Rents shall be included as part of the Property, and it is the intention of Borrower, in such circumstance, that this Instrument create and perfect a lien on each of the Leases and Rents in favor of Lender, which liens shall be effective as of the date of this Instrument.

b. Until an Event of Default has occurred and is continuing, but subject to the limitations set forth in the Loan Documents, Borrower shall have a revocable license to exercise all rights, power and authority granted to Borrower under the Leases (including the right, power and authority to modify the terms of any Lease, extend or terminate any Lease, or enter into new Leases, subject to the limitations set forth in the Loan Documents), and to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender, and to apply all Rents to pay the Monthly Debt Service Payments and the other amounts then due and payable under the other Loan Documents and to pay the current costs and expenses of managing, operating and maintaining the Property, including utilities and Impositions, tenant improvements and other capital expenditures. So long as no Event of Default has occurred and is continuing (and no event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing), the Rents remaining after application pursuant to the preceding sentence may be retained and distributed by Borrower free and clear of, and released from, Lender's rights with respect to Rents under this Instrument.

c. If an Event of Default has occurred and is continuing, without the necessity of Lender entering upon and taking and maintaining control of the Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, the revocable license granted to Borrower pursuant to this Section shall automatically terminate, and Lender shall immediately have all rights, powers and authority granted to Borrower under any Lease (including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease) and, without notice, Lender shall be entitled to all Rents as they become due and payable, including Rents then due and unpaid. During the continuance of an Event of Default, Borrower authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Property to pay all Rents to, or as directed by, Lender, and Borrower shall, upon Borrower's receipt of any Rents from any sources, pay the total amount of such receipts to Lender. Although the foregoing rights of Lender are self-effecting, at any time during the continuance of an Event of Default, Lender may make demand for all Rents, and Lender may give, and Borrower hereby irrevocably authorizes Lender to give, notice to all tenants of the Property instructing them to pay all Rents to Lender. No tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no tenant shall be obligated to pay to Borrower any amounts that are actually paid to Lender in response to such a

notice. Any such notice by Lender shall be delivered to each tenant personally, by mail or by delivering such demand to each tenant.

d. If an Event of Default has occurred and is continuing, Lender may, regardless of the adequacy of Lender's security or the solvency of Borrower, and even in the absence of waste, enter upon, take and maintain full control of the Property, and may exclude Borrower and its agents and employees therefrom, in order to perform all acts that Lender, in its discretion, determines to be necessary or desirable for the operation and maintenance of the Property, including the execution, cancellation or modification of Leases, the collection of all Rents (including through use of a lockbox, at Lender's election), the making of repairs to the Property and the execution or termination of contracts providing for the management, operation or maintenance of the Property, for the purposes of enforcing this assignment of Rents, protecting the Property or the security of this Instrument and the Loan, or for such other purposes as Lender in its discretion may deem necessary or desirable.

e. Notwithstanding any other right provided Lender under this Instrument or any other Loan Document, if an Event of Default has occurred and is continuing, and regardless of the adequacy of Lender's security or Borrower's solvency, and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Property to take any or all of the actions set forth in this Section. If Lender elects to seek the appointment of a receiver for the Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte*, if permitted by applicable law. Borrower consents to shortened time consideration of a motion to appoint a receiver. Lender or the receiver, as applicable, shall be entitled to receive a reasonable fee for managing the Property and such fee shall become an additional part of the Indebtedness. Immediately upon appointment of a receiver or Lender's entry upon and taking possession and control of the Property, possession of the Property and all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Property, and all security deposits and prepaid Rents, shall be surrendered to Lender or the receiver, as applicable. If Lender or receiver takes possession and control of the Property, Lender or receiver may exclude Borrower and its representatives from the Property.

f. The acceptance by Lender of the assignments of the Leases and Rents pursuant to this Section shall not at any time or in any event obligate Lender to take any action under any Loan Document or to expend any money or to incur any expense. Lender shall not be liable in any way for any injury or damage to person or property sustained by any Person in, on or about the Property. Prior to Lender's actual entry upon and taking possession and control of the Land and Improvements, Lender shall not be:

- i. obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease);
- ii. obligated to appear in or defend any action or proceeding relating to any Lease or the Property; or
- iii. responsible for the operation, control, care, management or repair of the Property or any portion of the Property.

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The execution of this Instrument shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Property is and shall be that of Borrower, prior to such actual entry and taking possession and control by Lender of the Land and Improvements.

g. Lender shall be liable to account only to Borrower and only for Rents actually received by Lender. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of any act or omission of Lender under this Section, and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law, provided that Lender shall not be released from liability that occurs as a result of Lender's gross negligence or willful misconduct as determined by a court of competent jurisdiction pursuant to a final, non-appealable court order. If the Rents are not sufficient to meet the costs of taking control of and managing the Property and collecting the Rents, any funds expended by Lender for such purposes shall be added to, and become a part of, the principal balance of the Indebtedness, be immediately due and payable, and bear interest at the Default Rate (as defined in the Note) from the date of disbursement until fully paid. Any entering upon and taking control of the Property by Lender or the receiver, and any application of Rents as provided in this Instrument, shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Instrument or any Loan Document.

4. Compliance with Laws and Organizational Documents.

a. Borrower shall comply with all laws, ordinances, regulations and requirements of any Governmental Authority and all recorded lawful covenants and agreements relating to or affecting the Property, including all laws, ordinances, regulations, requirements and covenants pertaining to health and safety, construction of Improvements on the Property, fair housing, disability accommodation, zoning and land use, and Leases. Borrower also shall comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits.

b. Borrower shall take appropriate measures to prevent, and shall not engage in or knowingly permit, any illegal activities at the Property that could endanger tenants or visitors, result in damage to the Property, result in forfeiture of the Property, or otherwise materially impair the lien created by this Instrument or Lender's interest in the Property. Borrower represents and warrants to Lender that no portion of the Property has been or will be purchased with the proceeds of any illegal activity.

c. If the Borrower is an entity, Borrower shall at all times comply with all laws, regulations and requirements of any Governmental Authority relating to Borrower's formation, continued existence and good standing in the Borrower's state of organization. Borrower shall at all times comply with its organizational documents, including but not limited to its partnership agreement (if Borrower is a partnership), its by-laws (if Borrower is a corporation or housing cooperative corporation or association) or its operating agreement (if Borrower is a limited liability company, joint venture or tenancy-in-common).

5. Use of Property. Borrower represents and warrants that the Property is not used principally for agricultural purposes and this Instrument does not secure an obligation incurred primarily for person, family or household purposes. Borrower does not now occupy or use the Property and has no intention to

occupy or use the Property in the future, either as Borrower's principal residence or as a second home. Borrower now occupies and uses other property or properties as Borrower's principal residence and/or second home.

6. Protection of Lender's Security. If Borrower fails to perform any of its obligations under this Instrument or any other Loan Document, or any action or proceeding is commenced that purports to affect the Property, Lender's security, rights or interests under this Instrument or any Loan Document (including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Hazardous Materials Laws, fraudulent conveyance or reorganizations or proceedings involving a debtor or decedent), Lender may, at its option, make such appearances, disburse or pay such sums and take such actions, whether before or after an Event of Default or whether directly or to any receiver for the Property, as Lender reasonably deems necessary to perform such obligations of Borrower and to protect the Property or Lender's security, rights or interests in the Property or the Loan, including:

- a. Paying fees and out-of-pocket expenses of attorneys, accountants, inspectors and consultants;
- b. entering upon the Property to make repairs or secure the Property;
- c. obtaining (or force-placing) the insurance required by the Loan Documents; and
- d. paying any amounts required under any of the Loan Documents that Borrower has failed to pay.

Any amounts so disbursed or paid by Lender shall be added to, and become part of, the principal balance of the Indebtedness, be immediately due and payable and bear interest at the Default Rate (as defined in the Note) from the date of disbursement until fully paid. The provisions of this Section shall not be deemed to obligate or require Lender to incur any expense or take any action.

7. Inspection. Lender, its agents, representatives, and designees may make or cause to be made entries upon and inspections of the Property during normal business hours, or at any other reasonable time, upon reasonable notice to Borrower. Notice to Borrower shall not be required in the case of an emergency, as determined in Lender's discretion, or when an Event of Default has occurred and is continuing.

8. Books and Records. Borrower shall keep and maintain at all times and upon Lender's request shall make available to Lender complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the rehabilitation or rental of the Property, and copies of all written contracts, Leases, and other instruments which affect the Property. The books, records, contracts, Leases and other instruments shall be subject to examination and inspection by Lender at any reasonable time. Borrower authorizes Lender to obtain a credit report on Borrower at any time. If an Event of Default has occurred and is continuing, Borrower shall deliver to Lender upon written demand all books and records relating to the Property.

9. Payment of Taxes, Assessments, Expenses, and Other Charges.

- a. Subject to Section 11, Borrower shall pay before a penalty might attach for nonpayment thereof, all taxes and assessments and all other charges whatsoever levied upon or assessed or

placed against the Property, except that assessments may be paid in installments so long as no fine or penalty is added to any installment for the nonpayment thereof. Borrower shall likewise pay when due all taxes, assessments and other charges, levied upon or assessed, placed or made against, or measured by, the Agreement. Notwithstanding the foregoing provisions of this Section, if for any reason payment by Borrower of any such taxes, assessments or other charges would be unlawful, or if the payment thereof would render the indebtedness evidenced by a Note usurious, Lender may declare the Note, with interest thereon, to be immediately due and payable. Borrower shall promptly furnish to Lender all notices received by Borrower of amounts due under this Section and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments.

b. Borrower shall (i) pay the expenses of operating, managing, maintaining and repairing the Property (including utilities, repairs and replacements) before the last date upon which each such payment may be made without any penalty or interest charge being added, and (ii) pay insurance premiums at least thirty (30) days prior to the expiration date of each policy of insurance, unless applicable law specifies some lesser period.

10. **Liens.** Subject to Section 11 below, Borrower shall not create, incur or suffer to exist any lien, encumbrance or charge on the Property or any part thereof. Borrower shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Property within fifteen (15) calendar days of the date that Borrower or Lender receives notice of same, whichever occurs first.

11. **Permitted Contests.** Borrower shall not be required to (i) pay any tax, assessment or other charge referred to in Section 9 hereof or (ii) discharge or remove any lien, encumbrance or charge referred to in Section 10 hereof, so long as Borrower shall (1) contest, in good faith, the existence, amount or the validity thereof, the amount of damages caused thereby or the extent of its liability therefor, by appropriate proceedings which shall operate during the pendency thereof to prevent (A) the collection of, or other realization upon the tax, assessment, charge or lien, encumbrance or charge so contested, (B) the sale, forfeiture or loss of the Properties or any part thereof and (C) any interference with the use or occupancy of the Properties or any part thereof and (2) shall give such security to Lender as may be demanded by Lender to ensure compliance with the foregoing provisions of this Section 11. Borrower shall give prompt written notice to Lender of the commencement of any contest referred to in this Section 11.

12. **Preservation and Maintenance of Property.** Borrower (i) shall keep the Improvements now or hereafter erected on any Property in good repair and condition, ordinary depreciation excepted; (ii) shall, upon damage to or destruction of the Property or any part thereof by fire or other casualty, restore, repair, replace or rebuild the Property that is damaged or destroyed to the condition it was in immediately prior to such damage or destruction, whether or not any insurance proceeds are available or sufficient for such purpose, unless and to the extent that (A) Lender shall have elected to apply insurance proceeds to the reduction of the Indebtedness in accordance with Section 15.f), or (B) insurance proceeds are reasonably likely to be available with respect to such damage or destruction but such funds have not been made available to Borrower; (iii) shall consistently maintain the parking and landscaped areas of the Property in a commercially reasonable manner; (iv) shall not commit waste or permit impairment or deterioration of the Property; (v) shall not cause or permit any alteration of the design or structural character of any improvement now or hereafter erected on the Property if such alteration decreases the value of the Property; (vi) shall not remove from the Property any of the fixtures and personal property; and (vii) shall not abandon the Property.

13. Management of Property. The management of the Property shall be by either: (a) Borrower or an entity affiliated with Borrower approved by Lender for so long as Borrower or said affiliated entity is managing the Property in a first class manner or (b) a professional property management company approved by Lender.

14. Environmental Hazards.

a. Borrower shall not cause or permit any of the following: (i) the presence, use, generation, release, treatment, processing, storage (including storage in above ground and underground storage tanks), handling, or disposal of any Hazardous Materials on or under the Property or any other property of Borrower that is adjacent to the Property; (ii) the transportation of any Hazardous Materials to, from, or across the Property; or (iii) any occurrence or condition on the Property or any other property of Borrower that is adjacent to the Property, which occurrence or condition is or may be in violation of Hazardous Materials Laws. The matters described in clauses (i) through (iii) above are referred to collectively in this Section as "Prohibited Activities or Conditions."

b. Borrower shall take all commercially reasonable actions (including the inclusion of appropriate provisions in any Leases executed after the date of this Instrument) to prevent its employees, agents, and contractors, and all tenants and other occupants from causing or permitting any Prohibited Activities or Conditions. Borrower shall not lease or allow the sublease or use of all or any portion of the Property to any tenant or subtenant for nonresidential use by any user that, in the ordinary course of its business, would cause or permit any Prohibited Activity or Condition.

c. Borrower represents and warrants to Lender that, except as previously disclosed by Borrower to Lender in writing (which written disclosure may be in certain environmental assessments and other written reports accepted by Lender in connection with the funding of the Indebtedness and dated prior to the date of this Instrument): (i) Borrower has not at any time engaged in, caused or permitted any Prohibited Activities or Conditions on the Property; (ii) to the best of Borrower's knowledge after reasonable and diligent inquiry, no Prohibited Activities or Conditions exist or have existed on the Property; (iii) the Property does not now contain any underground storage tanks, and, to the best of Borrower's knowledge after reasonable and diligent inquiry, the Property has not contained any underground storage tanks in the past. If there is an underground storage tank located on the Property that has been previously disclosed by Borrower to Lender in writing, that tank complies with all requirements of Hazardous Materials Laws; (iv) to the best of Borrower's knowledge after reasonable and diligent inquiry, Borrower has complied with all Hazardous Materials Laws, including all requirements for notification regarding releases of Hazardous Materials; (v) there are no actions, suits, claims or proceedings pending or, to the best of Borrower's knowledge after reasonable and diligent inquiry, threatened that involve the Property and allege, arise out of, or relate to any Prohibited Activity or Condition; and (vi) Borrower has not received any written complaint, order, notice of violation or other communication from any Governmental Authority with regard to air emissions, water discharges, noise emissions or Hazardous Materials, or any other environmental, health or safety matters affecting the Property or any other property of Borrower that is adjacent to the Property.

d. Borrower shall promptly notify Lender in writing upon the occurrence of any of the following events: (i) Borrower's discovery of any Prohibited Activity or Condition; (ii) Borrower's receipt of or knowledge of any written complaint, order, notice of violation or other communication from any tenant, management agent, Governmental Authority or other person with regard to present or future alleged Prohibited Activities or Conditions, or any other environmental, health or safety matters affecting the Property or any other property of Borrower that is adjacent to the Property; or Borrower's breach of any of its obligations under this Section. Any such notice given by Borrower shall not relieve Borrower of, or result in a waiver of, any obligation under this Instrument, the Note, or any other Loan Document.

e. Borrower shall comply with all Hazardous Materials Laws applicable to the Property.

f. Borrower shall indemnify, hold harmless and defend (i) Lender, (ii) any prior owner or holder of the Note, (iii) the Loan Servicer, (iv) any prior Loan Servicer, (v) the officers, directors, shareholders, partners, employees and trustees of any of the foregoing, and (vi) the heirs, legal representatives, successors and assigns of each of the foregoing (collectively, the "Indemnitees") from and against all proceedings, claims, damages, penalties and costs (whether initiated or sought by Governmental Authorities or private parties), including Enforcement Costs and remediation costs, whether incurred in connection with any judicial or administrative process or otherwise, arising directly or indirectly from any of the following: (i) any breach of any representation or warranty of Borrower in this Section; (ii) any failure by Borrower to perform any of its obligations under this Section; (iii) the existence or alleged existence of any Prohibited Activity or Condition; (iv) the presence or alleged presence of Hazardous Materials on or under the Property or in any of the Improvements or on or under any property of Borrower that is adjacent to the Property; and (v) the actual or alleged violation of any Hazardous Materials Law.

g. Counsel selected by Borrower to defend Indemnitees shall be subject to the approval of those Indemnitees. In any circumstances in which the indemnity under this Section applies, Lender may employ its own legal counsel and consultants to prosecute, defend or negotiate any claim or legal or administrative proceeding and Lender, with the prior written consent of Borrower (which shall not be unreasonably withheld, delayed or conditioned) may settle or compromise any action or legal or administrative proceeding. However, unless an Event of Default has occurred and is continuing, or the interests of Borrower and Lender are in conflict, as determined by Lender in its discretion, Lender shall permit Borrower to undertake the actions referenced in this Section in accordance with this Section 17(g) and Section 17(h) so long as Lender approves such action, which approval shall not be unreasonably withheld or delayed. Borrower shall reimburse Lender upon demand for all costs and expenses incurred by Lender, including all costs of settlements entered into in good faith, consultants' fees and Enforcement Costs.

h. Borrower shall not, without the prior written consent of those Indemnitees who are named as parties to a claim or legal or administrative proceeding (a "Claim"), settle or compromise the Claim if the settlement (i) results in the entry of any judgment that does not include as an unconditional term the delivery by the claimant or plaintiff to Lender of a written release of those Indemnitees, satisfactory in form and substance to Lender; or (ii) may materially and adversely affect Lender, as determined by Lender in its discretion.

i. Borrower's obligation to indemnify the Indemnitees shall not be limited or impaired by any of the following, or by any failure of Borrower or any guarantor to receive notice of or consideration for any of the following: (i) any amendment or modification of any Loan Document; (ii) any extensions of time for performance required by any Loan Document; (iii) any provision in any of the Loan Documents limiting Lender's recourse to property securing the Indebtedness, or limiting the personal liability of Borrower or any other party for payment of all or any part of the Indebtedness; (iv) the accuracy or inaccuracy of any representations and warranties made by Borrower under this Instrument or any other Loan Document; (v) the release of Borrower or any other person, by Lender or by operation of law, from performance of any obligation under any Loan Document; (vi) the release or substitution in whole or in part of any security for the Indebtedness; and (vii) Lender's failure to properly perfect any lien or security interest given as security for the Indebtedness.

j. Borrower shall, at its own cost and expense, do all of the following: (i) pay or satisfy any judgment or decree that may be entered against any Indemnitee or Indemnitees in any legal or administrative proceeding incident to any matters against which Indemnitees are entitled to be indemnified under this Section; reimburse Indemnitees for any expenses paid or incurred in connection with any matters against which Indemnitees are entitled to be indemnified under this Section; and (iii) reimburse Indemnitees for any and all expenses, including Enforcement Costs, paid or incurred in connection with the enforcement by Indemnitees of their rights under this Section, or in monitoring and participating in any legal or administrative proceeding.

k. The provisions of this Section shall be in addition to any and all other obligations and liabilities that Borrower may have under applicable law or under other Loan Documents, and each Indemnitee shall be entitled to indemnification under this Section without regard to whether Lender or that Indemnitee has exercised any rights against the Property or any other security, pursued any rights against any guarantor, or pursued any other rights available under the Loan Documents or applicable law. If Borrower consists of more than one person or entity, the obligation of those persons or entities to indemnify the Indemnitees under this Section shall be joint and several. The obligation of Borrower to indemnify the Indemnitees under this Section shall survive any repayment or discharge of the Indebtedness, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of this Instrument. Notwithstanding the foregoing, if Lender has never been a mortgagee-in-possession of, or held title to, the Property, Borrower shall have no obligation to indemnify the Indemnitees under this Section after the date of the release of record of the lien of this Instrument by payment in full at the Maturity Date or by voluntary prepayment in full.

15. **Insurance.**

a. **Risks to be Insured.** Borrower, at its sole cost and expense, will maintain insurance of the following character:

i. **Property Insurance.** Insurance on any Improvements now existing or hereafter erected on any Property and on the fixtures and personal property included in the Property against loss by fire, and other hazards covered by the so-called "all-risk" form of policy without a co-insurance clause in an amount equal to the actual replacement cost thereof without deduction for physical depreciation, which insurance shall in no event be less than the unpaid Indebtedness outstanding at any given time. Borrower will at its sole

cost and expense, from time to time and at any time, at the request of Lender, provide Lender with evidence satisfactory to Lender of the replacement cost of the Property. While any improvement is in the course of being constructed or rebuilt on any Property, Borrower shall provide the aforesaid hazard insurance in builder's risk completed value form, including coverage available on the so-called "all risk" non-reporting form of policy for an amount equal to 100% of the insurable replacement value of the Improvements.

ii. **Worker's Compensation Insurance.** While any Improvement are in the course of being constructed, renovated or rebuilt on any Property, such workers' compensation insurance as is required by statute in the Property Jurisdiction.

iii. **Other Insurance.** Such other insurance as may from time to time be reasonably required by Lender in order to protect the interest of Lender.

b. **Policy Provisions.** All policies of insurance required pursuant to Section 15(a): (1) shall contain a standard noncontributory mortgagee clause naming Lender as the person to which all payments made by such insurance company shall be paid, (2) shall be maintained throughout the term of the Note without cost to Lender, (3) shall be assigned and delivered to Lender, (4) shall contain a provision shall contain such provisions as Lender deems reasonably necessary or desirable to protect the interests of Lender, including, without limitation, endorsements providing that neither Borrower, Lender nor any other party shall be a co-insurer under said policies and that Lender shall receive at least thirty (30) days prior written notice of any modification, reduction or cancellation, (5) shall be for a term of not less than one year, (6) shall be issued by an insurer licensed in the country in which the Property are located, (7) shall provide that Lender may, but shall not be obligated to, make premium payments to prevent any cancellation, endorsement, alteration or reissuance, and such payments shall be accepted by the insurer to prevent same, (8) shall be satisfactory in form and substance to Lender and shall be approved by Lender as to amounts, form, risk coverage, deductibles, loss payees and insureds, and (9) shall provide that all claims shall be allowable on events as they occur. All insurance policies and renewals thereof maintained by Borrower pursuant to subparagraphs (a)(i) and (a)(iii) above shall contain a standard mortgagee clause in favor of and in form acceptable to Lender. The insurance maintained pursuant to subparagraphs (a)(i) and (a)(ii) and (a)(iii) shall name Lender as an additional insured. Upon demand therefor, Borrower shall reimburse Lender for all of Lender's reasonable costs and expenses incurred in obtaining any or all of said policies or otherwise causing the compliance with the terms and provisions of this Section 15, including (without limitation) replacement of any so called "forced placed" insurance coverages. All policies required pursuant to Section 15(a) shall be issued by an insurer with a claims paying ability rating of "A-/V" or better by A.M. Best Company's Ratings Services. Borrower shall pay the premiums for such policies as the same become due and payable. If Borrower receives from any insurer any written notification or threat of any actions or proceedings regarding the non-compliance or non-conformity of any Property with any insurance requirements, Borrower shall give prompt notice thereof to Lender.

c. **Delivery of Policy.** Borrower will deliver to Lender copies of policies and/or certificates evidencing any required insurance satisfactory to Lender evidencing the insurance which is required under this Section 15, and Borrower shall promptly furnish to Borrower copies of all renewal notices and all receipts of paid premiums received by them. At least thirty (30) days

prior to the expiration date of a required policy, Borrower shall deliver to Lender a copy of a renewal policy in form satisfactory to Lender.

d. Assignment of Policies. In the event of the entry of judgment of foreclosure, sale of any Property by non-judicial foreclosure sale or delivery of a deed in lieu of foreclosure, Lender hereby is authorized (without the consent of Borrower) to assign any and all policies to the purchaser or transferee thereunder, or to take such other steps as Lender may deem advisable to cause the interest of such transferee or purchaser to be protected by any of the policies without credit or allowance to Borrower for prepaid premiums thereon.

e. Notice of Damage or Destruction, Adjusting Loss. If a Property or any part thereof shall be damaged or destroyed by fire or other casualty, Borrower will promptly give written notice thereof to the insurance carrier and Lender, and will not adjust any damage or loss which is reasonably estimated by Lender in good faith to exceed \$15,000.00 unless, Lender shall have joined in such adjustment; but if there has been no adjustment of any such damage or loss within four months from the date of occurrence thereof and if an Event of Default shall exist at the end of such four-month period or at any time thereafter, Lender may alone make proof of loss, adjust and compromise any claim under the policies and appear in and prosecute any action arising from such policies. In connection therewith, Borrower does hereby irrevocably authorize, empower and appoint Lender as attorney-in-fact for Borrower (which appointment is coupled with an interest) to do any and all of the foregoing in the name and on behalf of Borrower.

f. Application of Insurance Proceeds. All sums paid under any policy required by this Section 15 shall be paid directly to Lender. Any such proceeds received by Lender shall, after deduction therefrom of all reasonable costs and expenses actually incurred by Lender, including attorneys' fees, at Lender's reasonable discretion be (1) released to Borrower; (2) applied (upon compliance with such terms and conditions as may be required by Lender) to repair or restoration, either partly or entirely, of the Property so damaged, or (3) applied to the payment of the Indebtedness in such order and manner as Lender, in its sole discretion, may elect, whether or not due. In any event, the unpaid portion of the Indebtedness shall remain in full force and effect and the payment thereof shall not be excused.

g. Reimbursement of Lender's Expenses. Borrower shall promptly reimburse Lender upon demand for all of Lender's expenses incurred in connection with the collection of the insurance proceeds, including but not limited to, reasonable attorneys' fees, and all such costs and expenses, together with interest from the date of disbursement at an annual rate equal to the regular interest rate under the Note (unless collection of interest from Borrower at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law).

16. Condemnation.

a. Borrower hereby irrevocably assigns to Lender any award or payment which becomes payable to Borrower on account of the Property by reason of any taking of the Property, or any part thereof, whether directly or indirectly or temporarily or permanently, in or by condemnation or other eminent domain proceedings (hereinafter called "Taking"). Forthwith upon receipt by Borrower of notice of the institution of any proceeding or negotiations for a Taking, Borrower shall give notice thereof to Lender. Lender may appear in any such proceedings and participate

in any such negotiations and may be represented by counsel. Borrower, notwithstanding that Lender may not be a party to any such proceeding, will promptly give to Lender copies of all notices, pleadings, judgments, determinations and other papers received by Borrower therein. Borrower will not enter into any agreement permitting or consenting to the taking of the Property, or any part thereof, or providing for the conveyance thereof in lieu of condemnation, with anyone authorized to acquire the same in condemnation or by eminent domain unless Lender shall first have consented thereto in writing. All Taking awards shall be adjusted jointly by Borrower and Lender. All awards payable as a result of a Taking shall be paid to Lender, which may, at its sole option and discretion, apply them, after first deducting Lender's expenses incurred in the collection thereof, to the payment of the Indebtedness, whether or not due and in such order of application as Lender may determine, or to the repair or restoration of the Property, in such manner as Lender may determine. Notwithstanding the previous sentence, if Lender determines in its reasonable discretion that, after deducting Lender's expenses incurred in the collection thereof, the condemnation award (together with any additional capital contributions made by the partners of Borrower) is adequate to complete the repair or restoration, Borrower shall have the right to use the condemnation award to complete such repair or restoration as is necessitated by such Taking. Any application of Taking awards shall not extend or postpone the due dates of any regularly scheduled payment or mandatory prepayment payable under the Note or change the amount of any such payment or prepayment.

b. If the Taking involves the taking of any improvement now or hereafter located on any Property, Borrower shall proceed, with reasonable diligence, to demolish and remove any ruins and complete repair or restoration of the Property as nearly as possible to its respective size, type and character immediately prior to the Taking, provided Lender determines in its reasonable discretion that the condemnation award (together with any additional capital contributions made by the partners of Borrower) is adequate to complete the repair or restoration, Borrower shall have the right to use the condemnation award to complete such repair or restoration. Borrower shall promptly reimburse Lender upon demand for all of Lender's reasonable expenses (including reasonable attorney's fees) incurred in the collection of awards and their disbursement in accordance with this Section, and all such expenses, together with interest from the date of disbursement at the regular interest rate under the Note (unless collection of interest from Borrower at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law).

17. Transfer of the Property or Interests in Borrower.

a. The occurrence of any of the following Transfers shall constitute an Event of Default under this Instrument: (i) a Transfer of all or any part of the Property or any interest in the Property; (ii) if Borrower is a limited partnership, a Transfer of (A) any general partnership interest, or (B) limited partnership interests in Borrower that would cause the Initial Owners of Borrower to own less than a Controlling Interest of all limited partnership interests in Borrower; (iii) if Borrower is a general partnership or a joint venture, a Transfer of any general partnership or joint venture interest in Borrower; (iv) if Borrower is a limited liability company, (A) a Transfer of any membership interest in Borrower which would cause the Initial Owners to own less than a Controlling Interest of all the membership interests in Borrower, (B) a Transfer of any membership or other interest of a manager in Borrower that results in a change of manager, or (C) a change of a nonmember manager; (v) if Borrower is a corporation, (A) the Transfer of any voting stock in Borrower which would cause the Initial Owners to own less than a Controlling

Interest of any class of voting stock in Borrower or (B) if the outstanding voting stock in Borrower is held by 100 or more shareholders, one or more Transfers by a single transferor within a 12 month period affecting an aggregate of 10 % or more of that stock; (vi) if Borrower is a trust, (A) a Transfer of any beneficial interest in Borrower which would cause the Initial Owners to own less than a Controlling Interest of all the beneficial interests in Borrower, (B) the termination or revocation of the trust, or (C) the removal, appointment or substitution of a trustee of Borrower; and (vii) if Borrower is a limited liability partnership, (A) a Transfer of any partnership interest in Borrower which would cause the Initial Owners to own less than a Controlling Interest of all partnership interests in Borrower, or (B) a transfer of any partnership or other interest of a managing partner in Borrower that results in a change of manager.

b. Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default in order to exercise any of its remedies with respect to an Event of Default under this Section 17.

18. Events of Default. The occurrence of any one or more of the following shall constitute an Event of Default under this Instrument:

- a. any failure by Borrower to pay or deposit when due any amount required by the Note, this Instrument or any other Loan Document;
- b. any failure by Borrower to maintain the insurance coverage required by Section 15;
- c. any failure by Borrower to comply with the provisions of Section 27;
- d. fraud or material misrepresentation or material omission by Borrower, any of its officers, directors, trustees, general partners, managers, members or any guarantor in connection with (i) the application for or creation of the Indebtedness, (ii) any financial statement, rent schedule, or other report or information provided to Lender during the term of the Indebtedness, or (iii) any request for Lender's consent to any proposed action, including a request for disbursement of funds under any Collateral Agreement;
- e. any failure by Borrower to comply with the provisions of Section 16;
- f. any Event of Default under Section 17;
- g. any specified "Event of Default" under any Loan Documents shall occur
- h. the commencement of a forfeiture action or proceeding, whether civil or criminal, which, in Lender's reasonable judgment, could result in a forfeiture of the Property or otherwise materially impair the lien created by this Instrument or Lender's interest in the Property;
- i. any failure by Borrower to perform any of its obligations as and when required under any Loan Document which continues beyond the applicable cure period, if any, specified in that Loan Document;
- j. any exercise by the holder of any other debt instrument secured by a mortgage, deed of trust or deed to secure debt on the Property of a right to declare all amounts due under that debt instrument immediately due and payable;

k. any voluntary filing by Borrower for bankruptcy protection under the United States Bankruptcy Code or any reorganization, receivership, insolvency proceeding or other similar proceeding pursuant to any other federal or state law affecting debtor and creditor rights to which Borrower voluntarily becomes subject, or the commencement of any involuntary case against Borrower by any creditor (other than Lender) of Borrower pursuant to the United States Bankruptcy Code or other federal or state law affecting debtor and creditor rights which case is not dismissed or discharged within ninety (90) days after filing; and

l. any representations and warranties by Borrower in this Instrument or any Loan Document which is false or misleading in any material respect.

19. **Forbearance Not a Waiver; Rights and Remedies Cumulative.** No delay by Lender in exercising any right or remedy provided herein or otherwise afforded by law or equity shall be deemed a waiver of or preclude the exercise of such right or remedy, and no waiver by Lender of any particular provision of the Agreement shall be deemed effective unless in writing signed by Lender. All such rights and remedies provided for herein or which Lender or any other holders of the Note may otherwise have, at law or in equity, shall be distinct, separate and cumulative and may be exercised concurrently, independently or successively in any order whatsoever, and as often as the occasion therefor arises. Lender's taking action pursuant to Section 9 or receiving proceeds, awards or damages pursuant to Sections 18 or 19 shall not impair any right or remedy available to Lender. Lender's exercise of any of the rights or remedies under the Loan Documents shall not cure or waive any Event of Default (or notice of default) under the Loan Documents or invalidate any act done pursuant to such notice. Acceleration of maturity of the Note, once claimed hereunder by Lender, may, at the option of Lender, be rescinded by written acknowledgment to that effect by Lender, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity of the Note.

20. **Loan Charges.** If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in any Loan Document, whether considered separately or together with other charges levied in connection with any other Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the principal of the Indebtedness. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness which constitutes interest, as well as all other charges levied in connection with the Indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of the Note.

21. **Waiver of Statute of Limitations; Waiver of Marshaling.** Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Instrument. Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided in the Borrower Agreement, any other Loan Document or applicable law. Lender shall have the right to determine the order in which all or any part of the Indebtedness is satisfied from the proceeds realized upon the exercise of such remedies. Borrower and any party who now or in the future acquires a security interest in the Property and who has actual or constructive notice of the Borrower Agreement waives any and all right to require the marshaling of assets or to require that any of the Property

be sold in the inverse order of alienation or that any of the Property be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in the Borrower Agreement or any other Loan Documents.

22. Further Assurances.

a. Within ten (10) days after request by Lender, Borrower shall, subject to this [REDACTED] execute, acknowledge, and deliver, at its cost and expense, all further acts, deeds, conveyances, assignments, financing statements, transfers, documents, agreements, assurances, and such other instruments as Lender may reasonably require from time to time in order to better assure, grant, and convey to Lender the rights intended to be granted, now or in the future, to Lender under the Loan Documents.

b. Within ten (10) days after request by Lender, Borrower shall provide, or cause to be provided, to Lender, at Borrower's cost and expense, such further documentation or information reasonably deemed necessary or appropriate by Lender in the exercise of its rights under the related commitment letter between Borrower and Lender or to correct patent mistakes in the Loan Documents, the Title Policy, or the funding of the Loan.

Nothing above in (a) or (b) shall require Borrower to do any further act that has the effect of (i) changing the economic terms of the Loan set forth in the related commitment letter between Borrower and Lender; or imposing on Borrower or Guarantor greater personal liability under the Loan Documents than that set forth in the related commitment letter between Borrower and Lender; or

23. Governing Law; Consent to Jurisdiction and Venue. *Except as otherwise provided in Section 24 below which Section 24 shall govern and apply to any suit, action or other proceeding arising out of or related to usury, interest rate, loan charges, broker fees and commissions, lender charges, default interest rate or late fees and penalties.* Lender and Borrower specifically acknowledge and agree that this Note and its interpretation and enforcement are governed by the laws of the state of Florida. Furthermore, each of Lender and Borrower irrevocably (i) submits to the jurisdiction of any court of the state of Florida located in Polk County (the "Property Jurisdiction") for the purpose of any suit, action or other proceeding arising out of this Note (each, a "Proceeding"), (ii) agrees that all claims in respect of any Proceeding may be heard and determined in any such court, (iii) waives, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein, (iv) agrees not to commence any Proceeding other than in such courts and (v) waives, to the fullest extent permitted by law, any claim that such Proceeding is brought in an inconvenient forum. However, nothing in this Section is intended to limit Lender's right to bring any suit, action or proceeding relating to matters under this Instrument in any court of any other jurisdiction.

24. Governing Law; Consent to Jurisdiction and Venue with Respect to Usury, Interest Rate, Broker Fees and Commissions, Loan Charges, Lender Charges, Default Interest Rate, and Late Fees and Penalties. Lender and Borrower specifically acknowledge and agree that any suit, action or other proceeding arising out of or related to usury, interest rate, loan charges, broker fees and commissions, lender charges, default interest rate, and late fees and penalties shall be governing by the laws of the state of *Idaho*. Additionally, Borrower and Lender specifically acknowledge and agree that this provision is in reliance on Florida case law that says Florida courts will uphold a choice of law provision even if it is designed to evade Florida's usury laws (See *L'Arbalette, Inc. v. Zaczac*, 474 F.Supp.2d 1314 (2007)). Furthermore, with respect to any suit, action or other proceeding arising out of

or related to usury, interest rate, loan charges, broker fees and commissions, lender charges, default interest rate, and late fees and penalties each of Lender and Borrower irrevocably (i) submits to the jurisdiction of any court of the state of Idaho located in Kootenai County, (ii) agrees that all claims in respect of matter detailed above in (i) may be heard and determined in any such court, (iii) waives, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein, (iv) agrees not to commence any suit, action or other proceeding arising out of or related to usury, interest rate, loan charges, broker fees and commissions, lender charges, default interest rate, and late fees and penalties other than in such courts and (v) waives, to the fullest extent permitted by law, any claim that such suit, action or other proceeding arising out of or related to usury, interest rate, loan charges, broker fees and commissions, lender charges, default interest rate, and late fees and penalties is brought in an inconvenient forum. However, nothing in this Section is intended to limit Lender's right to bring any suit, action or proceeding relating to matters under this Instrument in any court of any other jurisdiction.

25. Notices. All notices, demands and other communications under or concerning this Instrument shall be in writing. Each Notice shall be addressed to the intended recipient at its address set forth in this Instrument, and shall be deemed given on the earliest to occur of (i) the date when the notice is received by the addressee; (ii) the first Business Day after the notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (iii) the third Business Day after the notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested. Any party to this Instrument may change the address to which notices intended for it are to be directed by means of Notice given to the other party in accordance with this Section 25. Each party agrees that it will not refuse or reject delivery of any Notice given in accordance with this Section 25, that it will acknowledge, in writing, the receipt of any Notice upon request by the other party and that any Notice rejected or refused by it shall be deemed for purposes of this Section 25 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

26. Sale of Note; Change in Services; Loan Servicing. Borrower shall: (A) comply with the reasonable requirements of Lender or any investor of the Loan or provide, or cause to be provided, to Lender or any Investor of the Loan within ten (10) days of the request, at Borrower's cost and expense, such further documentation or information as Lender or investor may reasonably require, in order to enable: (i) Lender to sell the Loan to such Investor; (ii) Lender to obtain a refund of any commitment fee from any such investor; or (iii) any such investor to further sell or securitize the Loan; (B) ratify and affirm in writing the representations and warranties set forth in any Loan Document as of such date specified by Lender modified as necessary to reflect changes that have occurred subsequent to the Effective Date; (C) confirm that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in the Borrower Agreement or any of the other Loan Documents (or, if Borrower is in default, describing such default in reasonable detail); and (D) execute and deliver to Lender and/or any Investor such other documentation, including any amendments, corrections, deletions, or additions to the Borrower Agreement or other Loan Document(s) as is reasonably required by Lender or such investor.

Nothing in the Borrower Agreement shall limit Lender's (including its successors and assigns) right to sell or transfer the Loan or any interest in the Loan. The Loan or a partial interest in the Loan (together with the Borrower Agreement and the other Loan Documents) may be sold one or more times without prior written notice to Borrower. A sale may result in a change of the Loan Servicer.

27. **Single Asset Borrower.** Until the Indebtedness is paid in full and if the Borrower is an entity and not a natural person, Borrower shall not: (a) own any real or personal property other than the Property and personal property related to the operation and maintenance of the Property; (b) operate any business other than the management and operation of the Property; and (c) maintain its assets in a way difficult to segregate and identify.

28. **Successors and Assigns Bound.** This Instrument shall bind, and the rights granted by this Instrument shall benefit, the successors and assigns of Lender. This Instrument shall bind, and the obligations granted by this Instrument shall inure to, any permitted successors and assigns of Borrower under the Borrower Agreement. However, a Transfer not permitted by Section 17 shall be an Event of Default.

29. **Joint and Several Liability.** If more than one person or entity signs this Instrument as Borrower, the obligations of such persons and entities shall be joint and several.

30. **Relationship of the Parties; No Third Party Beneficiary.** The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Instrument shall create any other relationship between Lender and Borrower. No creditor of any party to this Instrument and no other person shall be a third party beneficiary of this Instrument or any other Loan Document. Without limiting the generality of the preceding sentence, (i) any arrangement (a "**Servicing Arrangement**") between the Lender and any Loan Servicer for loss sharing or interim advancement of funds shall constitute a contractual obligation of such Loan Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness, (ii) Borrower shall not be a third party beneficiary of any Servicing Arrangement, and (iii) no payment by the Loan Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.

31. **Severability; Amendments.** If for any reason any provision of this Instrument is determined by a tribunal of competent jurisdiction to be legally invalid or unenforceable, the validity of the remainder of the Instrument will not be affected and such provision will be deemed modified to the minimum extent necessary to make such provision consistent with applicable law and, in its modified form, such provision will then be enforceable and enforced. This Instrument may not be amended or modified except by a writing signed by the party against whom enforcement is sought.

32. **Construction.** The captions and headings of the Sections of this Instrument are for convenience only and shall be disregarded in construing this Instrument. Any reference in this Instrument to an "Exhibit" or a "Section" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit attached to this Instrument or to a Section of this Instrument. All Exhibits attached to or referred to in this Instrument are incorporated by reference into this Instrument. Any reference in this Instrument to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time. Use of the singular in this Agreement includes the plural and use of the plural includes the singular. As used in this Instrument, the term "including" means "including, but not limited to."

33. **Disclosure of Information.** Lender may furnish information regarding Borrower or the Property to third parties with an existing or prospective interest in the servicing, enforcement, evaluation, performance, purchase or securitization of the Indebtedness, including but not limited to trustees, master servicers, special servicers, rating agencies, and organizations maintaining databases on the underwriting and performance of Loans, as well as governmental regulatory agencies having regulatory authority over

Lender. Borrower irrevocably waives any and all rights it may have under applicable law to prohibit such disclosure, including but not limited to any right of privacy.

34. Subrogation. If, and to the extent that, the proceeds of the loan evidenced by the Note, or subsequent advances hereunder, are used to pay, satisfy or discharge a prior lien, such loan proceeds or advances shall be deemed to have been advanced by Lender at Borrower's request, and Lender shall automatically, and without further action on its part, be subrogated to the rights, including lien priority, of the owner or holder of the obligation secured by the prior lien, whether or not the prior lien is released.

35. Time is of the Essence. Borrower agrees that, with respect to each and every obligation and covenant contained in this Instrument and the other Loan Documents, time is of the essence.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

36. Acceleration; Remedies.

a. If an Event of Default has occurred and is continuing, Lender, at its option, may declare the Indebtedness to be immediately due and payable without further demand, and may either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy (1) to enforce payment of the Loan; (2) to foreclose this Instrument judicially or non-judicially; (3) to enforce or exercise any right under any Loan Document; and (4) to pursue any one (1) or more other remedies provided in this Instrument or in any other Loan Document or otherwise afforded by applicable law. Each right and remedy provided in this Instrument or any other Loan Document is distinct from all other rights or remedies under this Instrument or any other Loan Document or otherwise afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order. Borrower has the right to bring an action to assert the nonexistence of an Event of Default or any other defense of Borrower to acceleration and sale.

b. In connection with any sale made under or by virtue of this Instrument, the whole of the Property may be sold in one (1) parcel as an entirety or in separate lots or parcels at the same or different times, all as Lender may determine in its sole discretion. Lender shall have the right to become the purchaser at any such sale. In the event of any such sale, the outstanding principal amount of the Loan and the other Indebtedness, if not previously due, shall be and become immediately due and payable without demand or notice of any kind. If the Property is sold for an amount less than the amount outstanding under the Indebtedness, the deficiency shall be determined by the purchase price at the sale or sales. To the extent not prohibited by applicable law, Borrower waives all rights, claims, and defenses with respect to Lender's ability to obtain a deficiency judgment.

c. Borrower acknowledges and agrees that the proceeds of any sale shall be applied as determined by Lender unless otherwise required by applicable law.

d. In connection with the exercise of Lender's rights and remedies under this Instrument and any other Loan Document, there shall be allowed and included as Indebtedness: (1) all expenditures and expenses authorized by applicable law and all other expenditures and expenses which may be paid or incurred by or on behalf of Lender for reasonable legal fees, appraisal fees, outlays for documentary and expert evidence, stenographic charges and publication costs; (2) all

expenses of any environmental site assessments, environmental audits, environmental remediation costs, appraisals, surveys, engineering studies, wetlands delineations, flood plain studies, and any other similar testing or investigation deemed necessary or advisable by Lender incurred in preparation for, contemplation of or in connection with the exercise of Lender's rights and remedies under the Loan Documents; and (3) costs (which may be reasonably estimated as to items to be expended in connection with the exercise of Lender's rights and remedies under the Loan Documents), fees, charges and taxes (including documentary stamp tax, intangible taxes (recurring and non-recurring) including costs of procuring all abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Lender may deem reasonably necessary either to prosecute any suit or to evidence the true conditions of the title to or the value of the Property to bidders at any sale which may be held in connection with the exercise of Lender's rights and remedies under the Loan Documents. All expenditures and expenses of the nature mentioned in this Section, and such other expenses and fees as may be incurred in the protection of the Property and rents and income therefrom and the maintenance of the lien of this Instrument, including the fees of any attorney employed by Lender in any litigation or proceedings affecting this Instrument, the Note, the other Loan Documents, or the Property, including bankruptcy proceedings, any foreclosure event affecting the Property, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional Indebtedness and shall be immediately due and payable by Borrower, with interest thereon at the Default Rate (as defined in the Note) until paid.

e. Any action taken by Lender pursuant to the provisions of this Section shall comply with the laws of the Property Jurisdiction. Such applicable laws shall take precedence over the provisions of this Section, but shall not invalidate or render unenforceable any other provision of any Loan Document that can be construed in a manner consistent with any applicable law. If any provision of this Instrument shall grant to Lender (including Lender acting as a mortgagee-in-possession), or a receiver appointed pursuant to the provisions of this Instrument any powers, rights or remedies prior to, upon, during the continuance of or following an Event of Default that are more limited than the powers, rights, or remedies that would otherwise be vested in such party under any applicable law in the absence of said provision, such party shall be vested with the powers, rights, and remedies granted in such applicable law to the full extent permitted by law.

37. **Waiver of Redemption; Rights of Tenants.**

a. Borrower hereby covenants and agrees that it will not at any time apply for, insist upon, plead, avail itself, or in any manner claim or take any advantage of, any appraisal, stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter enacted or in force in order to prevent or hinder the enforcement or foreclosure of this Instrument. Without limiting the foregoing:

i. Borrower, for itself and all Persons who may claim by, through or under Borrower, hereby expressly waives any so-called "Moratorium Law" and any and all rights of reinstatement and redemption, if any, under any order or decree of foreclosure of this Instrument, it being the intent hereof that any and all such "Moratorium Laws", and all rights of reinstatement and redemption of Borrower and of all other Persons claiming by, through or under Borrower are and shall be deemed to be hereby waived to the fullest extent permitted by the laws of the Property Jurisdiction;

ii. Borrower shall not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power remedy herein or otherwise granted or delegated to Lender but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted; and

iii. if Borrower is a trust, Borrower represents that the provisions of this Section (including the waiver of reinstatement and redemption rights) were made at the express direction of Borrower's beneficiaries and the persons having the power of direction over Borrower, and are made on behalf of the trust estate of Borrower and all beneficiaries of Borrower, as well as all other persons mentioned above.

b. Lender shall have the right to foreclose subject to the rights of any tenant or tenants of the Property having an interest in the Property prior to that of Lender. The failure to join any such tenant or tenants of the Property as party defendant or defendants in any such civil action or the failure of any decree of foreclosure and sale to foreclose their rights shall not be asserted by Borrower as a defense in any civil action instituted to collect the Indebtedness, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Property, any statute or rule of law at any time existing to the contrary notwithstanding.

38. **Mortgagee-in-Possession.** Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred in this Instrument shall not be construed to make Lender a mortgagee-in-possession of the Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

39. **Florida State Specific Provisions.**

a. It is the intention of the parties hereto to comply with the usury laws of applicable governmental authority(ies); accordingly, it is agreed that, notwithstanding any provision to the contrary in the Note, this Security Instrument, or any of the other Loan Documents, no such provision shall require the payment or permit the collection of interest in excess of the maximum permitted by law. In determining the maximum rate allowed, Lender may take advantage of any state or federal law, rule, or regulation in effect from time to time which may govern the maximum rate of interest which may be charged. If any excess of interest in such respect is provided for, or shall be adjudicated to be so provided for, in the Note, this Security Instrument, or in any of the other Loan Documents, then in such event: (1) the provisions of this Section shall govern and control; (2) neither Borrower nor its heirs, personal representatives, successors, or assigns or any other party liable for the payment thereof, shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount permitted by law; (3) any such excess which may have been collected shall be either applied as a credit against the then unpaid principal amount of the Note or refunded to Borrower; and (4) the Interest Rate shall be automatically reduced to the maximum lawful contract rate allowed under the applicable usury laws.

40. **Waiver of Trial by Jury.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF BORROWER AND LENDER (a) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR ANY OTHER LOAN DOCUMENT, OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER, THAT IS TRIABLE OF RIGHT

BY A JURY, AND (b) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

(Signature page follows)

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IN WITNESS WHEREOF, Borrower has signed and delivered this Instrument or has caused this Instrument to be signed and delivered by its duly authorized representative.

BORROWER:

Investments, LLC, a Florida Limited
om

By: _____
Name: _____
Title: Sole Member

WITNESSES:

Melodi Brown
Juana Rosa Valdes

STATE OF Florida)
County of Polk) : ss

On this 10 day of May, 2016, before me personally _____, to me known to be the Sole Member of _____ Investments, LLC, the liability company that executed the foregoing instrument, _____ wledged the said instrument to be the free and voluntary act of said company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument on behalf of said company.

GIVEN UNDER MY HAND AND OFFICIAL SEAL the day and year in this certificate first above written.



(Seal or Stamp)

Juana Rosa Valdes
Notary Public (Signature)
Juana Rosa Valdes (Print Name)

My commission expires: 6/23/18

EXHIBIT A
LEGAL DESCRIPTION

Property Address: [REDACTED]

Legal Description:
THE FOLLOWING DESCRIBED PROPERTY SITUATED IN THE COUNTY OF POLK, STATE OF FLORIDA:

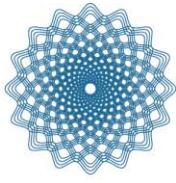
BEGINNING AT A POINT IN EASTERLY LINE OF ELOISE LOOP 75 FEET NORTHWESTERLY [REDACTED] NORTHEASTERLY AT ANGLE 96° 13' TO LAKE FLORENCE SHORE, NORTHWESTERLY ALONG SHORE TO POINT 25 FEET NORTHWESTERLY ON INTERSECTION OF NORTHWESTERLY LINE OF LOT 1 SOUTHWESTERLY TO POINT OF BEGINNING, ALSO SOUTHERLY LINE OF LOT 75 OF RESUBDIVISION OF ELOISE WOODS.

Parcel ID No.: 352826-662630-000010

Being Property Conveyed by Certificate of Title from Stacy M. Butterfield, CPA Clerk of the Circuit Court to Wells Fargo Bank, N.A., as Trustee for Carrington Mortgage Loan Trust, Series 2006-OPT1, Asset Backed Pass-Through Certificates, Series 2006-OPT1, recorded April 17, 2015, in (book) OR 9504 and (page) 416, Polk County, Florida.

Tax Parcel #: [REDACTED]

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SECURED INVESTMENT CORP

NONDISCLOSURE & NONCIRCUMVENT AGREEMENT

THIS NONDISCLOSURE AND NONCIRCUMVENT AGREEMENT (“Agreement”) is made effective the ____ day of _____, 20____, by and between Secured Investment Corp (“Company”) and the undersigned “Recipient.” Company and Recipient may be individually referred to as a “Party” or collectively as the “Parties” in this Agreement.

Company is in the business of underwriting and brokering hard money loans to real estate investors throughout the United States.

Recipient has funds available and is interested in exploring the real estate funding opportunities available through the Company (each individually an “Opportunity” and collectively referred to as “Opportunities”).

Company is prepared to make available to Recipient certain Confidential Information (defined below) regarding Opportunities. As a condition to such Confidential Information being furnished to Recipient, Recipient must agree to maintain the confidence of the Confidential Information received from Company and must agree not to use such Confidential Information to the detriment of or to circumvent the Company.

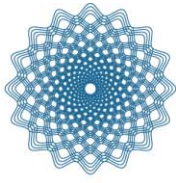
The Parties therefore agree as follows:

1. Definition of Confidential Information. As used herein, the term “Confidential Information” means any and all confidential or proprietary information of the Company in whatever form, tangible or intangible, relating to an Opportunity, including but not limited to, the name of the real estate investor/borrower, the real estate investor/borrower’s address, phone number, and email address, the real estate investor/borrower’s social security number, EIN number, and/or business tax identification number, the real estate investor/borrower’s financial information, and all other information regarding the real estate investor/borrower and the Opportunity that has been or will be given to or shared with the Recipient by the Company.

The term “Confidential Information,” however, does not include information that (i) is or becomes generally available to the public other than as a result of a disclosure by Company or its representatives; (ii) was within Recipient’s possession prior to its being furnished to Recipient by or on behalf of Company (provided that the source of such information was not known to Recipient to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Company or any other party with respect to such information); or (iii) becomes available to Recipient on a non-confidential basis from a source other than Company or any of its representatives (provided that such source is not bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Company or any other party with respect to such information).

2. Confidentiality Obligations. Recipient acknowledges that the Confidential Information is material, confidential, and greatly affects the goodwill and the effective and successful conduct of the Company and its business and operations, and that maintaining confidentiality of the Confidential Information is necessary to protect the legitimate business interests of Company.

a) Non-Disclosure; Use of Confidential Information. The Recipient shall hold all Confidential Information in strict confidence and shall not disclose any Confidential Information except as is reasonably necessary to evaluate an Opportunity. Recipient agrees to use the Confidential Information only the purposes of evaluating an Opportunity; *provided, however*, that any third party that Recipient



SECURED INVESTMENT CORP

provides Confidential Information to, in order to evaluate an Opportunity, must be made aware of the Recipient's obligations under this Agreement. Except as necessary to evaluate an Opportunity, Recipient shall keep confidential all Confidential Information and shall not directly or indirectly disclose, distribute, publish, divulge, reveal or communicate to any third party any Confidential Information. The Recipient's duty of confidentiality shall survive the termination of this Agreement.

i) Exception: Consent. Recipient may make any disclosure of the Confidential Information to which Company gives its specific, prior written consent.

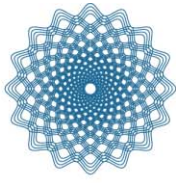
ii) Exception: Legal Proceedings. If Recipient is requested or required (pursuant to a legal action or other similar proceeding) to disclose Confidential Information, Recipient shall provide Company with prompt written notice of any such request or requirement so that Company may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. Recipient shall use its best efforts to preserve the confidentiality of the Confidential Information, including, without limitation, by cooperating with Company to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information.

b) Protection of Confidential Information. Recipient agrees to undertake reasonable precautions to safeguard and protect the Confidential Information, to accept responsibility for any breach of this Agreement, and take all reasonable measures (including but not limited to court proceedings) to protect against any prohibited or unauthorized disclosure or uses of the Confidential Information.

c) Return of Confidential Information. Within five (5) days following a request from the Company, the Recipient shall deliver to the Company all tangible copies of the Confidential Information, including but not limited to, magnetic or electronic media containing the Confidential Information, note(s) and paper(s) in whatever form containing the Confidential Information or parts thereof, and any copies of the Confidential Information in whatever form. Recipient, at its sole option, may elect instead to destroy all copies of the Confidential Information and certify in writing to the Company that the Confidential Information has been completely destroyed; provided, however, that nothing in this Agreement shall require Recipient to destroy any backup tapes or similar documents maintained for archival purposes.

d) Non-Circumvention. Recipient shall not use, pursue or exploit any Confidential Information for its own benefit to the detriment of Company. Specifically, without the Company's express written consent, Recipient shall not circumvent the Company, directly or indirectly, by loaning money to any real estate investor/borrower introduced to the Recipient by the Company; provided, however, that nothing in this Agreement shall preclude Recipient from working with investors and borrowers previously known to Recipient, or who first approach Recipient, directly or through third parties, even if the Company discloses Confidential Information to Recipient about those investors or borrowers. Additionally, Lender agrees not to undertake any action, operation or transaction that would attempt to denigrate Company's relationship with its customers and clients.

e) Ownership of Information. The Company hereto retains title to its Confidential Information and all copies thereof. The Recipient hereby acknowledges that the Confidential Information is proprietary to the Company. Further, each Party represents that it has no agreement with any other natural person, partnership, limited partnership, limited liability partnership, limited liability company, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity that would preclude its compliance with this Agreement.



SECURED INVESTMENT CORP

3. Incorporation. This Agreement shall be incorporated into and become a part of each lender agreement Recipient enters into with the Company for the funding of an Opportunity.

4. Remedies. The Recipient agrees that the unauthorized disclosure or use of Confidential Information could cause irreparable harm and significant injury, which may be difficult to ascertain. Notwithstanding any other provisions of this Agreement, the Recipient acknowledges and agrees that the Company shall have the right to apply to any court of competent jurisdiction for an order restraining any breach or threatened breach of this Agreement and for any other relief the Company deems appropriate. This right shall be in addition to any other remedy available to the Company in law or equity, as nothing contained in this Agreement shall be deemed to preclude Company from pursuing any remedy available to Company.

5. Relationship of the Parties. This Agreement is neither intended to, nor will it be construed as, an agreement to create a joint venture, partnership, or other form of business association between the Parties.

6. Miscellaneous. Each Party specifically acknowledges and agrees that this Agreement and its interpretation and enforcement are governed by the laws of the State of Idaho. Furthermore, each Party irrevocably (i) submits to the jurisdiction of any federal or state court of the State of Idaho located in Kootenai County Idaho for the purpose of any suit, action or other proceeding arising out of this Agreement or any of the agreements or transactions contemplated hereby (each, a “Proceeding”), (ii) agrees that all claims in respect of any Proceeding may be heard and determined in any such court, (iii) waives, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein, (iv) agrees not to commence any Proceeding other than in such courts and (v) waives, to the fullest extent permitted by law, any claim that such Proceeding is brought in an inconvenient forum. The substantially prevailing Party will be entitled to recover its attorneys’ fees from the substantially non-prevailing Party incurred in connection with the prevailing Party’s efforts to enforce this Agreement, regardless of whether any action or proceeding is commenced. This Agreement constitutes the entire agreement among the Parties and supersedes any prior understandings or agreements, written or oral, that relate to the subject hereof. This Agreement may not be amended except by a writing signed by each Party. If for any reason any provision of this Agreement is determined by a tribunal of competent jurisdiction to be legally invalid or unenforceable, the validity of the remainder of the Agreement will not be affected and such provision will be deemed modified to the minimum extent necessary to make such provision consistent with applicable law and, in its modified form, such provision will then be enforceable and enforced. Recipient may not assign its rights or obligations under this Agreement without the prior written consent of the Company. Any purported assignment without the Company’s prior written consent will be void *ab initio*. This Agreement is binding upon the Parties and will bind and inure to the benefit of their executors, personal representatives, legatees, heirs, successors and assigns. No waiver by any Party of any right or default under this Agreement will be effective unless in writing and signed by the waiving Party. No such waiver will be deemed to extend to any prior or subsequent right or default or affect in any way any rights arising by virtue of any prior or subsequent such occurrence. This Agreement may be executed in counterparts.

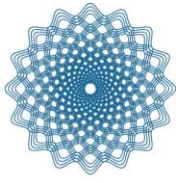
7. Waiver of Jury Trial. COMPANY AND RECIPIENT SHALL AND HEREBY DO WAIVE TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW, IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THE SAID PARTIES TO THIS AGREEMENT AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY CLAIM OF DAMAGE RESULTING FROM ANY ACT OR OMISSION OF THE PARTIES IN ANY WAY CONNECTED WITH THIS AGREEMENT.

8. Survival. The provisions of this Agreement will survive the termination or any other agreement or arrangement between the Parties.



SECURED INVESTMENT CORP

[Signature page follows]



SECURED INVESTMENT CORP

SIGNATURE PAGE TO NONDISCLOSURE & CONFIDENTIALITY AGREEMENT

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

COMPANY:

RECIPIENT:

Secured Investment Corp

By: Lee Arnold
Name: Lee Arnold
Title: CEO

(Entity Name & State of Incorporation, if applicable)

(Print Name)

(Signature)

(Print Title, if applicable)

Recipient's contact information:

Phone: _____

Fax: _____



A. PURPOSE

- New Funder
- Update Existing Funder Information

B. PERSONAL INFORMATION

Name _____ SSN/Tax ID # _____ Birth Date _____

_____ SSN/Tax ID # _____ Birth Date _____

Address _____ Phone Nos. _____

_____ Email _____

- Vesting***
- Individual JTW/RS IRA Custodian for minor
 - Married Married, separate property Corp. LLC
 - TIC Trust Other _____

*Please see the Company’s document titled: Information and Disclosures for Secured Whole Note Lending

Vesting Entity, if applicable _____

Name of Employer _____ **Years employed** _____ **Position** _____

Type of Business _____ **Employer Address** _____

Spouse Employer _____ **Years employed** _____ **Position** _____

Type of Business _____ **Spouse Employer Address** _____

C. SUITABILITY INFORMATION

Your accurate, complete responses to the information requested below will help us you better service.

EST. CURRENT YEAR GROSS INCOME (include spouse)
<input type="checkbox"/> \$0 - \$49,999
<input type="checkbox"/> \$50,000 - \$99,999
<input type="checkbox"/> \$100,000 - \$199,999
<input type="checkbox"/> \$200,000 - \$299,999
<input type="checkbox"/> \$300,000 +

EST. CURRENT NET WORTH (exclude home, furnishings, autos)
<input type="checkbox"/> \$0 - \$74,999
<input type="checkbox"/> \$75,000 - \$149,999
<input type="checkbox"/> \$150,000 - \$299,999
<input type="checkbox"/> \$300,000 - \$499,999
<input type="checkbox"/> \$500,000 - \$999,999
<input type="checkbox"/> over \$1,000,000

OBJECTIVES
<input type="checkbox"/> Liquidity
<input type="checkbox"/> Deferral of taxes
<input type="checkbox"/> Regular income with safety
<input type="checkbox"/> Regular income with some risk
<input type="checkbox"/> Long-term growth – safety important
<input type="checkbox"/> Long-term growth – will accept some risk to meet investment objective
<input type="checkbox"/> Speculative capital gains – a greater degree of risk may be tolerated

CURRENT INCOME REQUIREMENTS
<input type="checkbox"/> High current income is important. <input type="checkbox"/> Moderate current income is required. <input type="checkbox"/> Current income is not important.

FUNDING HORIZON
<input type="checkbox"/> Short-term (6 – 24 months) <input type="checkbox"/> Intermediate (2 – 5 years) <input type="checkbox"/> Long-term (10 + years)

EXPERIENCE – indicate if you have <i>considerable</i> knowledge or experience in:	NUMBER OF YEARS OF EXPERIENCE
<input type="checkbox"/> Funding whole promissory notes secured by real property	_____ Years
<input type="checkbox"/> Real estate appraising	_____ Years
<input type="checkbox"/> Ownership or operation of real estate investments	_____ Years
<input type="checkbox"/> Mortgage banking	_____ Years
<input type="checkbox"/> Management of any business entity	_____ Years
<input type="checkbox"/> Practice of real estate or mortgage law	_____ Years
<input type="checkbox"/> Public accounting for mortgage lenders	_____ Years
<input type="checkbox"/> Mortgage brokering	_____ Years
<input type="checkbox"/> Other _____	_____ Years

TYPES OF PROPERTY MOST COMFORTABLE INVESTING IN
<input type="checkbox"/> Residential <input type="checkbox"/> Commercial, income-producing <input type="checkbox"/> Unimproved

TYPES OF BORROWERS MOST COMFORTABLE LENDING TO
<input type="checkbox"/> Good credit scores are important. <input type="checkbox"/> Moderate credit scores are required. <input type="checkbox"/> High borrower net worth is important. <input type="checkbox"/> Moderate borrower net worth is required. <input type="checkbox"/> Credit score and net worth not important – focus on property value.

TOLERANCE FOR DEFAULT (indicate your tolerance for not receiving the monthly payments on funded transactions in the event of default)
<input type="checkbox"/> Low – I rely on monthly payments, do not seek to own property, and wish to avoid contributing additional funds to sell a property. <input type="checkbox"/> Medium – I can tolerate 3-6 months of non-payment on some loans and am willing to contribute additional funds if needed to sell properties. <input type="checkbox"/> High – I can tolerate 6 months plus of non-payment on several properties and am willing to contribute additional funds if needed to sell properties.

D. REGIONS OF COUNTRY

The following represents the regions of the United States or particular states in which I am most interested in funding whole promissory notes secured by real property:

- Northwest (Idaho, Oregon, Washington, Alaska, Montana, Wyoming)
- Southwest (California, Arizona, Nevada, Utah, New Mexico, Colorado, Hawaii)
- Upper Central (South Dakota, North Dakota, Minnesota, Missouri, Nebraska, Kansas, Iowa)
- South Central (Texas, Oklahoma, Arkansas, Louisiana)
- Midwest (Wisconsin, Michigan, Illinois, Indiana, Ohio, Kentucky)
- Southeast (Mississippi, Alabama, Georgia, Florida, South Carolina, North Carolina, Tennessee)
- Northeast (West Virginia, Virginia, Maryland, Delaware, Pennsylvania, New York, New Jersey, Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine)

List Specific States: _____

E. NOTICE OF INVESTMENT RISKS

Funding whole promissory notes secured by deeds of trust or mortgages on real property involves risk. These risks include, without limitation:

- the debt instrument and associated security instrument are not insured by the FDIC or any other governmental agency;
- the value of the property is given by an appraiser reflecting the appraiser's opinion of the value at a specific date. There is no assurance that the appraised value will reflect a fair market value, as general and local economic conditions may change;
- The borrower's ability to repay the loan will depend upon the borrower's financial conditions which could change over time;
- there are general risks associated with real estate investments including general or local economic conditions, neighborhood values, interest rates, real estate tax rates, the supply of and demand for properties of the type involved, the ability of the borrower to obtain necessary alternative financing, governmental rules and acts of nature;
- default by the borrower could interrupt monthly payments. Under extreme cases, it may be necessary to undertake foreclosure or take other actions to protect a funder's investment. It is possible for the total amount recovered upon foreclosure to be less than the amount of the loan total investment, with resulting loss of capital to the funder;
- if borrower files a reorganization or full insolvency bankruptcy, the foreclosure process could be stalled. The funder could incur significant legal fees and costs in attempting to obtain relief from the automatic freeze on collection proceedings provided by the Bankruptcy Code. Relief consists of obtaining court approval to release the property out of the bankruptcy so that the property can be foreclosed upon. Furthermore, the court could modify the terms of the loan by extending the due date, changing the interest rate and payment structure, or causing the priority of the loan to be subordinated to a bankruptcy court-approved financing plan;
- the loan cannot readily be liquidated, transferred or sold; and
- potential challenges to the enforceability of the loan documents (including lender liability claims, claims of defective documentation and usury claims).

THERE ARE OTHER RISKS. FUNDERS SHOULD CAREFULLY CONSIDER ALL OF THE RISKS SET FORTH IN THE COMPANY'S WRITTEN DOCUMENT ENTITLED: INFORMATION AND DISCLOSURES FOR WHOLE NOTE FUNDING AND ONLY FUND TRANSACTIONS IF FINANCIALLY CAPABLE OF ASSUMING THESE RISKS.

F. SIGNATURE

I understand that the company will rely on the accuracy and completeness of my responses to the questions above, and my answers are complete and correct to the best of my knowledge and belief. I will notify the Company of any material changes to the information contained disclosed in this document.

Signature

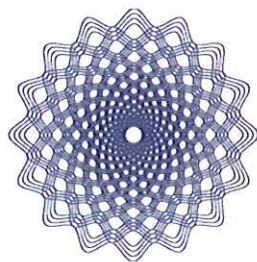
Date

Spouse Signature (if applicable)

Date

For Business Entity Name (if applicable)

Print Signatory Name, Title (if applicable)



SECURED INVESTMENT CORP

First Position Trust Deeds and Mortgages FAQs

1. What is a First Position Trust Deed?

A. A First Position Trust Deed is a private loan secured by real estate. Private lenders select a trust deed or mortgage from Secured Investment Corp's inventory to serve as collateral for their private loan. They are recorded on title and acquire a first position on the mortgage or trust deed, and the borrower pays them monthly interest payments at a fixed annual yield, with a return of principal at the end of the loan term.

2. Why are they called First Position Trust Deeds?

A. The phrase "First Position Trust Deed" describes the collateral pledged by the borrower as security for the loan you are making. As a private lender, you select a particular trust deed/mortgage from the Secured Investment Corp inventory to serve as collateral. A First Position Trust Deed loan is not an investment pool, and is not a direct investment in real estate. They might also be referred to as Senior Interest Position Mortgages.

3. What is first position?

A. Secured Investment Corp offers only first position trust deeds/mortgages. When you have first position, you have priority over any other liens or claims on a property if the property owner defaults.

4. With interest rates so low, why do real estate investors borrow private money?

A. Unfortunately, the traditional banking industry does not lend the way they used to. In today's lending environment, real estate rehabbers and wholesalers need alternate financing through lenders like Secured Investment Corp. Borrowers qualify because the loans are

secured by the real estate asset and the equity.

5. What types of property are used as collateral in these transactions?

A. Generally, Secured Investment Corp secures these mortgages with non-owner occupied, single family or one- to four-unit residential properties, held as investment properties by the borrower through a corporation or a limited liability company.

6. What are some of the terms of the mortgages given to the borrower?

A. Our lending policies dictate that we lend for a maximum loan term of two years and up to 65 percent if the value of the real estate. That means that the properties that secure the mortgages are worth considerably more than the loans themselves at closing.

7. What type of due diligence does Secured Investment Corp perform on these properties?

A. Secured Investment Corp performs a title search to make sure we have an insured first lien position and thoroughly evaluates each property by arranging through nationally recognized firms for a comprehensive appraisal to confirm market value.

8. Are the properties insured?

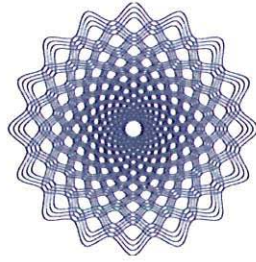
A. Yes, insurance coverage is obtained and required on the encumbered property.

9. What is the lender's collateral?

A. With loan-to-value ratios under 65 percent, the property's equity is your collateral.

10. What paperwork is required to start?

A. Contact us, research the properties and we will provide a complete investment package.



SECURED INVESTMENT CORP

First Position Trust Deeds and Mortgages **FAQs**

11. How am I better protected against downside risk?

- A. Your loan is secured by a hard asset collateral — the property itself.

12. How does Secured Investment Corp establish that the property has no additional liens?

- A. Secured Investment Corp pays off any existing lien holder when it enters into a transaction with a borrower, so there are no additional liens on the property. Additionally, Secured Investment Corp obtains a title policy from a national recognized title insurance issuer.

13. How do I verify that I hold a first lien position in the mortgage?

- A. Secured Investment Corp will provide you with a copy of the title policy and the original recorded documents, which indicate there are no other superior liens or claims.

14. Will my name appear on the land records of the property?

- A. Yes, Secured Investment Corp executes and delivers the first lien position documents in your name and files the documentation on the land records in the relevant jurisdiction.

15. Does the borrower make payments to me?

- A. Indirectly, yes, through our sister servicing company Lake City Servicing. Each month, the borrower pays interest payments which are forwarded to you.

16. How am I taxed on a First Position Trust Deed?

- A. You should consult a tax advisor or accountant for tax-related questions specific to your situation; however, the IRS typically taxes payments on first lien position interest holdings as ordinary income. Secured Investment Corp provides 1099s for all lenders.

How do I **GET STARTED?**

If you would like to get started investing in First Position Trust Deeds and Mortgages:

- Call Secured Investment Corp at 800-971-5988
- Go to <http://securedinvestmentcorp.com/lender> and register for a live presentation of all of our available instruments.

BORROWER WELCOME LETTER

«Borrower_FullName»

«Borrower_Street»

«Borrower_City», «Borrower_State», «Borrower_Zip_Code»

LOAN NUMBER: «Borrower_Account»

Dear «Borrower_First_Name»:

Welcome to Lake City Servicing loan servicing department! Your Lender has authorized Lake City Servicing to process and collect your scheduled loan payments in accordance with your promissory note. A “Payment Statement” will be mailed to you approximately two weeks prior to your scheduled payment. When making your payment, please send your check with your account number written on it, plus the detached payment coupon from your statement. Please review each “Payment Statement” carefully to assure accuracy in all loan charges, loan principal balance, and last payment received date. If discrepancies are found, please notify us immediately. At year end, an interest statement (IRS Form 1098) will be mailed to you for tax purposes.

Your Lender has provided Lake City Servicing with the following loan information for your account. Please review all amounts and due dates to help assure that the information has been properly entered into our system. Your payment information can be found on the chart below

Property Address:	«Property_Street»		
Current Payment:	«Loan_Regular_Payment»	Next Payment Due:	«Loan_First_Payment_Date»
Principal Balance:	«Loan_Principal_Balance»	Interest Paid To:	«Loan_Paid_To_Date»
Interest Rate:	«Loan_Note_Rate»	Maturity Date:	«Loan_Maturity_Date»

Required Legal Disclaimers:

Federal Law gives you thirty (30) days after you receive this letter to dispute the validity of the debt or any part of it. If you don't dispute it within that period, we'll assume that it's valid. If you do dispute it by notifying us in writing to that effect, we will, as required by the law, obtain and mail to you proof of the debt. If, within that same period, you request in writing the name and address of your original creditor, if the original creditor is different from the current creditor, (Lake City Servicing, as Servicing Agent), we will furnish you with that information too. The law does not require us to wait until the end of that thirty day period before suing you to collect this debt. If, however, you request proof of this debt, or the name and address of the original creditor, in writing, within the thirty day period that begins with your receipt of this letter, the law requires us to suspend our efforts (through litigation or otherwise) to collect the debt until we mail the requested information to you.



Hello,

Congratulations on the closing of your loan with Cogo Capital!

Here is how to make your monthly payments:

- Over the phone by check or credit card (processing fee applies) at 800-630-9252
 - Mail to: Lake City Servicing
1121 E Mullan Ave
Coeur D' Alene, ID
83814
 - Automatic Payments (request form is attached)
-
- Your promissory note provides a 5 day grace period – if you have not made your monthly payment on or before the 6th day of that month, you will be assessed a late fee and your interest rate may increase to the default rate of 25%.
 - If you have not made your monthly payment on or before the 30/31st of the month, you will not be able to obtain another loan through Cogo Capital until that loan is paid in full.
 - Extension requests must be received by Lake City Servicing in writing 30 days prior to the maturity date.
 - You can contact your loan officer to apply for a refinance if needed.

If you have any questions regarding the above information please call our toll free number at 1-800-630-9252, Monday thru Friday between the hours of 8:00 a.m. to 5:00 p.m. Pacific Standard Time. When calling, please reference your loan number, so that we may better serve you.

Sincerely,

Lake City Servicing



Fee Schedule

<u>Item:</u>	<u>Associated Fee:</u>	<u>Responsible Party:</u>
New Loan Setup	\$200/loan (paid at closing)	Borrower
Payment Processing Fee: Loan Amount of \$500,000 or less	\$15/month (paid at closing)	Borrower
Payment Processing Fee: Loan Amount of \$500,000 or greater	0.075% of principal balance annualized x 60%	Borrower
Check Payment by phone	\$20 per transaction	Borrower
Credit Card Payment by phone	3% of total payment amount or \$20 minimum fee	Borrower
NSF Fee	\$100/check	Borrower
Payoff Quote	\$50/request	Borrower
Partial Release	\$200/request	Borrower
Reconveyance Fees	\$35	Borrower
Recording Fees	Varies by recording jurisdiction	Borrower
Certified Letter	\$20	Borrower
Loan Extension Processing Fee	\$500 for 6 months or less \$1,000 for greater than 6 months	Borrower
Extraordinary activities and special requests – 1 hour minimum	\$75/hour	Borrower
Incoming Wire Fee	\$20	Borrower
Forbearance Plan or Short Sale Negotiation	\$150	Borrower
Force Place Insurance Fee	\$100/loan	Borrower

The above is a list of fees and charges that, subject to applicable law, or your mortgage loan documents, may be charged in connection with the servicing of your mortgage loan. Additional fees may apply for the lender. Please note that these fees may be subject to change from time to time with or without notice.



Automated Payments (ACH) Customer Authorization

No More Checks to write!

No More Stamps!

No more forgotten Payments!

Save time & Money by signing up for **Automated Payments**. Your monthly payment can be automatically deducted from your checking account on the same day each month using the Federal Banking System's ACH program. Simply complete the information below and attach a voided check. Return this information to:

Lake City Servicing
1121 E. Mullan Ave.,
Coeur d'Alene, ID 83814

Customer Information:

Lake City Servicing Acct. #: «Borrower_Account»

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone #: _____

E-Mail (for notification of deposit): _____

Banking Information:

Name of Primary Bank: _____

Type of Account: Personal Business

Checking Savings

Routing Number: _____ Account Number: _____

I/We hereby authorize a monthly ACH electronic debit from the account designated above to be paid to Lake City Servicing in payment for services rendered to me/us, not to exceed the amount agreed to by me/us below.

I/We understand that should my bank dishonor my/our automated payment for insufficient or uncollected funds, the original amount, plus an additional \$100.00 NSF check fee will be charged to my/our loan account and may be electronically debited from my/our account as stated in the ACH Authorization.

I/We acknowledge that the origination of ACH transactions to my/our account must comply with the provisions of U.S. Law.

NOTE: The electronic **debit date** cannot be changed with less than 15 days written notice prior to the next scheduled debit date sent to Lake City Servicing at the address above or by e-mail to <mailto:customerservice@lakecityservicing.com> _____

Signature

Signature

Date

Agreed Upon Amount and Terms

My account will be debited on the _ day of each month, or next business day if debit falls on a weekend or holiday, starting __
_____. Monthly payment amount: \$_____.

Total amount to be drafted from my account: \$_____. On Date: _____

LENDER WELCOME LETTER

Date

Lender Name
Lender Address,

Lender Account No.:

Borrower Account No.:	
Borrower Name:	
Property Address:	

Loan Closing Date:	
Loan Funding:	
Your Funding %:	

Dear ,

Thank you for allowing Lake City Servicing to be your loan collection agent. The “Borrower Account” number, or loan number, assigned to this loan is referenced above. Also, note your “Lender Account” number above. When making inquiries please have these numbers available.

Our policy is to process each payment and deposit it into our loan servicing trust account on the same day it is received. When the Borrower’s check clears, funds are disbursed to the Investors either by ACH electronic deposit or by a Lake City Servicing trust check. ACH electronic deposits & Checks are issued every Monday, Wednesday & Friday per week. If for any reason your Borrower’s check is returned unpaid, we must place a “Stop Payment” on our trust check issued to you, or reverse your ACH electronic deposit. If our trust check has already been paid to your account, we will request that you immediately reimburse us the full amount of our trust check.

With the exception of loans set up as Adjustable Rate Loans, it is the responsibility of the Lender to notify Lake City Servicing in writing or by email of any changes to the loan or loan terms in a timely manner.

On or around the 5th of each month, you will receive a “Lender Statement” listing all previous monthly payments received, current principal balances, and next payment due dates on each of your accounts.

Please return the enclosed “Loan Servicing Agreement” as soon as possible. It is required by the regulators before Lake City Servicing can process payments and disburse your money.

If you have any questions, please feel free to call 1-800-630-9252, 8:00 a.m. to 5:00 p.m. Monday thru Friday Pacific Standard Time and ask for the Loan Servicing department.

Sincerely,

Lake City Servicing

STANDARD LOAN SERVICING AGREEMENT

Borrower:	
Lender:	
Property Address:	
Loan Amount:	

THIS STANDARD LOAN SERVICING AGREEMENT ("Agreement") is made and entered into this ___ day of _____, 20___, by and between Lake City Servicing ("Servicer") and the Lender or Lenders whose signatures appear below and in counterparts to this Agreement (collectively, the "Lender"), the Lender being the lender, funder, owner or owner of an interest therein, holder or transferee of that certain promissory note ("Note") secured by that certain Deed of Trust or Mortgage, whichever is applicable ("Security Instrument") and further evidenced by certain other loan documents (collectively, the Note, Security Instrument and all other loan documents will be referred to herein as the "Loan Documents").

1. Scope. Lender retains Servicer as Lender’s agent to employ commercially reasonable and prudent practices to collect all scheduled payments on the loan identified above ("Loan") subject to the terms and conditions of this Agreement. Lender shall supply to Servicer all available relevant documents of the Loan file including, but not limited to Notes, Deed/Mortgages, Modification Agreements, Forbearance Agreements, Assignments or any other document effecting condition of title or payment distribution and showing the correct beneficiary, needed by Servicer to complete its tasks, including but not limited to, file setup, servicing functions, and to satisfy regulatory requirements, before servicing functions will be performed, continued, or funds distributed. Upon any occurrence that could impact servicing functions, including but not limited to, Assignment of Beneficial Interest, modification of Loan terms, Lender must notify Servicer immediately of such occurrence and provide copies of relevant documents before servicing functions will be performed, continued, or funds distributed.

To the extent such instructions do not violate any applicable federal, state or local law or regulations and unless as otherwise provided herein, Servicer shall follow instructions from Lender; *provided, however*, if the Loan is owned by multiple Lenders (a "Multi-Lender Loan"), Servicer shall consult with all Lenders but shall only follow instructions from the Majority; provided, however, in the event of instructions from the Lender or a Majority, the Loan Documents shall govern and Servicer shall follow the Loan Documents. A "Majority" is determined by 50.1% or more ownership of the Note. Servicer shall not follow instructions from a Lender or the Majority if such instructions would require Servicer to violate any federal, state or local law or regulations. A default upon any interest in the Note shall constitute a default upon all interests. The Majority may determine and direct the actions to be taken on behalf of all Lenders in the event of default or with respect to other matters requiring the direction or approval of all Lenders, including but not limited to, designation of brokers, servicing agents or others acting on their behalf and the sale, encumbrance or lease of any real or personal properties which may be owned by Lenders as the result of foreclosure or receipt of a deed in lieu of foreclosure, or modification or forbearance of the Loan. Servicer shall consult with Lender or Majority on non-routine collection matters. Servicer shall not, however, enter into any modification or forbearance of the Loan with any borrower without the express written permission of the Lender (or a Majority of Lenders in a Multi-Lender Loan).

2. Term and Termination. This Agreement shall commence on the date set forth above. This Agreement shall terminate as to the Loan when any of these events occur: (a) payment in full of the Loan and reconveyance of the related Security Instrument; (b) thirty (30) days’ written notice by Servicer to Lender; (c) thirty (30) days’ written notice by Lender to Servicer (unless a shorter period of time is permitted under certain circumstances as provided in this Agreement or applicable law), or (d) if Lender has checked the box in Section 5, after the property has been sold following foreclosure. If the Lender elects to terminate this Agreement in order to transfer servicing to another party, Lender shall pay Servicer a \$75 transfer fee.

Prior to the effectiveness of any termination of this Agreement in its entirety or as to the Loan, Servicer shall deliver to Lender all of Lender’s funds, an appropriate accounting and all necessary documentation. At termination of the Loan, Lender shall immediately reimburse Servicer for any outstanding advances made pursuant to Section 7 below. Servicer shall be entitled to withhold funds due Lender if Lender owed Servicer funds under Section 7.

3. Standard Loan Servicing Functions. Servicer shall in accordance with industry standards and applicable laws, rules, and regulations: (a) issue monthly statements to each Borrower for the Loan, including a maturity letter informing Borrower the Loan is going to mature; (b) issue late notices to Borrowers as applicable calculating in any late fees due; (c) issue final notices to each Borrower as applicable warning of the possibility of foreclosure if payment is not received; (d) answer Borrower inquiries, demands, and requests, and act as intermediary between Borrower and Lender; (e) issue payoff demands and beneficiary statements, (f) demand, receive, and collect all Loan payments, deposit them by the next business day into Servicer’s trust account and transfer by bank wire (ACH) or check Lender’s and/or Lender’s share of such funds (net proceeds) in accordance with instructions provided to Servicer, normally within fifteen (15) days of receipt or upon sufficient time to clear funds (but not more than twenty-five (25) business days from the time funds have been cleared); (g) issue annual income tax statements (1098 and 1099-INT) to the Borrower and Lender; (h) execute and deliver on Lender’s behalf and in Lender’s name any documents necessary or convenient for the exercise of any rights

or duties which Lender may have as servicing agent under the Security Instruments; and (i) convey payoff demands within two (2) business days of receipt to Lender for written or email approval, and if Lender's written or email approval is not received by Servicer within the following two (2) business days, Servicer shall assume the payoff demand to be correct and accept it.

4. Standard Loan Servicing Compensation. As consideration, each of the above named Lenders shall pay to Servicer a servicing fee equal to:

- a. Twenty dollars (\$20.00) per month on Loans with a principal balance of less than Four Hundred Ninety-Nine Thousand Nine Hundred Ninety-Nine and 99/100 Dollars (\$499,999.99);
- b. Forty dollars (\$40.00) per month on Loans with a principal loan balance greater than Four Hundred Ninety-Nine Thousand Nine Hundred Ninety-Nine and 99/100 Dollars (\$499,999.99); or
- c. forty percent (40%) of .075% of the principal loan balance on Loans with a principal balance of loans greater than One Million and No/100 Dollars (\$100,000,000) payable monthly until the Loan has been paid off. For example, on a Loan with a principal balance of One Million and No/100 Dollars (\$100,000,000), the total annual servicing fee payable to the Servicer is Seven Hundred Fifty and No/100 Dollars (\$750) or Sixty Two and 50/100 Dollars (\$62.50) per month. Forty percent of Sixty Two and 50/100 Dollars (\$62.50) is Twenty-Five and No/100 Dollars (\$25) per month as the monthly servicing fee Lender shall be responsible for in the above scenario.

Servicer shall deduct the above referenced monthly service fee from that portion of borrower's payment that is due each Lender. As additional consideration, the Servicer shall be entitled to one hundred percent (100%) of fees related to beneficiary statements and payoff demands, overnight charges NSF fees, reconveyance fees, advancing fees, demand fees, and other fees earned by Servicer and all bankruptcy and administration fees, and fifty percent (50%) of all late charges, fees, and penalties (but 0% of default interest) as described in the Note.

5. Loan Servicing Functions After Default (including bankruptcy & foreclosure management and monitoring). If the Borrower defaults, the Lender may, but has not obligation, to elect to appoint Servicer as Lender's agent to conduct the following activities: (i) all activities set forth under Section 3 above; (ii) process and manage foreclosure of the Loan, including authorization to act on behalf of the Lender to execute all foreclosure documents including, but not limited to, Substitution of Trustee. Servicer may produce a copy of this Agreement as evidence of its authority. In accordance with various State and/or Federal Laws and Servicer's interpretation of proper procedures and risk, Servicer reserves the right to determine how advances and/or late charges are assessed and to adjust all unpaid late charges or assessments of late charges accordingly; (iii) coordinate bankruptcy relief and legal issue resolution; (iv) address known city or municipal notices and issues. If the Lender elects to appoint Servicer to provide the loan servicing functions as set forth in this Section 5, the Advance by Lender or Servicer are subject to the terms of Section 7. Certain foreclosure and bankruptcy fees and expenses are set forth on the attached Exhibit A, which is hereby incorporated into this Agreement by this reference. The fees and expenses set forth on Exhibit A are fees and expenses billed directly to the Lender by a third party national foreclosure management company. Because the fees and expenses set forth on Exhibit A are those of a third party they are subject to change at any time. The Servicer or an affiliate may provide REO services to the Lender; however, such services shall be subject to a separate fee schedule which may be obtained from the Servicer upon request.

- a. **Limited Power of Attorney.** If Lender has elected to appoint Servicer as Lender's agent to conduct the activities described in Section 5 above, Lender hereby does make, constitute, and appoint Servicer as Lender's true and lawful attorney-in-fact for the following specific and limited purposes only:
to do all things necessary or pertinent and to execute any and all documents on behalf of Lender in order for Servicer to carry out and fulfill all of the duties and responsibilities as described above in Section 5 in a timely manner; *provided, however*, Servicer shall have received email confirmation from Lender consenting to the Servicer's actions prior to exercising Servicer's rights under this limited power of attorney.

This limited power of attorney is effective with respect to each Loan and continues until the earlier of (i) the Loan being paid in full and the Security Instrument is released and the property has been reconveyed; (ii) this Agreement has been terminated; or (iii) the property, after being foreclosed upon by the Lender, has been sold, transferred or otherwise assigned by the Lender to a new owner.

6. Delinquent Loan Servicing Compensation. If the Lender elects to appoint the Servicer to perform the services described above in Section 5 a fee in the amount of \$500.00. Prior to Servicer performing any services described in Section 5, Servicer shall send to Lender an invoice detailing Lender's payment options for those services. The payment options are the following: (i) a one-time flat fee in any amount equal to Five Hundred and No/100 Dollar (\$500) or (ii) a monthly fee equal to One Hundred Twenty-Five and No/100 dollars (\$125.00).

7. Protective Advances. Lender may make such advances as approved by the Majority or, if Lender is the only owner of the Loan, such advances that are necessary and prudent to protect and to collect Lender's interest in the Loan. If the Loan is a Multi-Lender Loan, and Lender fails to make advances approved by the Majority, other owners of the Loan are authorized to advance the

amount Lender failed to advance and to receive payment in full before any further payments to the Lender who failed to advance payment. Servicer, in its absolute discretion, may advance its own funds to protect the security of Loan, including advances to cure liens, property insurance, foreclosure expenses, repair, advertising, litigation expenses and similar items, but not Loan payments. Servicer shall be reimbursed such advances from the next Loan payment, or within ten (10) days after a written request to Lender. To secure Servicer's advances, Lender hereby irrevocably assigns to Servicer, to the extent of advances owed to Servicer, the Loan payments or portion of the Loan payoff received after an advance is made, to reimburse Servicer for any advance made on behalf of Lender. Lender will be liable to the remaining investors for all damages incurred as result of the Lender's failure to act or failure to advance funds. Lender will be liable for actual attorneys' fees incurred as a result of said failure to act or failure to advance funds. Should Lender not reimburse Servicer for any fees or advances due (including those fees under Sections 4 and 6 above), Servicer has the right to deduct said amount from any funds due Lender (including funds from other loans serviced by Servicer) until such time as Servicer has been reimbursed in full for fees and advances due Servicer from Lender.

8. No Additional Obligations of Servicer. Lender acknowledges that Servicer has no obligation, other than described elsewhere in this Agreement, to make any payment (other than the forwarding of a Borrower's payment) to or on behalf of Lender, to liens or to otherwise protect or enforce the Lender's security or rights hereunder. In the event any payment collected for the benefit of Lender is returned NSF or uncollectible in Servicer's Trust Account, Lender will immediately upon notification from Servicer, return Servicer's uncashed Trust Check, or immediately reimburse Servicer's Trust Account the full amount received from Servicer's Trust Check. In no event is Servicer obligated to cover or make good Borrower's shortages in Servicer's Trust Account. Servicer is hereby authorized to place a "Stop Payment" on Lender's Trust Check from Servicer, or reverse any ACH (Electronic Funds Transfer) whenever the representing funds are returned NSF or uncollectible in Servicer's Trust Account. Servicer may deduct such amounts from any proceeds due Lender.

9. Insurance and Taxes. Since the Borrower's monthly payment does not include amounts for the payment of insurance and/or property taxes, it is the responsibility of the Lender to: (a) verify insurance coverage annually and send copies of insurance coverage to the Servicer, however Servicer is not responsible for the consequences of any non-payment of insurance, and (b) check for payment of taxes annually or use a tax service; Servicer may receive notices of property tax delinquencies and notify Lender of any known non-payment of taxes if Servicer has signed up for a tax service and listed Lender and Servicer for notices of non-payment of taxes, however Servicer is not responsible for the consequences of any non-payment of taxes. Servicer accepts no responsibility for the consequences of incorrect information supplied by Lender.

10. Loan Documents. Lender shall retain custody of the original Loan Documents, unless otherwise specified in writing by the Lender. In the event Lender elects to have Servicer involved in the foreclosure process set forth above in Section 5, Lender agrees to deliver the original Loan Documents to Servicer upon request.

11. Warranties. Lender further understands and agrees that the security for any Note and Security Instrument is directly related to the equity in the security real estate and THAT NO WARRANTIES ARE IMPLIED OR EXPRESSED. Lender understands that the value or sale ability of real estate can change at any time and therefore, that equity in the security real estate can increase or decrease. Lender hereby releases Servicer from any liability whatsoever in connection with the determination of the value of the security real estate.

12. Indemnification. Servicer shall indemnify, defend and hold Lender and its officers, employees, representatives, members, directors, parent companies, affiliates, subsidiaries, successors and assigns harmless from any and all claims, demands, causes of action, losses, damage, fines, penalties, liabilities, costs and expenses, including reasonable attorney's fees and court costs, sustained or incurred by Lender by reason of or arising directly from third party claims that were caused by or resulted from (i) any actions or omissions by Servicer, Servicer's contractors, or agents, that are outside the scope of its authority hereunder except to the extent Lender has approved of the action that was outside the scope of its authority and/or (ii) taking any action, or refraining from taking any action, with respect to any Loan or property, by Servicer, Servicer's, contractors, or agents, that result from the malfeasance, willful misconduct, gross negligence or a failure by Servicer to act in compliance with the terms of this Agreement. The foregoing indemnification shall survive the termination of this Agreement.

Lender shall indemnify, defend and hold Servicer and its officers, employees, representatives, members, directors, parent companies, affiliates, subsidiaries, successors and assigns harmless from any and all claims, demands, causes of action, losses, damage, fines, penalties, liabilities, costs and expenses, including reasonable attorney's fees and court costs, sustained or incurred by Servicer by reason of or arising directly from third party claims or actions that were caused by or resulted from (i) any actions or omissions in respect of any Loan or property of any prior servicer, owner or originator of a Loan or property, (ii) any acts or omissions taken under the limited power of attorney; provided, Servicer is acting on the upon the direction and email authorization of the Lender, and/or (iii) taking any action, or refraining from taking any action, with respect to any Loan or property, that result from the malfeasance, willful misconduct or gross negligence of Lender, Lender's contractors, or agents, or from the failure of the Lender to provide Servicer the necessary Loan documents in order to allow Servicer sufficient time to timely process satisfactions, payoffs and releases. The foregoing indemnification shall survive the termination of this Agreement.

13. Independent Contractor. At all times during the term of this Agreement, Servicer shall be an independent contractor and not an employee of Lender. Lender shall have the right to control Servicer only pursuant to this Agreement. Lender shall not have the right

to control the means by which Servicer accomplishes its services and duties pursuant to this Agreement. Servicer shall, at its sole cost and expense, furnish all facilities, materials, and equipment that may be required for furnishing services pursuant to this Agreement.

14. Servicer Not Agent. Except as otherwise provided herein or as Lender may specify in writing, Servicer shall have no authority, express or implied, to act on behalf of Lender in any capacity whatsoever as an agent. Except as otherwise provided herein or as Lender may specify in writing, Servicer shall have no authority, express or implied, to bind Lender to any obligation whatsoever.

15. Assignment or Subcontracting. No assignment or subcontracting by Servicer of any of its obligations under this Agreement or of funds to be received under this Agreement shall be of any force or effect unless the assignment has had the prior written approval of Lender. Lender may terminate this Agreement rather than accept any proposed assignment or subcontracting and Lender shall not be liable for any transfer fee. In the event Lender sells, transfers or otherwise assigns the Loan Documents, the new holder/owner of the Loan Documents may be required to execute a servicing agreement with Servicer at the request of Servicer.

16. Litigation Response Costs. If Servicer is served with a Summons and Complaint which requires Servicer to appear in person and/or give testimony on behalf of Lender for any legal action against Lender, Servicer is to be reimbursed for any litigation response costs, fees and expenses, including, but not limited to, hotel, airline, meals and car rental. Servicer is to be paid \$125 per normal business hour from the Servicer's main office per employee needed. Lender shall not be responsible for any such costs and fees if the appearance is a result or related to Servicer's act or activity that were not a direct result of Lender's instructions or not within the scope of the Servicer's services contemplated under this Agreement.

17. Limitation of Liability of Servicer. Except to the extent the validity of the Loan is adversely affected or caused by Servicer or its representatives, Servicer is not responsible to Lender, its successors, assigns, Lender, or any other third party for the validity of the Loan submitted by Lender, including without limitation, (i) the Loan documents, including notes, deeds/mortgages, or assignments, (ii) whether the Loan is a valid, enforceable or existing lien on the property, (iii) the enforceability of the Loan against the Borrower of the Loan, (iv) or any regulatory compliance or violation of any other state or federal laws.

18. Notice. Except as otherwise provided herein, all notices required under this Agreement shall be in writing and delivered by one of the following means (i) personally; (ii) facsimile; or (iv) by overnight delivery service or by first class mail, postage prepaid, to each party at the address listed below. Either party may change the notice address (including email address) by notifying the other party in writing. Notices shall be deemed received upon receipt, electronic confirmation of delivery as to facsimile notices, or three (3) days after deposit in the U. S. Mail, whichever is applicable.

19. Governing Law. Each Party specifically acknowledges and agrees that this Agreement and its interpretation and enforcement are governed by the laws of the state of Idaho. Furthermore, each Party irrevocably (i) submits to the jurisdiction of any court of the State of Idaho located in Kootenai County for the purpose of any suit, action or other proceeding arising out of this Agreement or any of the agreements or transactions contemplated hereby (each, a "Proceeding"), (ii) agrees that all claims in respect of any Proceeding may be heard and determined in any such court, (iii) waives, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein, (iv) agrees not to commence any Proceeding other than in such courts and (v) waives, to the fullest extent permitted by law, any claim that such Proceeding is brought in an inconvenient forum.

20. Miscellaneous. The substantially prevailing party will be entitled to recover its attorneys' fees from the substantially non-prevailing parties incurred in connection with the prevailing party's efforts to enforce this Agreement, regardless of whether any action or proceeding is commenced. Each exhibit referenced in this Agreement is incorporated into this Agreement. This Agreement constitutes the entire agreement among the parties and supersedes any prior understandings or agreements, written or oral, that relate to the subject hereof. This Agreement may not be amended except by a writing signed by each party. If for any reason any provision of this Agreement is determined by a tribunal of competent jurisdiction to be legally invalid or unenforceable, the validity of the remainder of the Agreement will not be affected and such provision will be deemed modified to the minimum extent necessary to make such provision consistent with applicable law and, in its modified form, such provision will then be enforceable and enforced. This Agreement is binding upon the parties and will bind their executors, personal representatives, legatees, heirs, successors and assigns. No waiver by any party of any right or default under this Agreement will be effective unless in writing and signed by the waiving party. No such waiver will be deemed to extend to any prior or subsequent right or default or affect in any way any rights arising by virtue of any prior or subsequent such occurrence. This Agreement may be executed in counterparts and via facsimile or PDF electronic transmission, and each such counterpart will be deemed to be an original instrument. All such counterparts together will constitute one and the same Agreement.

21. WAIVER OF JURY TRIAL. SERVICER AND LENDER SHALL AND HEREBY DO WAIVE TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW, IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THE SAID PARTIES TO THIS AGREEMENT AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY CLAIM OF DAMAGE RESULTING FROM ANY ACT OR OMISSION OF THE PARTIES IN ANY WAY CONNECTED WITH THIS AGREEMENT.

(Signature page follows)

**SIGNATURE PAGE
STANDARD LOAN SERVICING AGREEMENT**

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

SERVICER:

Lake City Servicing

By: LCS Customer Service

Name: LCS Customer Service

Servicer's Address & Contact Information:

1121 E. Mullan Ave.

Coeur d'Alene, ID 83814

Phone : 800-630-9252

Fax: 800-380-6492

Email customerservices@lakecityservicing.com

LENDER(S):

(Entity Name & State of Incorporation, if applicable)

(Print Name)

(Signature)

(Print Title, if applicable)

(Print Name)

(Signature)

(Print Title, if applicable)

Lender's Address & Contact Information:

Phone: _____

Fax: _____

Email: _____

Exhibit A

Fee Schedule

State	Foreclosure	Deed in Lieu	Eviction	Title/TSG
Alabama (AL)	\$900	\$350	\$500	\$375
Alaska (AK)	\$1,200	Quote	Quote	Quote
Arizona (AR)	\$925	\$350	\$400	Quote
Arkansas (AR)	\$1,050	\$350	\$350	\$375
California (CA)	\$1,000	\$350	\$550	Quote
Colorado (CO)	\$1,225	\$350	\$450	\$375
Connecticut (CT)	\$1,700	\$350	\$425	\$350
Delaware (DE)	\$1,350	\$350	\$575	\$375
District of Columbia (DC)	\$600	\$350	\$400	\$375
Florida (FL)	\$2,250	\$350	\$400	\$375
Georgia (GA)	\$900	\$350	\$450	\$350
Hawaii (HI)	\$3,400	\$350	\$500	\$500
Idaho (ID)	\$1,050	\$350	\$400	Quote
Illinois (IL)	\$1,750	\$350	\$400	\$350
Indiana (IN)	\$1,500	\$350	\$450	\$350
Iowa (IA)	\$1,300	\$350	\$350	\$350
Kansas (KS)	\$1,250	\$350	\$400	\$350
Kentucky (KY)	\$1,700	\$350	\$400	\$350
Louisiana (LA)	\$1,350	\$350	\$500	\$350
Maine (ME)	\$1,750	\$350	\$500	\$375
Maryland (MD)	\$2,100	\$350	\$500	\$350
Massachusetts (MA)	\$2,000	\$350	\$600	\$400
Michigan (MI)	\$1000 ^A	\$350	\$425	\$350
Minnesota (MN)	\$1025 ^E	\$350	\$400	\$350
Mississippi (MS)	\$900	\$350	\$400	\$375
Missouri (MO)	\$950	\$350	\$450	\$375
Montana (MT)	\$1,000	\$350	\$500	Quote
Nebraska (NE)	\$900	\$350	\$350	\$350
Nevada (NV)	\$1,100	\$350	\$650	Quote
New Hampshire (NH)	\$1,150	\$350	\$400	\$375
New Jersey (NJ)	\$2,425	\$350	\$500	\$475
New Mexico (NM)	\$1,500	\$350	\$400	\$375
New York (NY)	\$2,400	\$350	\$750	\$475
North Carolina (NC)	\$1,150	\$350	\$400	\$350
North Dakota (ND)	\$1,250	\$350	\$500	Quote ^C
Ohio (OH)	\$1,700	\$350	\$600	350 ^P
Oklahoma (OK)	\$1,450	\$350	\$350	Quote ^C
Oregon (OR)	\$1000 ^H	\$350	\$450	Quote
Pennsylvania (PA)	\$1,650	\$350	\$450	\$350
Rhode Island (RI)	\$1,300	\$350	\$500	\$350
South Carolina (SC)	\$1,650	\$350	\$450	\$350
South Dakota (SD)	\$1,250	\$350	\$400	Quote ^C
Tennessee (TN)	\$900	\$350	\$350	\$350
Texas (TX)	\$900 ^B	\$350	\$400	\$350
Utah (UT)	\$925	\$350	\$575	Quote
Vermont (VT)	\$1,700	\$350	\$400	\$425
Virginia (VA)	\$925	\$350	\$600	\$350
Washington (WA)	\$1,000	\$350	\$450	Quote
West Virginia (WV)	\$1,000	\$350	\$400	\$375
Wisconsin (WI)	\$1,500	\$350	\$400	\$350
Wyoming (WY)	\$1,000	\$350	\$500	\$475

^AWhere necessary to proceed judicially, additional fee of \$1150 applies.

^B Fee of \$1,450 applies for Home Equity actions.

^C Due to the uncertainties that exist in abstract jurisdictions, title charges will vary by loan amount and/or location of property, but will be reasonable and customary based upon the work performed.

^D Plus PJR premium based upon loan amount.

^E Proceedings Subsequent available on a quote basis.

^H When proceeding judicially, fee of \$2,050 applies.

Dear ,

As a valued client of Lake City Servicing, we are always looking for ways to improve our service to you. We noticed that you had not signed up for our direct deposit service, and we would like to let you know the benefits this service offers you.

Our direct deposit service automatically deposits your interest payments into the checking or savings account that you specify every Monday, Wednesday & Friday. There's no more waiting for the mail to get your check! If you're not home, out on a business trip, or enjoying a vacation you can still collect your interest payments with no worries.

When we direct deposit your interest checks, we will send you an email notification that a payment has been direct deposited to your account. This email includes an attachment that specifies which loan your deposit was for.

We also already send you monthly statements on the first business day of each month. These statements show each deposit that was made for the month prior, as well as showing the status of your portfolio of loans with Lake City Servicing.

We look forward to helping you get the most out of your investment. For your convenience, we have included a direct deposit form with this letter. If you have any questions, please don't hesitate to contact one of our friendly customer service representatives at (800) 630-9252.

Yours in success,

The Lake City Servicing Team

Send in your ACH Direct Deposit form and get your money faster! Sign up today!!

DIRECT DEPOSIT FORM

Loan payments due to investor/lenders are directly deposited into any personally identifiable bank account (general investment company accounts are not eligible). You will receive an email notification as well as your bank itemization of the deposit.

Customer Information:

Lake City Servicing Account No.: <u>CENLAR</u>
Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone #: _____
E-Mail (for notification of deposit): _____

Banking Information:

Name of Primary Bank: _____
Type of Account: <input type="radio"/> Checking <input type="radio"/> Savings
Routing Number: _____ Account Number: _____

I/we authorize Lake City Servicing to initiate ACH transactions to my/our account indicated above:

_____ Signature	_____ Date	_____ Signature
_____ Signature	_____ Date	_____ Signature

PLEASE ATTACH A VOIDED CHECK (OR COPY) TO THIS FORM Please mail to: Lake City Servicing, 1121 E. Mullan Avenue, Coeur d'Alene, ID 83814
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First American

First American Title Insurance Company

40 E Spokane Falls Blvd

Spokane, WA 99202

Phn - (509)456-0550

Fax - (866)537-9602

TITLE COMPANY INFORMATION

Title Officer: **Sherri Mattocks**

smattocks@firstam.com

Phone: (509)835-8959 - Fax: (866)537-9602

To: **Gustafson Law Inc PS**
1500 W 4th Avenue, Suite 408
Spokane, WA 99201

File No.: [REDACTED]
Your Ref No.:

Attn: Courtney Poulin

Re: Property Address: **1008 W 14th Ave, Spokane, WA 99204**

COMMITMENT FOR TITLE INSURANCE

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-I.

The General Exceptions and Exceptions in Schedule B-II.

The Conditions.

This Commitment is not valid without Schedule A and Section I and II of Schedule B.

First American Title Insurance Company

Sherri Mattocks, Title Officer

SCHEDULE A

1. Commitment Date: May 06, 2016 at 7:30 A.M.

Policy or Policies to be issued:	AMOUNT	PREMIUM	TAX
Prior Title Rate			
Eagle Owner's Policy	\$ 100,000.00	\$ 513.00	\$ 44.63
Proposed Insured: To be approved			
Simultaneous Issue Rate			
ALTA Extended Loan Policy	\$ 125,000.00	\$ 420.00	\$ 36.54
Proposed Insured: Cogo Capital, LLC ISAOA			

3. (A) The estate or interest in the land described in this Commitment is:

Fee Simple

(B) Title to said estate or interest at the date hereof is vested in:

EDWARD A. [REDACTED] AND MARCIA M. [REDACTED] HUSBAND AND WIFE

4. The land referred to in this Commitment is described as follows:

Real property in the County of Spokane, State of Washington, described as follows:

LOT 20, BLOCK 4, RE-SURVEY OF CLIFF PARK ADDITION, AS PER PLAT RECORDED IN VOLUME "E" OF PLATS, PAGE 65;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON.

APN: 35193.3219

**SCHEDULE B
SECTION I**

REQUIREMENTS

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded:
- (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (E) Releases(s) or Reconveyance(s) of Item(s):
- (F) Other:
- (G) You must give us the following information:
 - 1. Any off record leases, surveys, etc.
 - 2. Statement(s) of Identity, all parties.
 - 3. Other:

**SCHEDULE B
SECTION II**

GENERAL EXCEPTIONS

PART ONE:

- A. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- B. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
- C. Easements, claims of easement or encumbrances which are not shown by the public records.
- D. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- E. (A) Unpatented mining claims; (B) Reservations or exceptions in patents or in Acts authorizing the issuance thereof; (C) Water rights, claims or title to water; whether or not the matters excepted under (A), (B) or (C) are shown by the public records; (D) Indian Tribal Codes or Regulations, Indian Treaty or Aboriginal Rights, including easements or equitable servitudes.
- F. Any lien, or right to a lien, for services, labor or materials or medical assistance heretofore or hereafter furnished, imposed by law and not shown by the public records.
- G. Any service, installation, connection, maintenance, construction, tap or reimbursement charges/costs for sewer, water, garbage or electricity.
- H. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof, but prior to the date the proposed insured acquires of record for value the escrow or interest or mortgage(s) thereon covered by this Commitment.

**SCHEDULE B
SECTION II
EXCEPTIONS**

PART TWO:

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction. The printed exceptions and exclusions from the coverage of the policy or policies are available from the office which issued this Commitment. Copies of the policy forms should be read.

1. Lien of the Real Estate Excise Sales Tax and Surcharge upon any sale of said premises, if unpaid. As of the date herein, the excise tax rate for the **City of Spokane** is at **1.78 %**.
Levy/Area Code: 0010

2. General Taxes for the year 2016. The first half becomes delinquent after April 30th. The second half becomes delinquent after October 31st.

Tax Account No.:	35193.3219
1st Half	
Amount Billed:	\$ 1,209.73
Amount Paid:	\$ 1,209.73
Amount Due:	\$ 0.00
Assessed Land Value:	\$ 28,000.00
Assessed Improvement Value:	\$ 145,200.00
2nd Half	
Amount Billed:	\$ 1,209.74
Amount Paid:	\$ 0.00
Amount Due:	\$ 1,209.74
Assessed Land Value:	\$ 28,000.00
Assessed Improvement Value:	\$ 145,200.00

3. Deed of Trust and the terms and conditions thereof.

Grantor/Trustor:	Marcia M. [REDACTED] and Edward A. [REDACTED] wife and husband
Grantee/Beneficiary:	Mortgage Electronic Registration Systems, Inc., "MERS" solely as a nominee for Homecomings Financial Network, Inc., its successors and assigns
Trustee:	Transnation Title Insurance Company
Amount:	\$73,500.00
Recorded:	October 15, 2003
Recording Information:	4982740

A document recorded September 13, 2012 as 6128474 of Official Records provides that Northwest Trustee Services, Inc., a Washington corporation was substituted as trustee under the deed of trust.

According to the public records, the beneficial interest under the deed of trust has been assigned to Green Tree Servicing LLC, a Delaware Limited Liability Company by successive assignments.

4. Deed of Trust and the terms and conditions thereof.
Grantor/Trustor: Edward A [REDACTED] and Marcia M [REDACTED] husband and wife
Grantee/Beneficiary: Barbara J. [REDACTED]
Trustee: Allegro Escrow Services, Inc., a Washington corporation
Amount: \$30,000.00
Recorded: June 23, 2010
Recording Information: 5910845

5. Claim of lien by the State of Washington Department of Employment Security:
Against: Edward A [REDACTED] and Marcia M [REDACTED] a partnership d/b/a [REDACTED] & [REDACTED] Law Offices
Amount: \$2,864.69
Recorded: April 04, 2011
Recording No.: 5990657

6. Judgment.
In Favor of: State of Washington Employment Security Department, Spokane
Against: Edward A [REDACTED] and Marcia M [REDACTED] a partnership d/b/a [REDACTED] & [REDACTED] Law Offices
Amount: \$8,520.83, together with interest, costs and attorneys' fees, if any
Dated: Undisclosed
Filed: June 13, 2011
Judgment No. (if applicable) : 11904464-5
Case/Cause No.: 11211570-9

7. Judgment.
In Favor of: Spokane Merchants Association
Against: Marcia M. [REDACTED] and Edward A. [REDACTED] husband and wife, d/b/a [REDACTED] & [REDACTED] P.S.,
Amount: \$15,690.92, together with interest, costs and attorneys' fees, if any
Dated: Undisclosed
Filed: November 30, 2012
Judgment No. (if applicable) : 12908817-9
Case/Cause No.: 12204643-8
Attorney for Judgment Creditor: Sheryl S. Phillabaum

Said judgment is a transcript from Superior Court of the State of Washington in and for Spokane County court. Said judgment was recorded on December 12, 2012 under recording no. 6157238.

8. Claim of lien by the State of Washington Department of Employment Security:
Against: Marcia Marie [REDACTED] an individual d/b/a Marcia M [REDACTED]
Amount: \$2,878.52
Recorded: February 27, 2013
Recording No.: 6181095

9. Judgment.
In Favor of: Equable Ascent Financial, LLC
Against: Marcia [REDACTED]
Amount: \$7,083.97, together with interest, costs and attorneys' fees, if any

Dated: Undisclosed
Filed: March 11, 2013
Judgment No. (if applicable) : 13902019-0
Case/Cause No.: 13200888-7
Attorney for Judgment Creditor: Roger E. Rahlfs Machol & Johannes, LLC

10. Judgment.
In Favor of: Minch-Schroeder, Gretchen M
Against: [REDACTED] and Marcia Marie [REDACTED]
Amount: \$15,298.08, together with interest, costs and attorneys' fees, if any
Dated: January 03, 2014
Filed: January 03, 2014
Judgment No. (if applicable) : 14-9-00207-7
Case/Cause No.: 12-2-07311-8
Attorney for Judgment Creditor: Otto Matsch

11. Warrant in favor of the State of Washington.
Against: Marcia Marie [REDACTED] and Spouse, Edward Albert [REDACTED] and The Marital Community Composed Thereof, a sole proprietorship
Amount: \$188.04, plus interest
Filed: April 22, 2014
Judgment/Warrant No.: 14903163-7
Case/Cause No.: 14211242-9
Department: Labor & Industries Collections

12. Judgment.
In Favor of: Minch-Schroder, Gretchen M
Against: [REDACTED] and Marcia Marie [REDACTED]
Amount: \$15,298.08, together with interest, costs and attorneys' fees, if any
Dated: January 03, 2014
Filed: January 03, 2014
Judgment No. (if applicable) : 14-9-00207-7
Case/Cause No.: 12-2-07311-8
Attorney for Judgment Creditor: Otto Matsch

Said judgment is a transcript from Superior Court of Washington - County of Pierce court. Said judgment was recorded on April 28, 2014 under recording no. 6300628.

13. Warrant in favor of the State of Washington.
Against: Marcia M [REDACTED] sole proprietor, Marie [REDACTED] Marcia, owner and Edward A [REDACTED] spouse
Amount: \$20.00, plus interest
Filed: July 23, 2014
Judgment/Warrant No.: 14905495-5
Case/Cause No.: 14211969-5
Department: Washington State Employment Security

14. Warrant in favor of the State of Washington.
Against: Marcia Marie [REDACTED] and spouse, Edward Albert [REDACTED] and spouse, The Marital Community Composed Thereof, a sole

- Amount: \$203.51, plus interest
Filed: July 29, 2014
Judgment/Warrant No.: 14905641-9
Case/Cause No.: 14212002-2
Department: Labor & Industries Collections
15. Warrant in favor of the State of Washington.
Against: Marcia M [REDACTED] a sole proprietor and Marcia M [REDACTED]
Amount: \$7,422.32, plus interest
Filed: August 19, 2014
Judgment/Warrant No.: 14906189-7
Case/Cause No.: 14212101-1
Department: Revenue Compliance Administration
16. Warrant in favor of the State of Washington.
Against: Marcia Marie [REDACTED] and spouse, Edward Albert [REDACTED] and spouse, The Marital Community Composed Thereof, a sole proprietorship
Amount: \$250.07, plus interest
Filed: November 07, 2014
Judgment/Warrant No.: 14908589-3
Case/Cause No.: 14212855-4
Department: Labor & Industries Collections
17. Warrant in favor of the State of Washington.
Against: Marcia Marie [REDACTED] and spouse, Edward Albert [REDACTED] and spouse, The Marital Community Composed Thereof, a sole proprietorship
Amount: \$258.01, plus interest
Filed: February 13, 2015
Judgment/Warrant No.: 15900995-8
Case/Cause No.: 15210229-4
Department: Labor & Industries Collections
18. Warrant in favor of the State of Washington.
Against: Marcia Marie [REDACTED] and spouse, Edward Albert [REDACTED] and spouse, The Marital Community Composed Thereof, a sole proprietorship
Amount: \$233.24, plus interest
Filed: June 05, 2015
Judgment/Warrant No.: 15903887-7
Case/Cause No.: 15210995-7
Department: Labor & Industries Collections
19. Warrant in favor of the State of Washington.
Against: Marcia M [REDACTED] a sole proprietor and Marcia M [REDACTED]
Amount: \$5,324.95, plus interest
Filed: July 20, 2015
Judgment/Warrant No.: 15905136-9
Case/Cause No.: 15211306-7
Department: Revenue Compliance Administration

20. Judgment.
In Favor of: Edmund A Prych and Miyoko U Prych
Against: Edward A Etux [REDACTED] and Marcia M Etvir [REDACTED]
Amount: \$84,080.42, together with interest, costs and attorneys' fees, if any

Dated:
Filed: May 18, 2015
Judgment No. (if applicable) : 15-9-03347-6
Case/Cause No.: 15-2-00544-2
Attorney for Judgment Creditor: Charles Vincent Carroll

Said judgment is a transcript from Superior Court of Washington - County of Spokane court. Said judgment was recorded on August 17, 2015 under recording no. 6426694.

21. Claim of lien by the State of Washington Department of Employment Security:
Against: Marcia M [REDACTED] Sole Proprietor doing business as Marcia M [REDACTED]
Amount: \$11,012.10
Recorded: October 01, 2015
Recording No.: 6440812

22. Warrant in favor of the State of Washington.
Against: Marcia Marie [REDACTED] sole proprietor doing business as Marcia M [REDACTED]
Amount: \$1,333.66, plus interest
Filed: October 01, 2015
Judgment/Warrant No.: 15907354-1
Case/Cause No.: 15211949-9
Department: Washington State Employment Security

23. Warrant in favor of the State of Washington.
Against: Marcia Marie [REDACTED] sole proprietor doing business as Marcia M [REDACTED]
Amount: \$1,333.66, plus interest
Filed: October 02, 2015
Judgment/Warrant No.: 15907355-9
Case/Cause No.: 15211950-2
Department: Washington State Employment Security

24. Warrant in favor of the State of Washington.
Against: Marcia Marie [REDACTED] and Edward Albert [REDACTED] and The Marital Community Composed Thereof, a sole proprietorship, dba Marcia M. [REDACTED]
Amount: \$202.84, plus interest
Filed: October 29, 2015
Judgment/Warrant No.: 15908120-9
Case/Cause No.: 15212174-4
Department: Labor & Industries

25. Warrant in favor of the State of Washington.
Against: Marcia Marie [REDACTED] and Edward Albert [REDACTED] and The Marital Community Composed Thereof, a sole proprietorship, dba [REDACTED]

Marcia M. [REDACTED]
Amount: \$209.33, plus interest
Filed: October 29, 2015
Judgment/Warrant No.: 15908121-7
Case/Cause No.: 15212175-2
Department: Labor & Industries Collections

26. Judgment.
In Favor of: Automated Accounts Inc
Against: Edward A [REDACTED] and Marcia [REDACTED]
Amount: \$834.08, together with interest, costs and attorneys' fees, if any
Dated:
Filed: February 05, 2016
Judgment No. (if applicable) : 16900981-6
Case/Cause No.: 16200495-9
Attorney for Judgment Creditor: Timothy W. Durkop

27. According to the application for title insurance, the purchase price in the proposed transaction is less than the assessed valuation of the property. The COUNTY will require documentation that the purchase price is a bona fide offer. Said documentation may be in the form of a copy of the Purchase and Sale Agreement AND MUST BE SENT IN WITH THE RECORDING PACKAGE.

Purchase Price: \$ 100,000.00
Assessed Value: \$ 173,200.00

28. Easement, including terms and provisions contained therein:
Grantee: The Washington Water Power Company, a Washington Corporation
Purpose: To erect, construct, reconstruct and maintain an electrical distribution line and appurtenances
Recorded: May 13, 1947
Recording No.: 753842A
Affects: The North Line

INFORMATIONAL NOTES

This property may be subject to a charge by Spokane County for sewer construction, referred to as a Capital Facilities Rate (CFR). This charge is in addition to the monthly charge for sewer services. Please contact the Division of Utilities Billing Section at (509) 477-3604, for further information.

- A. Effective January 1, 1997, and pursuant to amendment of Washington State Statutes relating to standardization of recorded documents, certain format and content requirements must be met (refer to RCW 65.04.045). Failure to comply may result in rejection of the document by the recorder or additional fees being charged, subject to the Auditor's discretion.
- B. Any sketch attached hereto is done so as a courtesy only and is not part of any title commitment or policy. It is furnished solely for the purpose of assisting in locating the premises and First American expressly disclaims any liability which may result from reliance made upon it.
- C. The description can be abbreviated as suggested below if necessary to meet standardization requirements. The full text of the description must appear in the document(s) to be insured.

APN: 35193.3219

- D. All matters regarding extended coverage have been cleared for mortgagee's policy. The coverage contemplated by this paragraph will not be afforded in any forthcoming owner's standard coverage policy to be issued.
- E. The following deeds affecting the property herein described have been recorded within 36 months of the effective date of this commitment: NONE

Property Address: **1008 W 14th Ave, Spokane, WA 99204**

NOTE: The forthcoming Mortgagee's Policy will be the ALTA 2006 Policy unless otherwise noted on Schedule A herein.

NOTE: A FEE MAY BE CHARGED UPON THE CANCELLATION OF THIS COMMITMENT PURSUANT TO WASHINGTON STATE INSURANCE CODE AND THE FILED RATE SCHEDULE OF THIS COMPANY.

CONDITIONS

1. DEFINITIONS

(a) "Mortgage" means mortgage, deed of trust or other security instrument.

(b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section II may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section I are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section I
or

eliminate with our written consent any Exceptions shown in Schedule B - Section II.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.



First American

First American Title Insurance Company
40 E Spokane Falls Blvd
Spokane, WA 99202
Phn - (509)456-0550
Fax - (866)537-9602



First American Title

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet. In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site. There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive. FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

FIRST AMERICAN TITLE INSURANCE COMPANY
Exhibit "A"

Vested Owner: EDWARD A. [REDACTED] AND MARCIA M. [REDACTED] HUSBAND AND WIFE

Real property in the County of Spokane, State of Washington, described as follows:

LOT 20, BLOCK 4, RE-SURVEY OF CLIFF PARK ADDITION, AS PER PLAT RECORDED IN VOLUME "E" OF PLATS, PAGE 65;

SITUATE IN THE CITY OF SPOKANE, COUNTY OF SPOKANE, STATE OF WASHINGTON.

Tax Parcel Number: 35193.3219

Situs Address: 1008 W 14th Ave, Spokane, WA 99204

BUYER

SELLER

BUYER

SELLER

Be The Lender Home Study Course Evaluation

How did you first hear about this training? _____

Please rate the value of the following components of your 2 day training. Circle your response.

	Not Useful at All					Very useful				
Thursday:										
Originating Your Own Notes – Part 1 (Gary)	1	2	3	4	5	6	7	8	9	10
Originating Your Own Notes – Part 2 (Doug)	1	2	3	4	5	6	7	8	9	10
Loan Committee Meeting	1	2	3	4	5	6	7	8	9	10
Lending through a Fund (Heather)	1	2	3	4	5	6	7	8	9	10
Buying 3 rd Party Notes (Heather)	1	2	3	4	5	6	7	8	9	10
Friday:										
*Servicing (Doug)	1	2	3	4	5	6	7	8	9	10
What happens When Things Go Bad – Doug	1	2	3	4	5	6	7	8	9	10
Liquidity Events – Lee	1	2	3	4	5	6	7	8	9	10
Marketing – Lee	1	2	3	4	5	6	7	8	9	10

Using at least 3 sentences, please comment on any above components you found exceptional, low or high:

What was the most helpful aspect of this Training? _____

With the knowledge you have obtained from this training what do you envision yourself accomplishing over the next 12 months?

Be The Lender Home Study Course Evaluation

	<u>Not likely</u>					<u>Very likely</u>				
How likely are you to recommend this course to a colleague or a friend?	1	2	3	4	5	6	7	8	9	10
How likely are you to use the education you received during this training?	1	2	3	4	5	6	7	8	9	10
How likely are you to recommend other educational courses, from the Lee Arnold System of Real Estate Investing, to a colleague or friend?	1	2	3	4	5	6	7	8	9	10
	<u>Extremely Poor</u>					<u>Superior</u>				
Please rate the quality of your overall experience with Secured Investment Corp Staff during THIS training.	1	2	3	4	5	6	7	8	9	10

Using at least 3 sentences, please comment on any above you found exceptional, low or high. Please include a list of other courses you would like to see the Lee Arnold System of Real Estate Investing offer:

In a minimum of 3 sentences please tell us what you personally liked about the training this week?

Other Constructive Comments: What additional trainings would you like to see the Lee Arnold System of Real Estate Investing offer?

Full Name - Printed: _____