

Prepared By and Return To:

REO Asset Acquisition LLC
PO Box 270603
Littleton, Colorado 80127

2015 031478

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2015 MAY 21 AM 9:12

MICHAEL S. BROWN
RECORDER

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MORTGAGE, ASSIGNMENT OF RENTS and SECURITY AGREEMENT

THIS MORTGAGE INDENTURE, is executed and delivered this ___ day of March _____, 2015 by Pedro Sanchez, ("Borrower", which term includes the successors and assigns of the same), whose address for purposes hereof is 667 South Main Street, Crown Point, Indiana 46307, and his constitutional homestead, to REO Asset Acquisition LLC, a Limited Liability Corporation, ("Lender", which term includes the successors and assigns of the same), whose address is 5910 Ogden Court, Littleton, Colorado 80121.

WITNESSETH:

For good and valuable consideration and to secure the payment of an indebtedness in the aggregate sum of One Hundred Sixty Thousand Dollars and no cents (**\$160,000.00**) or so much thereof as may be advanced, to be paid in accordance with a Promissory Note from Borrower to Lender dated the date hereof in the original principal amount of \$160,000.00, with a maturity date of June 30, 2015, (the "Note"), together with interest thereon and any and all other notes secured by this Mortgage and all sums due or which may become due from Borrower to Lender and any renewals, extensions, consolidations or modifications of all of the foregoing, Borrower does grant, mortgage and convey unto Lender, its successors and assigns, in fee simple, all of that certain tract of land of which Borrower is now seized and possessed and in actual possession, located at the street address of 667 South Main Street, Plant City Florida 33566 in **Lake County, Indiana** the non-constitutional homestead of Borrower, which is more fully described in Exhibit "A" attached hereto and made a part hereof, together with the buildings and improvements thereon erected or to be erected (all hereinafter referred to as the "Property");

TOGETHER with the following property rights:

- (a) All right, title and interest of Borrower in and to all leases or subleases covering the Property or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Borrower there under, including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;
- (b) All right, title and interest of Borrower in and to all options to purchase or lease the Property or any portion thereof or interest therein, and any greater estate in the Property owned or hereafter acquired;
- (c) All interests, estate or other claims, both in law and in equity, which Borrower now has or may hereafter acquire in the Property;
- (d) All easements, rights-of-way and rights used in connection therewith or as a means of access thereto and all tenements, hereditaments and appurtenances thereof and thereto, all right, title and interest of Borrower in and to any streets and roads abutting said Property to the center lines thereof and in and to any strips or gores of land therein, all water, sanitary and storm systems that are now or hereafter located on or adjacent to the Property and all gas and oil rights, mineral rights, timber rights and riparian and littoral rights pertaining to the Property;

NO SALES DISCLOSURE NEEDED

Approved: _____
By: _____

AMOUNT \$ 46 -
 CASH _____ CHARGE _____
 CHECK # 4052 4096
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(e) All machinery, apparatus, equipment, fittings, fixtures and articles of personal property of every kind and nature whatsoever, now owned or hereafter owned by Borrower and which is now or will hereafter be located in or upon the Property, or any part thereof, and used or usable in connection with the use and operation of buildings or for use in any construction on the Property, (hereinafter called the "Building Equipment"), it being understood and agreed that all Building Equipment is part and parcel of the Property and appropriated to the use thereof and, whether affixed or annexed to the Property or not, shall for the purpose of this Mortgage be deemed conclusively to be real estate and mortgaged hereby; and Borrower agrees to execute and deliver, from time to time, such further instruments as may be requested by Lender to confirm the lien of this Mortgage on any Building Equipment.

(f) All awards and proceeds to which Borrower is entitled by virtue of any taking of all or any part of the Property by condemnation or exercise of the right of eminent domain or other taking, as hereinafter more particularly set forth; and

(g) All rents, issues and profits of the Property and all estate, right, title and interest of every nature whatsoever of Borrower in and to the same, as hereinafter more particularly set forth;

The Property and all of the property, rights, privileges and franchises granted herein by Borrower to Lender are collectively referred to as the "Mortgaged Property".

TO HAVE AND TO HOLD all and singular the Mortgaged Property hereby conveyed, the tenements, hereditaments and appurtenances thereunto belonging or in anyway appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof and all estate, right, title, interest, property, possession, claim and demand whatsoever as well in law, as in equity of the Borrower in and to the same and every part and parcel thereof unto the same Lender in fee simple.

PROVIDED HOWEVER, that these presents are upon the condition that if Borrower shall pay or cause to be paid to Lender the principal and interest payable in respect to the Note and all amounts and any other promissory note secured by this Mortgage, at the times and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other similar charges paid by Borrower, and shall keep, perform and observe all and singular the covenants and promises in the Note, and any renewal, extension, consolidation or modification thereof, and in this Mortgage expressed to be kept, performed and observed by and on the part of Borrower, all without fraud or delay, then this Mortgage and all properties, interest and rights granted, mortgaged and conveyed shall cease, terminate and be void but until same shall occur, this Mortgage shall otherwise remain in full force and effect.

ARTICLE 1 COVENANTS AND AGREEMENTS OF BORROWER

To protect the security of this Mortgage, Borrower further covenants, warrants and agrees with Lender as follows:

1.1 Payment of Secured Obligations. Borrower shall pay when due the principal and interest on the indebtedness evidenced by the Note, charges, fees and principal of, and interest on, any future advances secured by this Mortgage and shall otherwise comply with all the terms of the Note and this Mortgage.

1.2 Title Warranties and Representations. Borrower hereby covenants with Lender that (a) Borrower is indefeasibly seized of said Property in fee simple; (b) Borrower has full power and lawful right to convey the same in fee simple as aforesaid; (c) it shall be lawful for Lender at all times to peaceably and quietly enter upon, hold, occupy and enjoy said Property and every part thereof; (d) Borrower will make such further assurances to perfect the fee simple title to said Property in Lender, as may reasonably be required; (e) the Mortgaged Property is free of all liens and encumbrances except for taxes for the current year; and (f) Borrower does hereby fully warrant title to the Mortgaged Property and every part thereof and will defend same against the lawful claims of all persons whomsoever.

1.3 Required Insurance. Borrower will, at Borrower's sole costs and expense, maintain or cause to be maintained with respect to the Mortgaged Property, and each part thereof, the following insurance.

(a) At all times insurance against loss or damage to the building improvements on the land and the Building Equipment (hereinafter referred to as the "Improvements") by fire and any of the risks covered by insurance of the type known as "all-risk" including, without limitation, coverage for plate glass damage, sprinkler leakage and sink hole collapse. Coverage shall be in an amount not less than the full replacement cost of the improvements but not less than an amount equal to the amount of the loans secured hereby, including heating and air conditioning coverage at 100% of replacement cost. (Co-insurance is to be waived by the insurer).

(b) Flood insurance is required if at any time the encumbered land is designated a flood prone or flood risk area, pursuant to the Flood Disaster Protection Act of 1973, as amended or supplemented.

(c) Such other insurance and in such amounts as Lender may reasonably require from time to time including but not limited to builder's risk, if applicable, and in accordance with local insurance practice.

Borrower may obtain any other insurance not required under this Section 1.3, but any such insurance affecting the Property shall be for the mutual benefit of Borrower and Lender and shall be subject to the other provisions of this Mortgage.

1.4 Delivery of Policies, Payment of Premiums. All policies of insurance shall be issued by companies and in amounts satisfactory to Lender. All policies of insurance shall have attached thereto a lender's loss payment endorsement for the benefit of Lender in form satisfactory to Lender. The original policies and renewals shall be held by Lender or if acceptable to Lender, a certificate of insurance for each such policy setting forth coverage, limits of liability, name of carrier, policy number, and expiration date. At least fifteen (15) days prior to expiration of each such policy, Borrower shall furnish Lender with evidence satisfactory to Lender of payment of premium and re-issuance of a policy continuing insurance in force as required by this Mortgage. All such policies shall contain a provision that such policies will not be cancelled or materially amended, which term shall include any reduction in the scope or limits of coverage, without at least thirty (30) days prior written notice to Lender. In the event Borrower fails to provide, maintain, keep in force or deliver and furnish to Lender the policies of insurance or certificates thereof, as required by this Section, Lender may procure such insurance or single interest insurance for such risks covering Lender's interest. The provisions of Section 4.3 of this Mortgage shall govern repayment.

1.5 Insurance Proceeds. After the happening of any casualty to the Mortgaged Property or any part thereof, Borrower shall give prompt written notice thereof to Lender; and

(a) In the event of damage to or destruction of the Improvements, Lender shall have the option, in its sole discretion, of applying or paying all or part of the insurance proceeds (i) to any indebtedness secured hereby and in such order as Lender may determine, or (ii) to the restoration of the Improvements, or (iii) to Borrower;

(b) Lender agrees not to unreasonably withhold consent to the use of insurance proceeds for restoration of the Improvements following a partial casualty loss, subject to (i) Borrower maintaining the Mortgage free from default at all times; (ii) Borrower providing evidence that adequate funds are available to restore the Improvements and advancing any additional funds required prior to the disbursement of insurance proceeds; (iii) all tenants at the Property acknowledging their leases remain valid and in full force; and (iv) Lender retaining control of insurance proceeds prior to use for restoration;

(c) In the event of such loss or damage, all proceeds of insurance shall be payable to Lender, and Borrower hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Lender. Lender is hereby authorized and empowered by Borrower to settle, adjust or compromise any claims for loss, damage or destruction under any policy or policies of insurance. Borrower hereby irrevocably appoints Lender its attorney-in-fact coupled with an interest with the power and authority to endorse any checks, drafts or other instruments representing any proceeds of such insurance, whether payable by reason of loss there under or otherwise;

(d) Except to the extent that insurance proceeds are received by Lender and applied to the indebtedness secured hereby, nothing herein contained shall be deemed to excuse Borrower from repairing or maintaining the Mortgaged Property as provided in this Mortgage or restoring all damage or destruction to the Mortgaged Property, regardless of whether or not there are insurance proceeds available or whether any such proceeds are sufficient in amount, and the application or release by Lender of any insurance proceeds shall not cure or waive any default or notice default under this Mortgage or invalidate any act done pursuant to such notice; and

(e) Nothing herein shall relieve Borrower from making the payments required by the Note and any other obligation of Borrower secured hereby.

1.6 Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Mortgage or other transfer of title or assignment of the Mortgaged Property in extinguishments, in whole or in part, of the debt secured hereby, all right, title and interest of Borrower in and to all policies of insurance required by this Section shall inure to the benefit of and pass to the successor in interest to Borrower or the purchaser or grantee of the Mortgaged Property.

1.7 Indemnification; Waiver of Offset. (a) If Lender is made a party defendant to any litigation (including without limitation, any litigation brought by Borrower whether initially or by counterclaim) concerning this Mortgage or the Mortgaged Property or any part thereof or interest therein, or occupancy thereof by Borrower, then Borrower shall indemnify, defend and hold Lender harmless from all liability by reason of said litigation, including reasonable attorneys' fees and expenses incurred by Lender in any such litigation, whether or not such litigation is prosecuted to judgment; (b) all sums payable by Borrower hereunder shall be paid absolutely, unconditionally, without notice, demand, counterclaim, setoff, deduction or defense and absolutely and unconditionally without abatement, suspension, deferment, diminution or reduction. The obligations and liabilities of Borrower hereunder shall in no way be released or discharged (except as expressly provided herein) by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Mortgaged Property or any part thereof; (ii) any restriction, prevention of or interference with any use of the Mortgaged Property or any part thereof; (iii) any title defect, encumbrance or eviction from the Property or the Improvements or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Borrower, or any action taken with respect to this Mortgage by any trustee or receiver of Lender, or by any court in any such proceeding.

1.8 Taxes, Utilities and Impositions. Borrower will pay, or cause to be paid and discharged, on or before the last day on which they may be paid without penalty or interest, all such duties, taxes, sewer rents, charges for water, or for setting or repairing meters, and all other utilities in the improvements or on the Property or any part thereof, and any assessments and payments which shall be imposed upon or become due and payable or become a lien upon the Property or any part thereof and sidewalks or streets in front thereof by virtue of any present or future law of the United States or the State, County or City wherein the Property are located (all of the foregoing being herein collectively called "Impositions"). In default of any such payment of any Imposition, Lender may pay the same. The provisions of Section 4.3 of this Mortgage shall govern repayment.

Borrower will exhibit to Lender the original receipts or other reasonably satisfactory proof of the payment of all Impositions which may affect the Mortgaged Property or any part hereof or the lien of the Mortgage promptly following the last date on which each such Imposition is payable hereunder.

1.9 Deposits of Taxes and Insurance Premiums. In order to more fully protect the security of this Mortgage and the fulfillment by Borrower of the obligations and undertakings contained in Sections 1.3, 1.4 and 1.8 hereof and, solely as additional security to Lender, Borrower shall, if requested by Lender, pay monthly to Lender or its designated representative, on the date set in this Mortgage for payment of principal and interest, an amount which shall be equal to one-twelfth (1/12th) of the annual Impositions that may become due during the year and an amount which shall be equal to one-twelfth (1/12th) of the annual insurance premiums with respect to insurance coverage Borrower is required to maintain pursuant to the provisions of this Mortgage (all as estimated by Lender, or its representative). If Lender exercises its rights under this

Section, Borrower shall cause all bills, statements or other documents relating to Impositions or payment of insurance premiums to be sent or mailed directly to Lender or its designated representative.

It is the intention of this Section 1.9 that there shall be sufficient monies on deposit with Lender so that when such payments are due to any taxing authority or insurance carrier, there will be sufficient money held by Lender to make such payments on their due dates. If said deposits are insufficient to pay the Impositions and insurance premiums in full as the same become payable, the Borrower will deposit with the Lender such additional sum or sums as may be required in order for the Lender to pay such Impositions and insurance premiums in full. Lender or its designated representative may co-mingle such monies with its own funds and Borrower shall not be entitled to interest thereon. Upon any default hereunder, or under the Note, the Lender may, at its option, apply any money held by the Lender resulting from said deposits to the payment of the indebtedness secured hereby in such manner as it may elect.

1.10 Maintenance, Repairs, Alterations. Borrower will keep the Mortgaged Property, or cause same to be kept in good condition, repair and fully protected from the elements to the satisfaction of Lender and Borrower will not do or suffer to do anything which will increase the risk of fire or other hazard to the Property or any part thereof. Borrower will commit or permit no water thereon and will do or permit no act by which the Mortgaged Property shall become less valuable. Borrower will not remove, demolish or structurally alter any of the Improvements (except such alterations as may be required by laws, ordinances or regulations) without prior written permission of Lender; Borrower will complete promptly and in good and workmanlike manner any building or improvements which may be constructed on the Property and promptly restore in like manner any improvement which may be damaged or destroyed thereon and will pay when due all claims for labor performed and materials furnished therefore. Borrower will use and operate, and will require its lessees or licensees to use and operate the Mortgaged Property in compliance with all applicable laws, ordinances, regulations, covenants, conditions and restrictions, and with all applicable requirements of any lease or sublease now or hereafter affecting the Property or any part thereof.

1.11 Eminent Domain.

(a) Should the Mortgaged Property or any part thereof or interest therein, be taken or damaged by reason of any public use or improvement or condemnation proceeding, or in any other manner ("Condemnation") or should Borrower receive any notice or information regarding such Condemnation, Borrower shall give prompt written notice thereof to Lender;

(b) Lender shall be entitled to all awards, compensation and other payment or relief granted in connection with such Condemnation and shall be entitled, at its option, to appear in its own name or the Borrower's name, in any action or proceeding relating thereto. In the event of such an appearance, Borrower agrees to pay reasonable attorneys' fees incurred by Lender. All compensation, awards, damages, rights of action and proceeds awarded to Borrower (the "Proceeds") are hereby assigned to Lender and Borrower agrees to execute such further assignments of the Proceeds as Lender may require;

(c) In the event any portion of the Mortgaged Property is so taken or damaged, Lender shall have the option in its sole and absolute discretion to apply all such proceeds, after deducting therefrom all costs and expenses (regardless of the particular nature thereof whether incurred with or without suit), including attorneys' fees incurred by it in connection with such Proceeds, upon any indebtedness secured hereby, or apply all such proceeds after such deductions to the restoration of the Mortgaged Property upon such conditions as Lender may determine. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice; and

(d) Any amounts received by Lender hereunder (after payment of any costs in connection with obtaining same) shall, if retained by Lender, be applied in payment of any accrued interest and then in reduction of the then outstanding principal sum of the Note secured hereby, notwithstanding that same may not then be due and payable. Any amount so applied to principal shall be applied to the payment of installments of principal on the Note in inverse order of their respective due dates.

1.12 Action of Lender to Preserve Security of this Mortgage. In the event Lender is called upon to pay any sums of money to protect this Mortgage and the Note secured hereby as aforesaid, all monies

advanced or due hereunder shall become immediately due and payable together with interest at the maximum rate permitted by Florida law computed from the date of such advance to the date of the actual receipt of payment thereof by Lender.

1.13 Inspections. Lender, its agents, representatives or workmen are authorized to enter at any and all reasonable times upon or in any part of the Property for the purpose of inspecting same and performing any of the acts it is authorized to perform under the terms of this Mortgage. Borrower agrees to reimburse Lender for reasonable out-of-pocket expenses incurred by it in connection with such inspections.

1.14 Liens. Borrower will not permit any liens, encumbrances, mechanics', laborer's, statutory or other liens and charges upon the Mortgaged Property, and shall pay and promptly discharge, at Borrower's cost and expense, all such liens, encumbrances and charges upon the Mortgaged Property or any part thereof or interest therein. Borrower shall have the right to contest in good faith the validity of any such lien, encumbrance or charge, provided Borrower shall first deposit acceptable security with a court of competent jurisdiction sufficient to eliminate the lien as a lien upon the Property. If Borrower shall fail to transfer the lien to a bond or otherwise discharge any such lien, encumbrance or charge, then in addition to any other right or remedy of Lender, Lender may but is not obligated to discharge same either by paying the amount claimed to be due or be procuring the discharge of such lien by depositing in court a bond for the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law. Repayment shall be governed by the provisions of Section 4.3 of this Mortgage.

1.15 Hazardous Waste. Borrower expressly represents to Lender that the Mortgaged Property or any part thereof has not in the past been used, is not now being used, nor will in the future be used for handling, storage, transportation or disposal of hazardous or toxic materials. Borrower shall not use, generate, manufacture, store or dispose of, on, under or about the Mortgaged Property or transport to or from the Mortgaged Property any flammable explosives, radioactive materials, including any substances defined as or included in the definition of "hazardous substances, hazardous waste, hazardous materials and toxic substances" under any applicable Federal or state laws or regulations in effect during the term of this Mortgage (collectively, the "Hazardous Materials"). The Borrower covenants that Borrower is in compliance with and maintains compliance with all the provisions of the Federal Water Pollution Control Act, Comprehensive Environmental Response, Compensation and Liability ("Superfund") Act of 1980, and Solid Waste Disposal Act, Florida Statutes Chapter 376, and other similar Federal, state and local statutory schemes imposing liability on Borrower.

Borrower hereby agrees to indemnify Lender and hold Lender harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including but not limited to attorneys' fees, paralegal charges and expenses), arising directly or indirectly, in whole or in part, out of (a) the presence on or under the Mortgaged Property of any Hazardous Materials or releases or discharges of Hazardous Materials on, under or from the Mortgaged Property, (b) any activity carried on or undertaken on or off the Mortgaged Property, whether prior to or during the term of the Mortgage, and whether by Borrower or any predecessor in title or any employees, agents, contractors or subcontractors of Borrower or any predecessor in title, or third persons at any time occupying or present on the Mortgaged Property in connection with the treatment, decontamination, handling, removal, storage, clean-up, transport or disposal of any Hazardous Materials at any time located or present on or under the Mortgaged Property; and (c) any breach of the covenants contained in this Section 1.15. The foregoing indemnity shall further apply to any residual contamination on or under the Mortgaged Property or affecting any natural resources, any contamination of any property or natural resources arising in connection with the generation, use, handling, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any such activities were or will be undertaken in accordance with applicable laws, regulations, codes and ordinances. The obligation of Borrower to indemnify and hold harmless under this Section 1.15 shall survive any foreclosure of this Mortgage or any transfer of the Mortgaged Property by deed in lieu of foreclosure.

1.16 Transfer of Mortgaged Property. It is understood and agreed by Borrower that as part of the inducement to Lender to make the loan evidenced by the Note and secured by this Mortgage, Lender has relied upon the creditworthiness and the reliability of Borrower. Borrower shall not sell, convey, transfer, lease

(other than a space lease) or further encumber any interest in or any part of the Mortgaged Property without the prior written consent of the Lender, which consent Mortgage may withhold in its absolute discretion. Any such sale, conveyance, transfer, pledge, lease (other than a space lease) or encumbrance made without the Lender's prior written consent shall constitute an Event of Default hereunder. Any sale, conveyance or transfer of any interest in the Borrower to any other entity, individual, firm, partnership or corporation without the Lender's prior written consent shall constitute an Event of default hereunder. A contract to deed or an agreement for deed or an assignment of beneficial interest in any trust shall constitute a transfer pursuant to the provisions of this Section. If any person or entity should obtain any interest in all or any part of the Mortgaged Property, pursuant to execution or enforcement of any lien, security interest or other right whether superior, equal or subordinate to this Mortgage or the lien hereof, such event shall be deemed to be a transfer by Borrower and an Event of Default under this Mortgage.

1.17 Other mortgage Liens, Creditor Judgments and Liens. Borrower represents and warrants that it will perform and promptly fulfill all the covenants contained in any superior or inferior mortgages on any and all the Property encumbered hereby. In the event Borrower shall fail to do so, Lender may, in addition to the rights otherwise granted Lender hereunder, at its election, perform or fulfill such covenants of any such superior or inferior mortgages without affecting its option to foreclose any of the rights hereunder, and the cost thereof, together with interest from the date of payment at the highest rate permitted by Florida law from the date incurred until paid by Borrower, shall be secured hereby. The failure of Borrower to pay any superior or inferior mortgages shall be deemed a breach of this Mortgage, and the Lender, at its option, may immediately, or thereafter, declare this Mortgage, and all indebtedness hereby secured, to be immediately due and payable. Borrower shall not apply for, accept or cause to be made future advances under any superior or inferior mortgages so long as this Mortgage, encumbering the property described herein, remains in force. Borrower acknowledges and agrees that, in the event it breaches this covenant, same shall be an Event of Default under this Mortgage, and in such event Lender shall have the right to exercise any and all its rights and remedies provided for herein. Nothing in this Section shall be construed to waive the prohibition of further encumbering the Mortgaged Property without Lender's prior consent.

1.18 Financial Statements. At any time and from time to time, upon Lender's request, Borrower shall furnish to Lender an annual operating statement showing all income and expenses with respect to the operation of the Mortgaged Property; such statement to be certified by Borrower as true and correct. Borrower further agrees to furnish such additional information, reports or statements relating to the operation and management of the Mortgaged Property as Lender may from time to time require.

ARTICLE 2 ASSIGNMENT OF LEASES, SUBLEASES, FRANCHISES, RENTS, ISSUES AND PROFITS

2.1 Assignment of Rents. Borrower hereby assigns and transfers to Lender all leases, subleases, franchises, rents, issue and profits of the Mortgaged Property. Borrower irrevocably appoints Lender its true and lawful attorney-in-fact, at the option of Lender at any time and from time to time to demand, receive and enforce payment, give receipts, releases and satisfactions, and to sue, in the name of Borrower or Lender, for all such rents, issues and profits. Borrower, however, shall have the right to collect such rents, issues and profits (but not more than two (2) months in advance) prior to or any time there is not an Event of Default under this Mortgage. The assignment of leases, subleases, franchises, rents, issues and profits of the Mortgaged property in this Article 2 is intended to be an absolute assignment, not merely the passing of a security interest. If required by Lender, Borrower will specifically assign to Lender all such leases whether now existing or hereafter created.

2.2 Collection Upon Default. Upon any Event of Default under this Mortgage, Lender may at any time without notice either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Mortgaged Property or any part thereof, Lender may in its own name, sue for or otherwise collect such rents, issues, and profits, including past due and unpaid, and apply same less costs and expenses of operation and collection, including attorneys' fees, upon any indebtedness secured hereby and in such order as Lender may determine. The collection of such rents, issues and profits or the entering upon and taking possession of the Mortgaged Property, or application thereof as aforesaid shall not cure or waive any default or notice of default

hereunder or invalidate any act done in response to such default or pursuant to such notice of default. In addition (and not as an election of remedies), upon the occurrence of an Event of Default, Lender may apply for a court order requiring Borrower to deposit all rents in the court registry pursuant to Florida Statute 697.07, as amended. Borrower hereby consents to entry of such an order upon the sworn ex parte motion of Lender that an Event of Default has occurred hereunder.

2.3 Leases Affecting Mortgaged Property. Borrower will comply with and observe its obligations as landlord under all leases affecting the Mortgaged property or any part thereof, whether now in existence or entered into in the future. Borrower will, if requested, furnish Lender with executed copies of all leases now or hereafter created on the Mortgaged Property. All leases now or hereafter entered into will be in form and substance acceptable to Lender. Other than may be reasonably necessary in the ordinary course of Borrower's business, Borrower will not modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter created upon the Mortgaged Property, nor will Borrower permit an assignment or sublease thereof without the express prior written consent of Lender, which consent shall not be unreasonably withheld.

ARTICLE 3 SECURITY AGREEMENT

3.1 Creation of Security Interest. Borrower hereby grants to Lender a security interest in the Building Equipment located on or at the Property for the purpose of securing all obligations of Borrower set forth in this Mortgage.

Borrower grants to Lender a security interest in all contracts for construction of improvements to be constructed by Borrower, contracts with architects and/or engineers relating to construction of such improvements, and all construction plans, drawings and specifications, and any commitment rights from Lenders for the furnishing of funds for construction of improvements on and to the Property. Borrower also grants to Lender a security interest in all building materials and equipment, utility lines, mains, pipes, cables and fittings, of whatever description, now existing or coming into existence after date of this Mortgage and Security Agreement, whether located on-site or off site, designed or intended to be incorporated into the improvements or for the furnishing of water, sewer, gas, electrical or telephone utility services to the Property, together with any and all contract rights with any firm or corporation furnishing such utility services.

A security interest is granted Lender in all rental and security deposits collected by Borrower from tenants in the Property, in any sums held by Lender or its loan servicing agent pursuant to the provisions of this Mortgage, or other collateral agreements or any agreements between Borrower, Lender and any escrow agent holding loan proceeds pending disbursements as provided in such agreements where such sums are held for the benefit of Lender.

3.2 Warranties, Representations and Covenants of Borrower. Borrower hereby warrants, represents and covenants as follows:

(a) The Building Equipment will be kept on or at the Property and Borrower will not remove the Building Equipment from the Property without the prior written consent of Lender, except such portions or items of Building Equipment which are consumed or worn-out in ordinary usage, all of which shall be promptly replaced by Borrower with new items of equal or greater quality.

(b) At the request of Lender, Borrower will join Lender in executing one or more financing statements and renewals and will pay the cost of filing same in all public offices wherever necessary.

(c) This Mortgage also constitutes a Security Agreement as that term is used in the Uniform Commercial Code of Florida.

ARTICLE 4
EVENT OF DEFAULT AND REMEDIES UPON DEFAULT

4.1 Event of Default. The term "Event of Default" wherever used in the Mortgage, shall mean any one or more of the following events:

(a) Failure by Borrower to pay when due any installments of principal or interest under the Note or any other future advance secured by this Mortgage, or to pay any other sums to be paid by Borrower hereunder, or to make any deposits for taxes and assessments or insurance premiums due hereunder, if required.

(b) Other than as provided in paragraph (a) above, failure by Borrower to duly keep, perform and observe any other covenant, condition or agreement in this Mortgage, or any other instrument securing the Note or any other instrument or agreement collateral to the Note or executed in connection with the sums secured hereby, for a period of thirty (30) days after Lender gives written notice specifying the breach, or the occurrence of an "Event of Default" as defined in such Note which has not been remedied within any cure period, if any, provided for therein.

(c) If Borrower or any present or future endorser, guarantor or surety of the Note shall file a voluntary petition in bankruptcy or be adjudicated a bankrupt or insolvent, or file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, assignment for the benefit of creditor's, receivership, wage earner's plan, dissolution or similar relief under any present or future Federal Bankruptcy Code or any other present or future applicable Federal, state or other statute or law; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Borrower or all or any part of the properties of Borrower or of any guarantor or endorser of the Note; or if within thirty (30) days after commencement of any proceeding against Borrower or any guarantor or endorser of the Note, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, debtor relief or similar relief under any present or future Federal Bankruptcy Code, or of any other present or future Federal, state or other statute or law, such proceeding shall not have been dismissed, or stayed on appeal or otherwise; or if, within the thirty (30) days after the appointment, without consent or acquiescence of Borrower or of any endorser or guarantor of the Note, or any trustee, receiver or liquidator of Borrower or any endorser or guarantor of the Note, or of all or any portion of the Mortgaged Property, such appointment shall not have been vacated or stayed on appeal or otherwise; or if within ten (10) days after the expiration of any such stay, such appointment shall not have been vacated.

(d) Any default under any mortgage, superior or inferior to the Mortgage, or an event that but for the passage of time or giving of notice would constitute an Event of Default, even if such default is subsequently waived, except that in no manner should this provision be construed to allow such superior or subordinate mortgage to encumber the Mortgaged Property.

(e) If foreclosure proceedings should be instituted on any mortgage inferior or superior to the Mortgage, or if any foreclosure proceeding is instituted on any lien of any kind which is not dismissed or transferred to a bond within twenty (20) days of the service of foreclosure proceedings on the Borrower.

(f) Any breach of any warranty or material untruth or any material representation of Borrower contained in the Note, this Mortgage or any other instrument securing or evidencing the Note, or in any other instrument given with respect to the sums secured hereby.

(g) If the Improvements on said Property are not maintained in reasonably good repair.

(h) The transfer, sale or conveyance of the Mortgaged Property or any interest therein without the prior written consent of Lender in violation of the provisions of Section 1.16. Borrower acknowledges that all subsequent purchasers of the Mortgaged Property or an interest in Borrower must be approved by Lender, and Lender's consent may be conditioned upon a change in interest rate and/or loan

term, as well as payment of an assumption fee. Lender, however, shall be under no obligation to approve any transfer.

(i) The further encumbrancing of the Mortgaged Property without prior written consent of Lender.

(j) If Borrower, pursuant to Florida Statutes 697.04(1)(b), as amended from time to time, shall file an instrument of record limiting the maximum amount which may be secured by this Mortgage.

(k) Failure to provide Lender a detailed current rent roll and annual statements of the Property within ninety (90) days of the close of each calendar year; or to furnish such additional information, reports or statements relating to the operation and management of the Mortgaged Property as Lender may from time to time reasonably require. Any such statement or statements shall be certified by Borrower to be correct.

4.2 Acceleration Upon Default, Additional Remedies. In the event one or more "Events of Default" as above provided shall occur, the remedies available to Lender shall include, but not necessarily be limited to, any one or more of the following:

(a) Lender may declare the entire unpaid balance of the Note and all other obligations of Borrower secured hereby immediately due and payable without further notice.

(b) Lender may take immediate possession of the Mortgaged Property or any part thereof (which Borrower agrees to surrender to Lender) and manage, control or lease same to such person or persons and exercise all rights granted pursuant to Section 2.2. The taking of possession under this Section 4.2(b) shall not prevent concurrent or later proceedings for the foreclosure sale of the Mortgaged Property as provided elsewhere herein.

(c) Lender may apply, on ex parte motion to any court of competent jurisdiction, for the appointment of a receiver to take charge of, manage, preserve, protect, complete construction of and operate the Mortgaged Property and any business or businesses located thereon, to collect rents, issues, profits and income therefrom; to make all necessary and needed repairs to the Mortgaged Property; to pay all taxes and assessments against the Mortgaged Property and insurance premiums for insurance thereon; and after payment of the expense of the receivership, including reasonable attorneys' fees to Lender's attorney, and after compensation to the receiver for management and completion of the Mortgaged Property, to apply the net proceeds derived there from in reduction of the indebtedness secured hereby or in such manner as such court shall direct. All expenses, fees and compensation incurred pursuant to a receivership approved by such court, shall be secured by the lien of this Mortgage until paid.

(d) Lender shall have the right to foreclose this Mortgage and in case of sale in an action or proceeding to foreclose this Mortgage, Lender shall have the right to sell the Mortgaged Property covered hereby in parts or as an entirety. It is intended hereby to give to Lender the widest possible discretion permitted by law with respect to all aspects of any such sale or sales.

(e) Without declaring the entire unpaid principal balance due, Lender may foreclose only as to the sum past due without injury to this Mortgage or the displacement or impairment of the remainder of the lien thereof and at such foreclosure sale the Mortgaged Property shall be sold subject to all remaining items of indebtedness and Lender may again foreclose in the same manner as often as there may be any sum past due.

(f) It shall also not be necessary that Lender pay any Impositions, premiums or other charges regarding which Borrower is in default before Lender may invoke its rights hereunder.

(g) Exercise all other remedies available at law or equity in such order as Lender may elicit.

(h) All such other remedies available to Lender with respect to this Mortgage shall be cumulative and may be pursued concurrently or successively. No delay by Lender in exercising any such remedy shall operate as a waiver thereof or preclude the exercise thereof during the continuance of that or any subsequent default.

(i) In the event that the Property consists of one or more parcels of property or other assets, Lender may proceed to exercise any or all of its remedies in regard to the same in whatever order or manner that Lender deems appropriate in Lender's sole discretion, and in no event shall Lender be required to proceed against any particular property in any order or otherwise marshal the parcels of property or assets.

(j) The obtaining of a judgment or decree on the Note, whether in the State of Florida or elsewhere, shall not in anyway affect the lien of this mortgage upon the Mortgaged Property covered hereby, and any judgment or decree so obtained shall be secured hereby to the same extent as said Note is now secured.

4.3 Repayment of Advances. In the event of any expenditures of funds by Lender to preserve the security of the lien referenced in this Mortgage, such as provisions for payment of taxes or insurance premiums or as otherwise provided for herein, Borrower shall repay Lender for such expenditures, together with interest on said sums at the highest interest rate permitted by Florida law within fifteen (15) days of notice to Borrower of such expenditures. These sums shall be secured by this Mortgage. Lender shall be the sole judge of the legality, validity and priority of any Imposition, obligation and insurance premium, of the necessity for paying such Imposition, obligation and insurance premium and of the amount necessary to be paid in satisfaction thereof.

4.4 Expenses. Borrower shall pay, or reimburse Lender for all costs, charges and expenses, including reasonable attorney's fees and paralegal charges, including appellate proceedings, and disbursements, and costs of abstracts of title incurred or paid by Lender in any action, proceeding or dispute in which Lender is made a party or appears as a party plaintiff or party defendant because of the failure of the Borrower to promptly and fully perform and comply with all conditions and covenants of this Mortgage and the Note secured hereby, including but not limited to, the foreclosure of this Mortgage, condemnation of all or part of the Mortgaged Property, or any action to protect the security thereof. All costs, charges and expenses so incurred by Lender shall become immediately due and payable whether or not there be notice, demand, attempt to collect or suit pending, together with interest thereon at the highest rate permitted by Florida law from the date incurred until paid by Borrower. The amounts so paid or incurred by Lender shall be secured by the lien of this Mortgage. This Mortgage shall also secure all fees, charges, costs, reimbursements and other sums, if any, that are provided for in the Note or other agreement between Borrower and Lender, and would be due by Borrower to Lender upon prepayment of the Note, whether such prepayment is voluntary or arises from Lender's acceleration of the Note due to a default there under or hereunder.

ARTICLE 5 MISCELLANEOUS PROVISIONS

5.1 Future Advances/Securing Other Obligations. This Mortgage shall secure not only existing indebtedness, but also future advances by Lender, and are made within twenty (20) years from the date hereof. Upon request of Borrower, and at Lender's option and without any obligation to do so, Lender may make future advances to Borrower. All future advances with interest thereon shall be secured by this Mortgage to the same extent as if such future advances were made on the date of the execution of this Mortgage unless the parties shall agree otherwise in writing, but the total secured indebtedness shall not exceed at any one time a maximum principal amount equal to double the face amount of the Note plus interest, and costs of collection including court costs and reasonable attorney's fees. Any advances or disbursements made for the benefit or protection of or the payment of taxes, assessments, levies or insurance upon the Property, with interest on such disbursements as provided herein shall be added to the principal balance of the Note and collected as part thereof. The filing of any notice limiting the maximum amount that may be secured by this Mortgage pursuant to Florida Statutes Section 697.04 or otherwise shall be and constitute an Event of Default.

5.2 Ownership by a Corporation or Partnership. So long as the Mortgaged Property shall be owned or held by a corporation, such corporation shall at all times maintain its corporate existence and shall be fully authorized to do business in the State of Florida and shall maintain in the State of Florida a duly authorized registered agent for service of process. So long as the Mortgaged Property is owned by a partnership, such partnership shall maintain its existence and comply with all registration requirements of Florida law. Failure to comply with such obligations shall be a default under this Mortgage.

5.3 Statements by Borrower. Borrower, within three (3) days after request in person or ten (10) days after request by mail, will furnish to Lender or any person, corporation or firm designated by Lender, a duly acknowledged written statement setting forth the amount of the debt secured by this Mortgage and stating either that no offsets or defenses exist against such debt, or, if such offsets or defenses are alleged to exist, full information with respect to such alleged offsets and/or defenses.

5.4 Survival of Warranties. All representations, warranties and covenants of Borrower contained herein or incorporated by reference shall survive the close of escrow and funding of the loan evidenced by the Note and shall remain continuing obligations, warranties and representations of Borrower during any time when any portion of the obligations secured by this Mortgage remain outstanding.

5.5 Successors and Assigns. The provisions hereof shall be binding upon and shall inure to the benefit of Borrower, its successors and assigns (including without limitation subsequent owners of the Property) and shall be binding upon and shall inure to the benefit of Lender, its successors and assigns and any future holder of the Note hereby secured, and any successors or assigns of any future holder of the Note.

5.6 Notices. All notices, demands and request given by either party hereto to the other party shall be in writing. All notices, demands and requests by one party to the other shall be deemed to have been properly given as herein required if sent by (i) United States registered or certified mail, postage prepaid, delivered in person, or (ii) sent by overnight courier to the address indicated on page 1 hereof or at such other address as a party may from time to time designate by written notice to the other, any notice delivered to the address set forth in page 1 shall be deemed delivered if delivery thereof is rejected or refused at the address provided.

5.7 Modifications in Writing. This Mortgage may not be changed, terminated or modified orally or in any other manner than by an instrument in writing signed by the party against whom enforcement is sought.

5.8 Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Mortgage.

5.9 Abstract Property of Lender. The abstract or abstracts of title covering the Mortgaged Property shall at all times, during the life of this Mortgage, remain in possession of the Lender and in the event of the foreclosure of this Mortgage or other transfer of title to the Mortgaged Property in extinguishment of the indebtedness secured hereby, all right, title and interest of Borrower in and to any such abstracts of title shall pass to the purchaser or grantee.

5.10 Maximum Rate of Interest. In no event shall all charges in the nature of interest charged or taken on this Mortgage or the Note exceed the maximum allowed by law and in the event such charges cause the interest to exceed said maximum allowed by law, such interest shall be recalculated, and such excess shall be credited to principal, it being the intent of the parties that under no circumstances shall the Borrower be required to pay any charges in the nature of interest in excess of the maximum rate allowed by law.

5.11 Further Assurances. Borrower will execute and deliver promptly to Lender on demand at any time or times hereafter, any and all further instruments reasonably required by Lender to carry-out the provision of this Mortgage. Borrower will, without limitation upon the generality of the foregoing, at any and all times at its expense, execute, acknowledge, deliver, file and/or record, re-file and/or re-record, all and every such further acts, deeds, powers of attorney, assignment of accounts, conveyances, mortgages, security instruments, documents and financing assurances in law, and will deposit with Lender any certificates of title issuable with respect to any property and notation thereof the security interest hereunder, as Lender shall

reasonably require for the better assuring, conveying, pledging, transferring, mortgaging, assigning, and confirming unto Lender all and singular the hereditaments and Property, estates and property hereby, or by subsequent or collateral instruments, conveyed, pledged transferred or assigned, or intended to be, and for perfecting the security interest of Lender in the Mortgaged Property and other items of security and a collateral now or hereafter held by Lender pursuant to this Mortgage, and pay any and all requisite stamp taxes, recording charges, filing fees, intangible taxes and the rates legally due and required thereon.

5.12 Title Insurance Policy/Survey. Borrower will provide Lender with a Lender title insurance policy in the face amount of the Note, issued by a title company acceptable to Lender and insuring this Mortgage as a valid mortgage, and subject only to such exceptions, if any, which are acceptable to Lender, together with a current survey of the Property encumbered by this Mortgage, prepared and certified by a registered surveyor or engineer showing access to the Property and no condition which would prevent title to the Property from being good, marketable and insurable as a fee simple title. As Units are added to the Line of Credit for advances hereunder for construction, Borrower shall furnish to Lender an endorsement to the Policy, acceptable to Lender and its attorneys, adding such Units to the Policy without exception as to any matters unacceptable to Lender or Lender's attorneys and insuring this Mortgage as a first lien on such Unit for all advances to be made by Lender on account of such Unit. The Policy shall at all times insure the Mortgage as a first lien against any and all Units from time to time encumbered by such Mortgage in the amount of the Line of Credit from time to time outstanding, unaffected by releases of lots from each Mortgage and payments by Borrower on the Line of Credit;

5.13 Costs. Borrower will pay all costs and expenses reasonably incurred by Lender in the preparation and recording of this Mortgage and all ancillary documents executed in connection therewith, or with the loan evidenced by the Note, including without limitation, any intangible tax, documentary stamp tax, recording and filing fees and premiums for any required Lender title insurance policy, cost of any required survey, as well as the attorney's fees for Lender's counsel.

5.14 Invalid Provisions to Affect No Others. In case any one or more of the covenants, agreements, terms, or provisions contained in this Mortgage or in the Note shall be held or found invalid, illegal, or unenforceable in any respect, the validity of the remaining covenants, agreements, terms, or provisions contained herein and in the Note shall be in no way affected, prejudiced, or disturbed thereby.

5.15 Governing Law and Construction of Clauses. This Mortgage shall be governed and construed by the laws of the State of Florida. No act of Lender shall be construed as an election to proceed under any one provision of the Mortgage or of the applicable statutes of the State of Florida to the exclusion of any other such provision, anything herein or otherwise to the contrary notwithstanding.

5.16 Time of Essence. Time is of the essence of this Mortgage.

5.17 Waiver. No waiver of any covenant herein or in the obligation secured hereby shall at anytime hereafter be held to be a waiver of any of the other terms hereof or of the Note secured hereby, or future waiver of the same covenant.

5.18 General Terms. The headings in this Mortgage are for organizational purposes only and do not constitute terms of this Mortgage. The use of any gender shall include all other genders. The singular shall include the plural. The defined terms Lender and Borrower, as used herein, shall include all heirs, assigns, and successors of Lender and Borrower, and shall include pronouns he, she, they, them or it, as used in this Mortgage to describe Lender and Borrower.

5.19 Mortgage Riders. If any Rider is attached to this Mortgage and recorded together with this Mortgage and signed by Borrower, it shall be deemed to be incorporated herein and to be fully binding upon Borrower as though it were a part of the original Mortgage.

5.20 Waiver of Jury Trial. LENDER AND BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION

HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTION OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER MAKING THE LOAN TO BORROWER.

5.21 Commercial Purposes/Non-homestead. Borrower represents and warrants to Lender that the proceeds of this loan shall be used for commercial/investment purposes, and that the Property encumbered by the Mortgage shall not be the constitutional homestead of Borrower, or Borrower's spouse (if applicable).

Executed and delivered by Borrower as of the date provided above.

Witnessed

Humberto

Print Name: KIM USELLA

Donna McLean

Print Name: Donna McLean

Executed

[Signature]
Pedro Sanchez

Date: 04/06/2015

STATE OF CT
COUNTY OF Hartford

The foregoing instrument was acknowledged before me this 06th day of APRIL ~~March~~, by Pedro Sanchez, a married man, who is personally known to me or has produced Driver's License as identification.

[Signature]
Print Name _____
Notary Public, State of _____
My Commission expires: _____



(SEAL)

NOTE

Date: March _____, 2015
Property Address: 667 South Main Street, Crown Point, Indiana 46307

Crown Point, Indiana

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$160,000.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is REO Asset Acquisition LLC. I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 10%.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making a lump sum payment of \$160,000.00 plus accrued interest on or before June 30, 2015.

I will make my monthly payment on the N/A day of each month beginning on N/A. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on _____, 20____, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my lump sum payment at REO Asset Acquisition LLC, 5910 S. Ogden Court, Littleton, Colorado 80121 or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ _N/A_____.

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount 5 calendar days after June 30, 2015 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5% of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.


10. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

 _____ (Seal)

Pedro Sanchez
- Borrower

_____ (Seal)
- Borrower

_____ (Seal)
- Borrower

[Sign Original Only]