

THIS INSTRUMENT PREPARED BY AND RETURN TO:

**Independence Title, Inc.**

**Stephanie Zalai**

4700 W Prospect Road

Suite 115

Fort Lauderdale, FL 33309

Our File No.: **2025-522**

Property Appraisers Parcel Identification (Folio) Number: **30-3115-020-0680**

The actual purchase price or other valuable consideration paid for the real property or interest conveyed by this instrument is **\$290,000.00**. Florida Documentary Stamps in the amount of **\$1,740.00** have been paid hereon.

SPACE ABOVE THIS LINE FOR RECORDING DATA

## **WARRANTY DEED**

**THIS WARRANTY DEED**, made the **2nd day of December, 2025** by **75H LLC, a Florida Limited Liability Company**, whose post office address is **7980 NW 71ST ST, Miami, FL 33166** herein called the Grantor(s), to **LC 2121 LLC, a Florida Limited Liability Company**, whose post office address is **525 71<sup>st</sup> Street, Unit 546703, Miami Beach, FL 33141**, hereinafter called the Grantee(s):

*(Wherever used herein the terms "Grantor" and "Grantee" include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations)*

**W I T N E S S E T H:** That the Grantor(s), for and in consideration of the sum of **TEN AND 00/100'S (\$10.00)** Dollars and other valuable considerations, receipt whereof is hereby acknowledged, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms unto the Grantee all that certain land situate in Miami-Dade County, State of Florida, viz.:

**Lot 3, Block 18 of ORANGE RIDGE SUB-DIVISION, according to the plat thereof, as recorded in Plat Book 4, at Page 129 of the Public Records of Miami-Dade County, Florida.**

**SUBJECT TO: Conditions, restrictions, reservations, limitations, easements and dedications and taxes for this tax year and subsequent years**

**Grantor warrants that at the time of this conveyance, the subject property is not the Grantor's homestead within the meaning set forth in the Constitution of the State of Florida, nor is it contiguous to or a part of homestead property.**

**TOGETHER**, with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

**TO HAVE AND TO HOLD**, the same in fee simple forever.

**AND**, the Grantor(s) hereby covenant(s) with said Grantee(s) that the Grantor(s) is lawfully seized of said land in fee simple; that the Grantor(s) has/have good right and lawful authority to sell and convey said land, and hereby warrant(s) the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing for the current calendar year, and all subsequent years, and covenants, conditions, restrictions, limitations, easements and agreements of record, if any.

**IN WITNESS WHEREOF**, the said Grantor(s) has/have signed and sealed these presents the day and year first above written.

Signed, sealed and delivered in the presence of:

Witness  
Printed Name: Leslie Melchor  
P.O. Address: 205 W. 38th St  
Thalea Lt, FL 33012

Witness  
Printed Name: Dolores  
P.O. Address: 101 NW 114th Pl  
Doral FL 33178

**75H LLC**

By:   
Big Works LLC, as Manager By: Germano  
Bacchetta, Manager

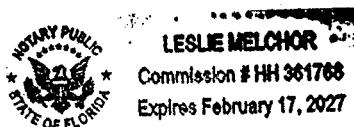
**75H LLC**

By:   
Barcelo Re Investments Inc., Manager By:  
Ronald Barcelo, Manager

**STATE OF FLORIDA**  
**COUNTY OF MIAMI DADE**

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 02 day of December 2025 by Germano Bacchetta, manager of Big Works LLC, as Manager of 75H LLC and Ronald Barcelo as manager of Barcelo Re Investments Inc., as Manager of 75H LLC who is/are personally known to me or has/have produced Driver License as identification and  did  did not take an oath.

**SEAL**



My Commission Expires: 2/17/2027

  
Notary Public  
Printed Notary Name

**A. Settlement Statement****U.S. Department of Housing and  
Urban Development**

OMB Approval No. 2502-0265

**B. Type of Loan**1.  FHA 2.  RHS 3.  Conv. Unins 4.  VA 5.  Conv. Ins 6.  Cash 7.  Other

8. File Number 2025-522

9. Loan Number 35133052

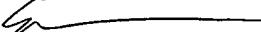
10. Mortgage Insurance Case Number

**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.

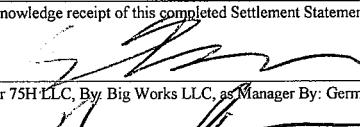
<b>D. NAME AND ADDRESS OF BORROWER:</b>	LC 2121 LLC 525 71st Street, Unit 546703, Miami Beach, FL 33141
<b>E. NAME AND ADDRESS OF SELLER:</b>	75H LLC 7980 NW 71ST ST, Miami, FL 33166
<b>F. NAME AND ADDRESS OF LENDER:</b>	Kiavi Funding, Inc. 2 Allegheny Center, Nova Tower 2, Suite 200, Pittsburgh PA 15212
<b>G. PROPERTY LOCATION:</b>	2121 NW 64th Street Miami FL 33147
<b>H. SETTLEMENT AGENT</b>	Independence Title, Inc. 4700 W Prospect Road, Suite 115, Fort Lauderdale FL 33309 (954) 335-9305
<b>PLACE OF SETTLEMENT</b>	4700 W Prospect Road, Suite 115, Fort Lauderdale FL 33309

<b>I. SETTLEMENT DATE:</b>	12/02/2025	<b>DISBURSEMENT DATE</b>	12/02/2025
<b>J. Summary of Borrower's Transaction</b>		<b>K. Summary of Seller's Transaction</b>	
<b>100. Gross Amount Due From Borrower</b>			<b>400. Gross Amount Due To Seller</b>
101. Contract Sales Price	290,000.00	401. Contract Sales Price	290,000.00
102. Personal Property		402. Personal Property	
103. Settlement charges to borrower (line 1400)	78,125.45	403.	
104.		404.	
105.		405.	
<b>Adjustments for items paid by seller in advance</b>			
106. City/Town taxes		406. City/town taxes	
107. County taxes 12/02/2025 to 12/31/2025	32.51	407. County taxes 12/02/2025 to 12/31/2025	32.51
108. Non-Advalorem Tax 12/02/2025 to 09/30/2026	583.34	408. Non-Advalorem Tax 12/02/2025 to 09/30/2026	583.34
109.		409.	
110.		410.	
111.		411.	
112.		412.	
<b>120. Gross Amount Due From Borrower</b>	368,741.30	<b>420. Gross Amount Due To Seller</b>	290,615.85
<b>200. Amounts Paid By Or In Behalf Of Borrower</b>			
201. Deposit or earnest money	15,000.00	501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)	276,600.00	502. Settlement charges to seller (line 1400)	1,940.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. 2025 Property Taxes	1,125.77
205.		505.	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
<b>Adjustments for items unpaid by seller</b>			
210. City/Town taxes		510. City/Town taxes	
211. County taxes		511. County taxes	
212. Assessments		512. Assessments	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
<b>220. Total Paid By/For Borrower</b>	291,600.00	<b>520. Total Reduction Amount Due Seller</b>	3,065.77
<b>300. Cash At Settlement From/To Borrower</b>			
301. Gross Amount due from borrower (line 120)	368,741.30	601. Gross Amount due to Seller (line 420)	290,615.85
302. Less amounts paid by/for borrower (line 220)	291,600.00	602. Less reductions in amount due seller (line 520)	3,065.77
<b>303. CASH From BORROWER</b>	77,141.30	<b>603. CASH To SELLER</b>	287,550.08

We, the undersigned, identified in Section D hereof and Seller in Section E hereof, hereby acknowledge receipt of this completed Settlement Statement (Pages 1 and 2) on December 2, 2025.



Borrower LC 2121 LLC, By: Elchanan Kagan, Manager



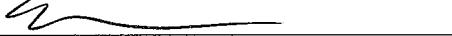
Seller 75H LLC, By: Big Works LLC, as Manager By: Germano Bacchetta, Manager

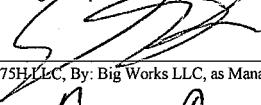


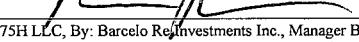
Seller 75H LLC, By: Barcelo ReInvestments Inc., Manager By: Ronald Barcelo, Manager

<b>L. SETTLEMENT CHARGES</b>				
			Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
<b>700. Total Real Estate Broker Fees</b>				
Division of commission (line 700) as follows:				
701.				
702.				
703. Commission paid at settlement				
704. Broker Compliance Fee				
705. Broker Compliance Fee				
706.				
<b>800. Items Payable In connection with Loan</b>				
801. Loan Origination Fee	to Kiavi Funding, Inc.		2,766.00	
802. Broker Fee	to Adler Capital LLC		5,532.00	
803. Broker Processing Fee	to Adler Capital LLC		500.00	
804. Service Fee	to Kiavi Funding, Inc.		1,499.00	
805. Construction Holdback	to Kiavi Funding, Inc.		59,100.00	
806.				
807.				
808.				
<b>900. Items Required By Lender To Be Paid In Advance</b>				
901. Interest from	From 12/02/2025	To 01/01/2026	30 days @ \$52.8040/day	1,584.13
902. Mortgage insurance premium				
903. Hazard Insurance	for 12 months	to US Assure Insurance Services of Florida,		2,476.52
904.				
905.				
<b>1000. Reserves Deposited With Lender</b>				
1001. Hazard Insurance				
1002. Mortgage Insurance				
1003. City property taxes				
1004. County Property Taxes				
1005. Annual assessments				
1006.				
1007.				
1008. Aggregate Adjustments				
<b>1100. Title Charges</b>				
1101.				
1102. Settlement or Closing Fee	to Independence Title, Inc.		1,000.00	
1103.				
1104.				
1105.				
1106.				
1107. Attorney's fees				
1108. Title Insurance	to First American Title Insurance		1,229.50	
1109. Lender's coverage	\$276,600.00 @ \$ 159.50			
1110. Owner's coverage	\$290,000.00 @ \$ 1,070.00			
1111.				
1112. Title Search	to First American Title Insurance		75.00	
1113. Title Insurance Commission	to Independence Title, Inc. (860.65 POC)			
<b>1200. Government Recording and Transfer Charges</b>				
1201. Recording fees:	Deed \$18.50	Mortgage \$392.50	Releases	411.00
1202. City/county tax/stamps	Deed	Mortgage		
1203. State tax/stamps:	Deed \$1,740.00	Mortgage \$968.10		968.10 1,740.00
1204. Mortgage Intangible Tax		to Clerk of Court		553.20
1205. LLC Affidavit		to Clerk of Court		18.50
1206. E-recording Fee		to Simplifile / Independence Title, Inc.		19.00
1207. LLC Affidavit		to Clerk of Court		18.50
<b>1300. Additional Settlement Charges</b>				
1301. Utility Holdback	to Independence Title, Inc.			200.00
1302. Document Storage Fee	to Qualia II Sub LLC		25.00	
1303. Lien Search	to PropLogix, LLC		350.00	
1304. Intentionally Deleted				
1305. Intentionally Deleted				
1306. Intentionally Deleted				
<b>1400. TOTAL SETTLEMENT CHARGES</b>			78,125.45	1,940.00

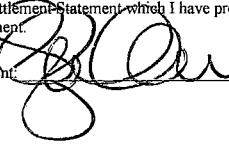
We, the undersigned, identified in Section D hereof and Seller in Section E hereof, hereby acknowledge receipt of this completed Settlement Statement (Pages 1 and 2) on December 2, 2025.

  
Borrower LC 2121 LLC, By: Elchanan Kagan, Manager

  
Seller 75H LLC, By: Big Works LLC, as Manager By: Germano Bacchetta, Manager

  
Seller 75H LLC, By: Barcelo ReInvestments Inc., Manager By: Ronald Barcelo, Manager

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

  
Settlement Agent:

Date: 12/12/2025

### HUD Settlement Statement Signatures

We, the undersigned, identified in Section D hereof and Seller in Section E hereof, hereby acknowledge receipt of this completed Settlement Statement on **December 2, 2025**.

#### Borrower(s)

**LC 2121 LLC**

By:   
Elchanan Kagan, Manager

  
Date

#### Seller(s)

**75H LLC**

By: \_\_\_\_\_  
Big Works LLC, as Manager By:  
Germano Bacchetta, Manager

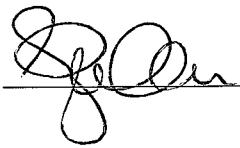
Date

By: \_\_\_\_\_  
Barcelo Re Investments Inc.,  
Manager By: Ronal Barcelo, Manager

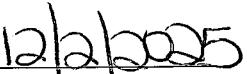
Date

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agent:



Date:



### **HUD Settlement Statement Signatures**

We, the undersigned, identified in Section D hereof and Seller in Section E hereof, hereby acknowledge receipt of this completed Settlement Statement on **December 2, 2025**.

#### **Borrower(s)**

##### **LC 2121 LLC**

By: \_\_\_\_\_ Date \_\_\_\_\_  
Elchanan Kagan, Manager

#### **Seller(s)**

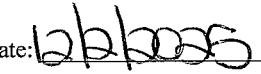
**75H LLC**  
By:   
Big Works LLC, as Manager By:  
Germano Bacchetta, Manager

**75H LLC**  
By:   
Barcelo Re Investments Inc.,  
Manager By: Ronal Barcelo, Manager

**12/02/25**  
Date

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agents

Date: 

## ADDENDUM TO HUD-1 SETTLEMENT STATEMENT

I have carefully reviewed the foregoing HUD-1 Settlement Statement and, to the best of my knowledge and belief, it is a 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.

If this Settlement Statement contains any prorations for taxes based on an estimate, the undersigned agree to re-prorate such taxes between them upon the receipt of the actual tax bill. Should it become necessary for either party to enforce this provision, the prevailing party shall be entitled to reasonable attorney's fees and costs from the non-prevailing party.

Seller and Buyer recognize that unpaid utility bills for water and sewer services constitute unrecorded liens upon the property, and the parties further recognize that Settlement Agent does not issue title insurance to cover and pay for any such unpaid and unrecorded liens, nor does Settlement Agent assume any responsibility for the correctness of figures given by either the Seller or the political subdivision furnishing said utility services.

Seller and Buyer acknowledge that the account for water and sewer utility services serving the property has been checked prior to closing, and Seller represents that all payments on the account have been made and that the account is currently fully paid. In the event of error or oversight in the calculation of the utility bill, the Seller warrants and represents as a condition to survive this closing that any such unpaid utility account amounts shall be paid directly to the Buyer upon demand.

In consideration for Settlement Agent's services in closing this transaction, the undersigned agree, at the request of the Settlement Agent, to fully cooperate with Settlement Agent and to execute any documents necessary to correct typographical, clerical, and administrative errors on all closing documents. Should it become necessary for Settlement Agent to enforce this provision against any party, Settlement Agent shall be entitled to reasonable attorney's fees and costs from such party or parties.

**SUBSTITUTION FORM 1099 SELLER STATEMENT:** The information contained herein is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported. The Contract Sales Price described on Line 401 above constitutes the Gross Proceeds of this transaction.

**SELLER INSTRUCTIONS:** If this real estate was your principal residence, file Form 2119, Sale or Exchange of Principal Residence, for any gain, with your income tax return; for other transactions, complete the applicable parts of Form 4797, Form 6252 and/or Schedule D (Form 1040).

You are required by law to provide the Settlement Agent with your correct taxpayer identification number. If you do not provide your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law.

**SELLER(S):**

**BUYER(S):**



75H LLC, By: Big Works LLC, as Manager By: Germano  
Bacchetta, Manager

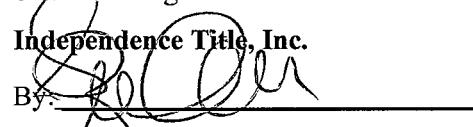
LC 2121 LLC, By: Elchanan Kagan, Manager

75H LLC, By: Barcelo Re Investments Inc., Manager By:  
Ronal Barcelo, Manager

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused, or will cause, the funds to be disbursed in accordance with this statement

Settlement Agent

Independence Title, Inc.

By: 

**WARNING:** It is a crime to knowingly make false statements to the United States on this or any other similar form.

## ADDENDUM TO HUD-1 SETTLEMENT STATEMENT

I have carefully reviewed the foregoing HUD-1 Settlement Statement and, to the best of my knowledge and belief, it is a 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.

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**SELLER(S):**

**BUYER(S):**

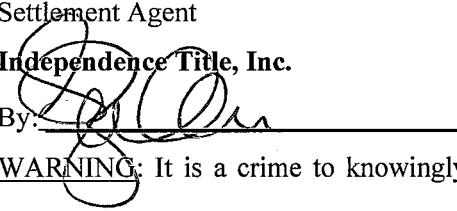
  
75H LLC, By: Big Works LLC, as Manager By: Germano  
Bacchetta, Manager

  
LC 2121 LLC, By: Elchanan Kagan, Manager

  
75H LLC, By: Barcelo Re Investments Inc., Manager By:  
Ronal Barcelo, Manager

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Settlement Agent

  
Independence Title, Inc.

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

**WARNING:** It is a crime to knowingly make false statements to the United States on this or any other similar form.

Penalties upon conviction can include a fine and imprisonment. For details see: [Title 18 U.S. Code Section 1001](#) and [Section 1010](#).

  
Kiavi Funding, Inc.  
Closing Package Contact Sheet

**Escrow No:** 2025-522

**Loan No:** 35133052

**Property Address:**

2121 NW 64th Street, Miami, FL 33147

**Borrower:**

LC 2121 LLC, A Florida Limited Liability Company

**Borrower Contact Info:**

**Borrower Name:** LC 2121 LLC, A Florida Limited Liability Company    **Borrower Ph:** N/A

**Borrower Email:** eli@e2creativegroup.com

**Mailing Address:** 525 71st St #546703, Miami Beach, FL, 33141, USA

**Broker Contact Info:**

**Broker Name:** Daniel Adler

**Broker Ph:** 917-963-0181

**Broker Email:** stads98@gmail.com

**Broker Address:** 7483 AVENIDA DEL MAR #901 BOCA RATON, FL 33433

**Kiavi Contact Info:**

**Document Specialist:** Grover Robinson

**Email:** grover.robinson@lendinghome.com

**Closer Ph:** 415-508-4673

**Address:**

Loan Number: 35133052

Borrower: LC 2121 LLC, A Florida Limited Liability Company

Property Address: 2121 NW 64th Street, Miami, FL 33147

**PLEASE RETURN ALL ORIGINAL SIGNED CLOSING  
DOCUMENTS AND TRAILING DOCUMENTS  
(ORIGINAL RECORDED SECURITY INSTRUMENT  
AND FINAL TITLE POLICY) TO:**

**Kiavi Funding, Inc.**

**Attn: Post Closing Department**

**2 Allegheny Square, Nova Tower 2, Suite  
200, Pittsburgh, PA 15212**



2 Allegheny Center, Nova Tower 2, Suite 20C  
Pittsburgh, PA, 15212

## SCHEDULE 1:

### LENDER'S CLOSING/ESCROW INSTRUCTIONS ("Closing Instructions")

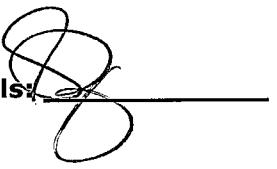
<b>To:</b> Independence Title, Inc.	<b>Attn:</b> Stephanie Zalai	("Settlement Agent")
<b>Email:</b> stephanie@titlerate.com	<b>Phone:</b> 754-900-6780	
<b>Re: Borrower:</b> LC 2121 LLC, A Florida Limited Liability Company		
<b>Property Address:</b> 2121 NW 64th Street, Miami, FL 33147		
<b>Property County:</b> Miami-Dade	<b>APN:</b>	30-3115-020-0680.
<b>Loan Closer:</b> David Plumpton	<b>Loan No:</b>	35133052
<b>Phone:</b> 412-307-5318	<b>Escrow No:</b>	2025-522
<b>Email:</b> david.plumpton@lendinghome.com	<b>Title Order No:</b> 110983833	

**\*\*\*Documents satisfying the following conditions must be received and approved by lender a minimum of 1 hour prior to request for lender funds\*\*\***

### **BORROWER PRE-FUNDING CONDITIONS** (see below for Closing Agent conditions):

### **CLOSING AGENT PRE-FUNDING CONDITIONS** (see above for Borrower conditions):

- Provide Estimated HUD1 for review
- Closing agent must sign and initial Lender's Closing Instructions
- Borrower Sign and Return Scope of Work (if applicable)
- Provide certified copy SI with legal description
- Provide certified copy of Conveyance Deed
- Provide Kiavi the scanned copies of ALL executed loan document
- Provide Certified Copy of Security Instrument
- 1st page of Security Instrument must be stamped certified (ex. handwritten or stamped "Copy")

**Closing Agent Initials:** 

**Borrower Initials:** 

## LENDER'S CLOSING INSTRUCTIONS



Loan Number: 35133052

Borrower: LC 2121 LLC, A Florida Limited Liability Company

Property Address: 2121 NW 64th Street, Miami, FL 33147

Loan Amount: \$276,600.00

Sales Price (if applicable): \$290,000.00

Loan Purpose: purchase

Occupancy Status: investment

Interest Rate (%): 8.740%

Term (months): 12

**If Settlement Agent has knowledge of other parties involved in this transaction (other than those listed above), or any impending transfers of title, do not close this loan, and contact Loan Closer immediately.**

### **SECTION 1 - SPECIFIC CLOSING INSTRUCTIONS**

**LOAN DOCUMENTS:** The following documents are necessary to complete the above referenced loan transaction. You must deliver one (1) copy of all loan documents to the Borrower(s).

(x) Lenders Closing Instructions & Schedules 1 & 2

(x) Amendment to Closing Instructions

(x) Promissory Note

(x) Security Instrument w/Exhibit A and B

\*Settlement Agent to attach legal description of subject property as Exhibit "A" AND INSERT LENDER'S LOAN NUMBER

Security Instrument Riders: ( ) Rental, (X) Construction, ( ) 1-4 Family, ( ) ARM, ( ) Condo, ( ) PUD, Other \_\_\_\_\_ Rider to Note, Guaranty, Security Instrument; Construction Rider to Security Instrument, Note \_\_\_\_\_ :

(x) Guaranty

(x) Verification of Borrower Id

(x) Business Purpose & Occupancy Statement

(x) Origination & Processing Fee Disclosure

( ) Initial Escrow Account Disclosure

- (x) Compliance Agreement
- (x) Correction Agreement
- (x) Flood Insurance Authorization
- (x) ACH Authorization
- (x) First Payment Letter
- (x) Welcome/Servicing Letter

**SETTLEMENT:** Agent must collect from Borrower and/or Seller all fees as outlined in the Settlement Statement, including but not limited to recording fees and transfer taxes. Settlement Agent will be responsible for the omission of any fee set forth in these instructions or the settlement statement to be collected.

If any fee to be paid by the Borrower exceeds the amount reflected in these closing instructions or the settlement statement, or if Borrower pays any fees originally to be paid by another party, you must contact the Loan Closer immediately and seek approval from Lender prior to disbursement. If any changes to fees occur, documents may need to be re-drawn and re-signed. Email a certified copy of the final Settlement Statement to KIAVI FUNDING, INC. at [david.plumpton@lendinghome.com](mailto:david.plumpton@lendinghome.com).

A certified copy of the estimated Settlement Statement must include the fees and charges shown on Schedule 2.

- **NO THIRD PARTY DEPOSITS ARE ACCEPTED**
- **E-SIGNATURES ARE NOT ACCEPTED (Unless otherwise approved by Lender)**
- **ALL CREDITS MUST BE APPROVED BY LENDER IN WRITING**
- **ANY CHANGES TO THE APPROVED SETTLEMENT STATEMENT MUST BE COMMUNICATED TO LENDER FOR RE-APPROVAL PRIOR TO DISBURSEMENT OF FUNDS.**
- **ALL NOTARY SECTIONS MUST BE COMPLETED WITH ACCURACY.**
- **ACH AUTHORIZATION MUST BE SIGNED BY BORROWER WITH NO CROSS-OUTS OR ADJUSTMENTS.**
- **IF DOUBLE ESCROW, BOTH TRANSACTIONS MUST TAKE PLACE SAME DAY WITH THE SAME CLOSING AGENT - ANY VARIANCE MUST BE DISCUSSED WITH LENDER.**

**EVIDENCE OF PAYOFF(S):** It is a condition to the funding of this loan that the following payoffs be made through this closing. Indicate payoffs on the estimated Settlement Statement or provide other satisfactory evidence of payoff of:

(X) Liens:

(X) Property taxes:

**SECONDARY FINANCING:** Secondary financing ( ) is or (X) is not permitted in connection with Kiavi's loan. Kiavi's loan must be in first lien position.

**FINAL DOCUMENTS:** All original signed Loan Documents and Closing Conditions (defined below), with the exception of those to be recorded must be shipped within 24 hours via overnight service with a tracking number to:

Kiavi Funding, Inc.  
Attn: Post Closing Department  
2 Allegheny Center  
Nova Tower 2  
Suite 200  
Pittsburgh, PA 15212

**FUNDING REQUEST:** Your Funding Request must include:

1. Signed Closing Instructions
2. Wire instructions,
3. Estimated Disbursement Statement; and
4. One (1) CERTIFIED copy of each of the following loan documents:
  - (a) Promissory Note
  - (b) Security Instrument
  - (c) Deed, if applicable
  - (d) Signed Settlement Statement
  - (e) Items listed on Schedule 1

**Lender's Authorization to Disburse Lender's Funds will only be given in writing, upon Lender's receipt of the above listed documents.**

**Settlement Agent is not authorized to disburse Lender's funds until Lender's Authorization to Disburse is given.**

You are authorized to use Lender's Funds for the account of the Borrowers in accordance with the Lender-approved Settlement Statement, and to record all instruments when you are in a position to satisfy Lender's ALTA title insurance requirements set forth in Section 2, and insure title in accordance with the requirements of these closing instructions. You are responsible for any additional costs associated with the failure to provide the final ALTA title insurance policy or for any losses sustained by Lender in secondary marketing of the loan due to the failure of the Settlement Agent or Title Company to provide said title

insurance policy.

**RECORDING:** Settlement Agent is NOT authorized to record our security instrument if any requirements or exceptions identified on the title commitment are not addressed and/or satisfied.

Settlement Agent is NOT authorized to record our security instrument if any intervening liens are found prior to recording. Settlement agent is insuring Lender in first lien position and will use the standard of care common in closing and insuring real estate transactions to identify any items which may constitute an intervening lien prior to recording.

## **POST FUNDING REQUIREMENTS:**

**Title Insurance Requirements:** The type of policy to be issued is required to be a 2021 ALTA (or equivalent) Standard Loan Policy of Title Insurance listing Lender as insured, in the amount of our Loan Amount.

The ALTA Title Policy must be free from liens, encumbrances, easements, encroachments and other title matters except:

- (i) the lien of our loan in the amount of our loan on the property described herein showing the Instrument Number and the date of recording of the Security Instrument;
- (ii) general, specific, state, county, city, school or other taxes and assessments not yet due or payable;
- (iii) other items as permitted by Lender.

Schedule A – the name of the insured must read: KIAVI FUNDING, INC. ITS SUCCESSORS AND/OR ASSIGNS AS THEIR INTERESTS MAY APPEAR.

The following exceptions as shown on the title commitment have been addressed and will not appear as exceptions on the ALTA Final Title Policy:

1, 2, 3, 6 SCH BII

Title Policy must contain the following ALTA 2016 endorsements (or equivalents), and the fee for each endorsement must be shown on the estimated and final Settlement Statement:

- 8.1-06 / Environmental
- 4-06 / Condo
- 5-06 / PUD
- 6-06 / ARM
- Other: Environmental

## **SECTION 2. GENERAL CLOSING INSTRUCTIONS**

**CONDITIONS TO CLOSING:** The following are Kiavi Funding, Inc.'s (the "Lender") conditions to closing the above mentioned loan (the "Loan") and releasing the Lender Funds held by the "Settlement Agent", (collectively, the "Closing Conditions") on the Closing Date mentioned above:

You are not authorized to close or fund this loan unless ALL conditions in these closing instructions and any supplemental closing instructions have been satisfied. The total consideration in this transaction except for our loan proceeds and approved secondary financing (if any) must be delivered to you in the form of cash. You are not permitted to close or fund this loan if you have knowledge of a concurrent or subsequent transaction that would transfer the subject property.

You must follow these instructions exactly. These closing instructions can only be modified with our advance written approval. You shall be deemed to have accepted and to be bound by these closing instructions if you fail to notify us in writing to the contrary within 24 hours of your receipt hereof (the "Original Disbursement Date") or if you disburse any Lender Funds to or for the account of the borrower(s) referred to above (the "Borrower").

If for any reason this loan does not close within 24 hours of your receipt of Lender Funds, you are instructed to immediately contact your loan closer to determine if documents and wire need to be returned to Lender. If Lender is not informed of a loan not closing within 24 hours of receipt of funds, closing agent may be responsible for any interest due from the planned original closing date.

### **EXECUTION OF DOCUMENTS:**

Each Borrower must sign all documents EXACTLY as his or her name appears on the blank line provided for his or her signature. All signatures must be witnessed if required or customary. All signature acknowledgements must be executed by a person authorized to take acknowledgements in the state of closing.

Any correction to loan documents must be approved in writing by Lender in advance. No white-out permitted. Approved deletion should be made by marking a single line through the language being deleted. All additions and deletions must be initialed by all borrowers.

All Powers of Attorney must be provided to and approved by Lender. If approved, any Power of Attorney must be specific to this transaction and must record in the same county in which the Security Instrument is recorded. One (1) certified copy must be provided to us with your funding request. Settlement Agent must insure that the Attorney In Fact signs exactly as printed below the signature line.

### **RECORDING REQUIREMENTS:**

- Settlement Agent must perform a bring down prior to recordation to confirm there are no intervening liens.
- Vesting must be fee simple. Any ground rents must be redeemed.

### **STATE SPECIFIC REQUIREMENTS:**

- Delaware - Attorney must close and supervise transaction.

- Iowa - Iowa Title Guaranty
- Georgia - Attorney must close and supervise transaction.
- New Mexico - Freedom to Choose Insurance Company
- Rhode Island - Waiver of Title Company (if required)
- Vermont - Attorney must close and supervise transaction.

### **SECTION 3. ACKNOWLEDGEMENT**

Receipt of the foregoing instructions is hereby acknowledged as of the date set forth below. The undersigned agrees, for itself and on behalf of the Settlement Agent and the Title Company, to act in strict accordance with these Closing Instructions, and represents and warrants to Lender that the undersigned is authorized to execute this Acknowledgement on behalf of the Settlement Agent and the Title Company.

Settlement Agent shall be committed to issue to Lender (i) the original signed Loan Documents and Conditions, exactly as they appear if submitted in conjunction with this funding request in an electronic format, and (ii) ALTA Lender's Policy insuring Lender is in first lien position and (iii) a Settlement Statement in accordance with the requirements set forth above.

**Settlement Agent:**

Signature

12/2/2025

Date

Name:

**BORROWER ACKNOWLEDGMENT:** I/We have read and acknowledged receipt of these Closing instructions.  
LC 2121 LLC, A Florida Limited Liability Company

By: Elchanan Kagan, Manager

Date: 12/2/2025

Date:



## **SCHEDULE 2:**

### **LENDER'S CLOSING/ESCROW INSTRUCTIONS**

Loan No: 35133052

("Closing Instructions")

Settlement Agent No: 2025-522

	To	Amount	Paid By
<b>Loan Amount</b>	Borrower	\$276,600.00	Lender
<b>Kiavi Origination</b>	Lender	\$2,766.00	Borrower
<b>Broker Origination*</b>	Adler Capital LLC	\$5,532.00	Borrower
<b>Broker Processing*</b>	Adler Capital LLC	\$500.00	Borrower
<b>Service Fee</b>	Lender	\$1,499.00	Borrower
<b>Kiavi Credit</b>	Borrower	\$0.00	Lender
<b>Full Appraisal</b>		\$0.00	\$0.00
<b>Interest</b>	Lender	\$1,584.13	Borrower
<b>Construction Holdback**</b>	Lender	\$59,100.00	Borrower
<b>Interest Reserves Holdback***</b>	Lender	N/A	Borrower
<b>Estimated Loan Funds****</b>	Closing Agent / Title	\$211,650.87	Lender

Breakdown of Prepaid Interest			
30 days x \$ 52.804	\$1,584.13	from 12-02-2025	through 12-31-2025

\*: Settlement Agent to pay Broker fees directly to Broker after loan closing. Fee to be collected from Borrower.

\*\*: Construction Holdback will be deposited into an escrow account with Lender for future disbursement to Borrower.

\*\*\*: Holdback will be deposited into an escrow account with Lender for future disbursement.

\*\*\*\*: "Estimated Loan Funds" to be provided by Lender.



Loan No. 35133052

**ORIGINATION AND PROCESSING FEE DISCLOSURE**

The undersigned Borrower has applied to Kiavi Funding, Inc. ("KFI"), for a commercial mortgage loan in the total amount of \$276,600.00, to be secured by residential real estate located at 2121 NW 64th Street, Miami, FL 33147. In

connection with Borrower's loan application to KFI, Borrower has used the services of the loan broker identified below (the "Broker"), who has represented Borrower in connection with the loan application. Borrower understands that at the time of closing, the Broker will charge a fee for its services, the cost of some or all of which will be borne by Borrower. In addition, Borrower understands and agrees that KFI will charge an additional fee for originating Borrower's loan, some or all of which will be borne by Borrower as well. The name and address of the Broker and KFI, as well as the amount of fees identified in this paragraph, are as follows:

Fee	Amount	Fee Owed To: [name and address]
Broker Origination Fee.	<u>\$5,532.00</u>	Adler Capital LLC 7483 AVENIDA DEL MAR #901 BOCA RATON, FL 33433
Broker Processing Fee.	<u>\$500.00</u>	Adler Capital LLC 7483 AVENIDA DEL MAR #901 BOCA RATON, FL 33433
KFI Origination Fee.	<u>\$2,766.00</u>	Kiavi Funding, Inc. 2 Allegheny Center, Nova Tower 2, Suite 200 Pittsburgh, PA, 15212
Service Fee	<u>\$1,499.00</u>	Kiavi Funding, Inc. 2 Allegheny Center, Nova Tower 2, Suite 200 Pittsburgh, PA, 15212

The fees listed in this Disclosure are for loan origination and loan processing related services and do not include other closing costs associated with the closing of the loan from KFI. Please refer to your HUD-1 Settlement Statement for other fees related to the settlement of your loan.

The escrow agent shall disburse the above-identified fees to Broker and KFI upon completion of escrow and funding of the mortgage loan to Borrower.

**ACKNOWLEDGED AND AGREED:**

Borrower: LC 2121 LLC, A Florida Limited Liability Company

Signature: E Date: 12/2/2025

By: Elchanan Kagan, Manager

Signature: E Date: 12/2/2025

**BORROWER(S):**

**BEWARE OF CYBER-FRAUD!**

**HACKERS ARE CONSTANTLY LOOKING  
FOR NEW WAYS TO STEAL YOUR MONEY.**

**ONE CURRENT SCHEME IS TO  
IMPERSONATE YOUR  
ESCROW/CLOSING/TITLE AGENT AND  
TRICK YOU INTO WIRING CLOSING FUNDS  
TO AN ACCOUNT WHERE YOU WILL  
NEVER SEE YOUR MONEY AGAIN.**

**BEFORE WIRING ANY FUNDS, CALL THE  
INTENDED RECIPIENT AT A NUMBER YOU  
KNOW IS VALID TO CONFIRM THE  
INSTRUCTIONS - AND BE VERY WARY OF  
ANY REQUEST TO CHANGE WIRE  
INSTRUCTIONS YOU ALREADY RECEIVED.**

# PROMISSORY NOTE SECURED BY SECURITY INSTRUMENT

(Term Loan, Interest Only Payments, Balloon Payment due 01-01-2027)

Amount: \$276,600.00

Loan No. 35133052

APN: 30-3115-020-0680.

Date: 12-02-2025

Pittsburgh, PA

FOR VALUE RECEIVED, at the times hereinafter stated,

LC 2121 LLC, A Florida Limited Liability Company,

herein called ("Borrower") promise(s) to pay to **Kiavi Funding Inc.**, a Delaware corporation ("Lender") or order at the address specified below, or at such place or places as Lender may designate in writing from time to time, the sum of:

Two Hundred And Seventy Six Thousand Six Hundred and 00/100 U.S. Dollars

(\$276,600.00) which amount shall include the Initial Advance and, if applicable, the Reserve Advance (the "Principal Amount") with interest at the interest rate set forth below from the date hereof until 01-01-2027 (the "Maturity Date").

**SECURITY:** This Promissory Note (the "Note") is secured by a FIRST priority Deed of Trust, Mortgage, or Security Deed (the "Security Instrument" including an Assignment of Rents and Fixture Filing dated of even date herewith on property known as:

2121 NW 64th Street, Miami, FL 33147,

APN: 30-3115-020-0680. (the "Property"). The term "Loan Documents" shall have the same meaning as that term in the Security Instrument.

1. **Advances.** Lender will make Advances for the purposes specified not to exceed the maximum (aggregate) sum of \$276,600.00 (the "Loan").

1.1 **Initial Advance.** The initial disbursement of funds ("Initial Advance") shall be \$217,500.00 to be used in connection with the purchase or refinance of the Property.

1.2 **Reserve Advance.** The additional advance of funds ("Reserve Advance"), if any, made contemporaneously with the Initial Advance shall be into a reserve account for the purpose of funding subsequent Borrower requests for reimbursement of the costs of construction and/or rehabilitation of the Property. The amount and other terms of the Reserve Advance, if any, are provided for in the attached Schedule A.

1.3 **Authorization.** Lender may conclusively presume that all requests, statements, information, certifications, and representations, whether written or oral, submitted or made by Borrower or any of its agents to the Lender in connection with this Note are true and correct, and the Lender shall be entitled to rely thereon, without investigation or inquiry of any kind by the Lender, in disbursing or releasing the Loan proceeds and taking or refraining from taking any other action in connection with the Loan.

2. **Interest Rate and Payment of Principal and Interest.**

2.1 **Interest Rate.**

2.1.1 **Applicable Rates.** Subject to the provisions of this Section 2 below, the Initial Advance will bear interest at an annual rate of 8.740%. The Reserve Advance, if any, will bear interest at the annual rate specified in Schedule A from the date of the Initial Advance.

2.1.2 **360-day Year.** Interest for each full calendar month during the term of this Note will be calculated on the basis of a three hundred sixty (360) day year consisting of twelve (12) months of thirty (30) days each. Notwithstanding the foregoing,

the amount of interest due in the full or partial calendar month at the beginning of the term of this Note will be calculated on the basis of the actual number of days during which the principal balance of this Note is outstanding. Borrower acknowledges and agrees that the calculation of interest on the basis described in the preceding sentences may result in the accrual and payment of interest in amounts greater than those which would be payable if interest were calculated on the basis of a three hundred sixty-five (365) day year.

2.1.3 **Default Rate of Interest.** From and after the earlier of either (a) the occurrence of an Event of Default; or (b) the maturity of this Note (whether the stated Maturity Date of this Note or the maturity date resulting from Lender's acceleration of unpaid principal and interest) subject to the provisions of Section 2.2.9 below, additional interest on the unpaid principal balance of this Note (under both the Initial Advance and the Reserve Advance) shall immediately accrue at a rate equal to **ten percent (10%)** per annum. Such interest shall be in addition to the interest specified in Sections 2.1.1 and 2.1.2 above.

2.1.4 **Usury Protection.** Notwithstanding anything contained in this Note to the contrary, if collection from Borrower of interest at the foregoing interest rate would be contrary to applicable laws, then the interest rate in effect on any day shall be the highest interest rate which may be collected from Borrower under applicable laws on such day. If, under any circumstances, Lender shall ever receive as interest an amount that exceeds the highest lawful rate, the amount that would be excessive interest shall be applied to reduce the unpaid principal balance under this Note and not to pay interest, or, if such excessive interest exceeds the unpaid principal balance under this Note, such excess shall be refunded to Borrower.

2.1.5 **Interest Commencement.** Interest on the Initial Advance shall commence on the date Loan proceeds are initially deposited into an escrow for the benefit of Borrower and regardless of the date they are subsequently disbursed therefrom, provided that the period for which interest accrues prior to release of funds from escrow does not exceed **one (1)** day. Interest on any Reserve Advance shall commence on the date the funds are set aside for the benefit of Borrower notwithstanding the date released to, or for, Borrower.

## 2.2 **Payments.**

2.2.1 **Periodic Payment Date.** Unless sooner accelerated, payments due under the Note until the Maturity Date shall be made on the first (1st) calendar day of each month (each a "**Payment Date**") commencing on 02-01-2026.

2.2.2 **Maturity Date.** Unless sooner accelerated, the entire unpaid principal balance of this Note plus all accrued and unpaid interest thereon plus all other obligations owed under this Note shall be due and payable on the Maturity Date.

2.2.3 **Interest Only Payments.** From the interest commencement dates set forth in Section 2.1.5 above, payments shall be made on each Payment Date of all accrued interest due and owing as of such Payment Date, which is currently calculated to be in the sum of \$ 1,584.13 based on the maximum aggregate amount of the Initial Advance and any Reserve Advance. If Borrower prepays part of the outstanding principal balance of this Note, or if the outstanding principal balance of this Note is reduced by application of any Reserve Advance surplus (as provided in Schedule A of this Note, if applicable) or for any other reason, Borrower's periodic Interest Payments shall be changed accordingly.

**2.2.4 Balloon Payment. BORROWER ACKNOWLEDGES AND AGREES THAT (1) THE LOAN EVIDENCED BY THIS NOTE IS NOT AN AMORTIZING LOAN; AND (2) THE ENTIRE PRINCIPAL AMOUNT OF THIS NOTE SHALL BE DUE AND PAYABLE ON THE MATURITY DATE OF THIS NOTE.**

2.2.5 **Prepayment.** Borrower may prepay at any time all or part of the outstanding principal balance of this Note without a prepayment fee. If the loan calls for principal payments in installments, all prepayments of principal shall be applied on the most remote principal installment or installments then unpaid.

2.2.6 **Payment Application.** All payments under this Note shall be credited first to charges, fees, costs, and expenses payable by Borrower ("Borrower Fees") under this Note, or in connection with the obligations evidenced by this Note, second to accrued interest then due, thereafter to unpaid principal. For any particular Payment Date, the Lender retains the option to postpone the crediting of payments to Borrower Fees, if and only if the Borrower's payment on such Payment Date, after deducting Borrower Fees, would otherwise be insufficient to pay the accrued interest and unpaid principal due on such Payment Date. If any payment of interest is not made when due, at the option of Lender, such interest payment shall bear interest at the same rate as principal from and after the due date of the interest payment. All payments due under this Note shall be made as provided in Section 2.2.10 below. The receipt of any check or other physical item of payment (a "**Payment Item**") by Lender, at its option, either (a) shall be rejected and not considered a payment or (b) shall not be considered a payment until such Payment Item is honored when presented for payment at the drawee bank or institution, and Lender, at its option, may delay the credit of such payment until such Payment Item is so honored. Upon

the occurrence of any Event of Default, the Lender, at its option, shall have the right to apply all payments made under this Note to principal, interest, and other charges, fees, costs and expenses payable by Borrower under this Note or in connection with the Loan in such order and amounts as the Lender may determine in its sole and absolute discretion.

2.2.7 Initial Loan Fee. Concurrently with or prior to the execution of this Note, Borrower shall pay to the Lender an origination fee ("Loan Fee"), as set forth in a final settlement statement or closing disclosure delivered to Borrower. The entire Loan Fee shall be deemed to be fully earned by the Lender as of the interest commencement dates set forth in Section 2.1.5, and no part of the Loan Fee shall be refundable to Borrower, whether or not the principal balance of the Loan is prepaid prior to the Maturity Date subject to the provisions of Exhibit B (if applicable), attached hereto and incorporated herein.

2.2.8 Late Charge. Borrower shall immediately pay a late charge equal to 5.0% of such installment of interest and/or principal to Lender to compensate Lender for administrative costs and expenses incurred in connection with such late payment if any installment of interest and/or principal under this Note is not paid within **fifteen (15)** days from the date on which it is due. Borrower agrees that the actual damages suffered by Lender because of any late installment payment are extremely difficult and impracticable to ascertain, and the late charge described in this Section represents a reasonable attempt to fix such damages under the circumstances existing at the time this Note is executed. Lender's acceptance of any late charge shall not constitute a waiver of any of the terms of this Note and shall not affect Lender's right to enforce any of its rights and remedies against any Person liable for payment of this Note.

2.2.9 Extension Fee. If Borrower should not pay all obligations outstanding on this Note upon the scheduled Maturity Date, Borrower hereby authorizes Lender, at its sole discretion, to grant extensions of the term of this Note beyond such scheduled Maturity Date for up to six (6) months each.

(a) If any such extension is granted, (i) Interest will continue to accrue as specified in this Note; (ii) the payments specified in this Note shall be due and owing; (iii) Borrower shall continue to make the payments of Interest (and Principal if applicable) on the Periodic Payment Date as provided herein until the extended Maturity Date; and (iv) the term "Maturity Date" in this Agreement will be deemed to mean the originally scheduled Maturity Date, plus the cumulative length of any extensions granted pursuant to this section.

(b) As consideration for extending the maturity, Borrower hereby authorizes a charge equal to a maximum of **one percent (1.00%)** of the current principal loan balance for the first extension granted and an amount in the discretion of the Lender for any subsequent extension. This fee, whether for the initial or any subsequent extension, which shall be due and owing at the time of each extension, may be adjusted in amount in the sole and absolute discretion of Lender.

(c) To effect any extension under this section, Lender need only send written notice to Borrower after the original Maturity Date indicating Lender's election to grant an extension and identifying the new Maturity Date.

2.2.10 Method of Payment and Servicing of Loan. Borrower will make all payments under the Note by automatically-debited Automated Clearing House (ACH) from a business-purpose account to be designated by Borrower at closing, and in accordance with the written instructions provided by Lender to Borrower at closing or from time to time thereafter.

### **3. Default and Remedies.**

3.1 Events of Default. Lender, at its option, may declare Borrower to be in default under this Agreement and the other Loan Documents upon the occurrence of any or all of the following events (the declaration of such a default by the Lender shall constitute an "Event of Default"):

3.1.1 Payment or Performance. Borrower fails to pay any payment or perform any obligation due under this Note within **ten (10)** days of the date due, or to pay the entirety of the amount due hereunder within **ten (10)** days of the Maturity Date (whether the due date of any such payment is the date expressly set forth herein or is determined by extension, acceleration, or otherwise).

3.1.2 Event of Default. Any Event of Default as defined in the Loan Documents, including any Guaranty.

3.1.3 Breach of Representations or Warranties. Borrower's breach of the representations and warranties in this Note and the other Loan Documents.

3.2     **Remedies.** Upon the Lender's election to declare Borrower to be in default under the Loan Documents pursuant to Section 3.1 above, Borrower shall be deemed to be in default under the Note, and the Lender shall have the right to do any or all of the following without notice or demand (except as required by law):

3.2.1     **Discontinue Release of Funds.** Discontinue any Advances or withhold the release of any Advances under the Note.

3.2.2     **Acceleration.** Declare the entire unpaid balance of principal and all accrued and unpaid interest, costs and expenses then due and payable under this Note to be immediately due and payable, even though the time of maturity as expressed herein shall not have arrived. The Lender may withdraw such amount or any portion thereof via automatic payment or ACH, without notice to the Borrower, as provided in the Automatic Payment Authorization Agreement executed by the Borrower.

3.2.3     **Declare Default.** Declare a default under any or all of Borrower's obligations under this Note or under the Security Instrument and to proceed in accordance with Lender's rights and remedies under those agreements.

3.2.4     **Foreclose.** Foreclose upon any security pledged under any applicable pledge or security agreement and any other collateral securing Borrower's obligations, pursuant to any right or remedy permitted by law, including as set forth under the Security Instrument.

3.2.5     **Exercise Other Rights.** Exercise any other right or remedy contained in any of Borrower's obligations, including as set forth under the Security Instrument or Automatic Payment Authorization Agreement.

3.2.6     **Assign.** Collect or assign to any other person, individual or entity ("Person") the right to collect any and all rents, profits or proceeds from the property, collection and assignment of which shall not be impaired by any act of Borrower.

3.2.7     **Application.** Immediately apply as against any and all amounts due and owing under this Note the balance of any Reserve Advance funds, cash or other security then on deposit with the Lender, loan servicer or Trustee held as additional collateral.

3.2.8     **Guaranty.** Make demand on any Guaranty.

3.2.9     **Legal Remedies.** Exercise any other right or remedy available at law or in equity.

4.     **Borrower's Representations and Warranties.** As a material inducement to the Lender's extension of credit to Borrower in connection with the Loan, Borrower warrants and represents to the Lender as follows:

4.1     **Authority to Execute Note.** Borrower has the full power and authority to execute, deliver and perform its obligations under this Note, and the execution, delivery and performance of this Note has been duly authorized by all requisite action on the part of Borrower. If Borrower is a corporation, partnership, limited liability company, trust or other entity, the Person or Persons signing the Loan Documents on behalf of Borrower are duly authorized to execute the Note and all other documents necessary to consummate the Loan on behalf of Borrower.

4.2     **Valid Obligations.** The Note is a legal, valid and binding obligation of Borrower, enforceable in accordance with its terms (except as enforcement may be limited by equitable principles and by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to creditors' rights generally).

4.3     **No Consents Required.** No consent of any other Person and no consent, approval, authorization or other action by or filing with any governmental authority not previously obtained by Borrower is required in connection with the execution, delivery and performance of this Note by Borrower.

4.4     **Borrower's Name.** Borrower has set forth above its full and correct name, and Borrower does not use any other names or tradenames, except for the tradenames disclosed to Lender in writing.

4.5     **Commercial Loan.** Borrower represents and warrants that the proceeds of this loan will be used by Borrower only for business purposes. If Borrower is a natural person, Borrower represents and warrants that Borrower does not intend to, and will not, occupy or reside on the Property so long as the Loan remains outstanding. If Borrower is a legal entity, Borrower represents and warrants that no person affiliated with Borrower intends to or will occupy or reside on the Property so long as the Loan remains outstanding.

4.6 **Borrower's Warranties.** Borrower's warranties and representations set forth in this Section 4 shall be true and correct and deemed made at the time of execution of this Note and as of the date of each Advance, shall survive the closing of the Loan, and shall remain true and correct as of the date on which such warranties and representations are given.

4.7 **Truth of Loan Application Documents.** Borrower certifies that the information Borrower (or Borrower's agent(s)) provided to Lender in connection with Borrower's loan application was true, correct and complete at the time it was provided and remains true, correct and complete as of the date of execution of this Note.

5. **Waivers.** Borrower and all sureties, Guarantors, endorsers and other Persons liable for payment of this Note (a) waive presentment, demand for payment, protest, notice of demand, dishonor, protest and nonpayment, and all other notices and demands in connection with the delivery, acceptance, performance, default under, and enforcement of this Note; (b) waive the right to assert any statute of limitations as a defense to the enforcement of this Note to the fullest extent permitted by law; (c) waive the benefits of any applicable law, regulation, or procedure which provides, in substance, that where cross demands for money exist between parties at any point in time when neither demand is barred by the applicable statute of limitations, and an action is thereafter commenced by one such party, the other party may assert the defense of payment in that the two demands are compensated so far as they equal each other, notwithstanding that an independent action asserting the claim would at the time of filing the response be barred by the applicable statute of limitations; (d) consent to all extensions and renewals of the time of payment of this Note and to all modifications of this Note by the Lender and Borrower without notice to and without in any way affecting the liability of any Person for payment of this Note; and (e) consent to any forbearance by the Lender and to the release, addition, and substitution of any Person liable for payment of this Note and of any or all of the security for this Note without notice to and without in any way affecting the liability of any Person for payment of this Note.

6. **Attorney Fees, Collection Costs and Impositions.** Borrower agrees to pay all costs, expenses, charges, consultants' fees, expert witness fees, trustee's fees, foreclosure costs, costs of litigation or alternative dispute resolution proceeding (including, without limitation, those incurred preliminary to the institution of any legal action or judicial or non-judicial proceeding, or in order to quantify or obtain recovery of the amount of such recoverable attorney's fees, costs, or expenses, or in connection with any appeal arising from any such action or proceeding), discovery costs and expenses, and attorney fees ("Collection Costs") paid or incurred by Lender, or adjudged by a court, arbitrator or other tribunal in connection with: (a) the interpretation, collection or enforcement of this Note (including, without limitation, costs incurred in seeking collection of rents owing from any tenant of the Property), whether or not suit is filed; (b) representing Lender in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Note or the Security Instrument; (c) actions taken to protect the lien of the Security Instrument or Lender's interests in the Property as Lender; (d) actions taken to enforce any provision of this Note or the Security Instrument; and (e) in defense of any claims brought by Borrower arising from the rights and obligations of the parties under the Loan Documents. Borrower shall be obligated to pay all such Collection Costs, which shall be additional obligations of Borrower hereunder payable on demand, and shall bear interest at the Default Rate from the date of such demand until paid in full. Borrower shall also be obligated to pay for any and all incurred Imposition (as defined in the Security Instrument) costs and such obligation shall be payable upon demand. The amount of such Impositions shall be included in the Borrower's principal balance and shall bear interest at the same rate as principal from and after the date of payment of the Imposition by the Lender.

7. **Notice.** Any notice required to be provided in this Note shall be given in writing and shall be sent (a) for personal delivery by a delivery service that provides a record of the date of delivery, the individual to whom delivery was made, and the address where delivery was made; (b) by first-class certified United States mail, postage prepaid, return receipt requested; (c) by a nationally recognized overnight courier service, marked for next day business delivery; or (d) by electronic transmission. All notices shall be addressed to the party to whom such notice is to be given at the following address:

<b>Lender Address:</b> Kiavi Funding, Inc., c/o Loan Servicing, 2 Allegheny Center, Nova Tower 2, Suite 200, Pittsburgh, PA 15212
<b>Lender Email:</b> servicing@kiavi.com

<b>Borrower Address:</b> 525 71st St #546703, Miami Beach, FL, 33141, USA
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<b>Borrower Email:</b> eli@e2creativegroup.com
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or to such other address as a party may designate by written notice to the other. All notices shall be deemed effective on the earliest of (a) actual receipt; (b) rejection of delivery, if delivery is attempted by personal service, mail or messenger; (c) if sent by certified mail, the third day on which regular United States mail delivery service is provided after the day of mailing or, if sent by overnight delivery service, on the next day on which such service makes next-business-day deliveries after the day of sending; (d) if sent via email, upon

electronic delivery unless thereafter there is electronic notice of failed electronic delivery.

8. **Applicable Law; Jurisdiction; Venue.** This Note shall be governed by and construed under the laws of the Commonwealth of Pennsylvania (without giving effect to any state's conflict of law principles). Borrower hereby submits to the exclusive jurisdiction of the commonwealth of Pennsylvania and Federal District Courts located in Allegheny County, Pennsylvania for any and all claims arising under this Note.

9. **Time Is of the Essence.** Time is of the essence with respect to all obligations of Borrower under this Note.

10. **Multiple Interests of Lender.** In the event that multiple parties are named as Lender or Beneficiary, or multiple parties hold beneficial interests in this Note or the Security Instrument, a vote of 51% or greater of the beneficial interests will be considered the majority necessary for any decision or action by Lender or Beneficiary under the terms of this Note and the Security Instrument.

11. **Entire Agreement.** This Note, the Security Instrument (and any and all riders), the Guaranty and any other Loan Document contain the entire agreement concerning the subject matter of the Loan Documents and supersede all prior and contemporaneous negotiations, agreements, statements, understandings, terms, conditions, representations and warranties, whether oral or written, by and among the Lender, Borrower and Guarantors concerning the Loan which is the subject matter of the Loan Documents.

12. **No Modifications or Amendments; No Waiver.** Except as specified herein, no modification, amendment, change or waiver of any provision of this Note ("Change or Waiver") shall be valid, binding or effective unless it is in writing and signed by the party against whom enforcement of such Change or Waiver is sought. Additionally, a waiver of any provision in one event shall not be construed as a waiver of any other provision at any time, as a continuing waiver, or as a waiver of such provision on a subsequent event.

13. **Lender's Acceptance of Payment, Extensions of Time or Forbearance Not a Waiver.** The acceptance by Lender, loan servicer or the Trustee of any payment, partial or otherwise, made hereunder, whether paid on or after the time that such payment becomes due as herein set forth, will not establish a custom or constitute a waiver of any of Lender's rights to enforce prompt payment or to enforce any of Lender's rights or any of the obligations of Borrower or any guarantor or endorser set forth in this Note or the Security Instrument, or otherwise provided at law or in equity. Any extension of time granted or tolerated by Lender with respect to any payment due hereunder or other forbearance with respect to the performance of any other term, provision, covenant or agreement of this Note or the Security Instrument, or the taking or releasing of security or collateral for the payment of this Note, or in exercising or failing to exercise any right or power under this Note or the Security Instrument, shall not in any way release or affect the liability of Borrower, or any guarantor or endorser hereof, or any other party obligated to make any payment or render any performance hereunder. If Lender delays in exercising or fails to exercise any of its rights under this Note or the Security Instrument, that delay or failure shall not constitute a waiver of any Lender rights or of any breach, default, or failure of condition hereunder or thereunder. No waiver by Lender of any of its rights or of any such breach, default, or failure of condition shall be effective, unless the waiver is expressly stated in a writing signed by Lender.

14. **Remedies Cumulative.** All of Lender's rights and remedies under this Note shall be cumulative. Any failure of Lender to exercise any right or remedy under this Note or under any of the loan documents executed by Borrower shall not be construed as a waiver of the right to exercise the same or any other right or remedy at any time and from time to time, thereafter.

15. **Severability.** If any provision of the Loan Documents shall be held by any court of competent jurisdiction to be unlawful, voidable, void, or unenforceable for any reason, such provision shall be deemed to be severable from and shall in no way affect the validity or enforceability of the remaining provisions of the Loan Documents.

16. **Interpretation.** Whenever the context of this Note reasonably requires, all words used in the singular shall be deemed to have been used in the plural, and the neuter gender shall be deemed to include the masculine and feminine gender, and vice versa. The headings to sections of this Note are for convenient reference only and shall not be used in interpreting this Note. For purposes of this Note, (a) the term "including" shall be deemed to mean "including without limitation"; (b) the term "document" shall be deemed to include all written contracts, commitments, agreements, and instruments; and (c) the term "discretion," when applied to any determination, consent, or approval right by the Lender, shall be deemed to mean the Lender's sole but good faith business judgment.

17. **Assignment.** This Note inures to and binds the heirs, legal representatives, successors, and assigns of Borrower and Lender; provided, however, that Borrower may not assign this Note or any proceeds of it, or assign or delegate any of its rights or obligations, without Lender's prior written consent in each instance. Lender in its sole discretion may transfer this Note, and may sell or assign participations or other interests in all or any part of this Note, and/or designate any other Person as the holder hereof, all without notice to or the consent of Borrower.

18. **Successors and Assigns.** Whenever used herein, the terms "Lender" and "Borrower" shall be deemed to include their respective heirs, personal representatives, and permitted successors and assigns.

19. **Cooperation.** Borrower acknowledges that Lender and its successors and assigns may (a) sell, transfer, pledge or assign the Security Instrument, the Note, and other Loan Documents to one or more investors as a whole loan, in a rated or unrated public offering or private placement; (b) participate the Loan secured by this Mortgage to one or more investors in a rated or unrated public offering or private placement; (c) deposit the Security Instrument, the Note, and other Loan Documents with a trust, which trust may sell certificates to investors evidencing an ownership interest in the trust assets in a rated or unrated public offering or private placement; or (d) otherwise sell or pledge the Loan or interest therein to investors in a rated or unrated public offering or private placement. (The transactions referred to in clauses (a)-(d) are hereinafter referred to as "Secondary Market Transactions.") Borrower shall, at Lender's expense, cooperate in good faith with Lender in effecting any such Secondary Market Transactions and shall cooperate in good faith to implement all requirements reasonably imposed by the participants involved in any Secondary Market Transactions (including, without limitation, a rating agency and/or an institutional purchaser, participant, or investor) including, without limitation, all structural or other changes to the Loan, modifications to any documents evidencing or securing the Loan, delivery of opinions of counsel acceptable to the rating agency or such other purchasers, pledgees, participants or investors, and addressing such matters as the rating agency or such other purchasers, participants, or investors may require; provided, however, that Borrower shall not be required to modify any documents evidencing or securing the Loan that would modify (i) the interest rate payable under the Note, (ii) the stated maturity of the Note, (iii) the amortization of principal of the Note, or (iv) any other material terms or covenants of the Loan. Borrower shall provide such information and documents relating to Borrower, the Property, the Leases, and any lessees as Lender or the rating agency or such other purchasers, pledgees, participants, or investors may reasonably request in connection with a Secondary Market Transactions. Lender shall have the right to provide to the rating agency or prospective purchasers, participants, or investors any information in its possession including, without limitation, financial statements relating to Borrower, the Property, and any lessee. Borrower acknowledges that certain information regarding the Loan and the parties thereto and the Property may be included in a private placement memorandum, prospectus, or other disclosure documents.

20. **Loss, Theft, Destruction or Mutilation of Note.** In the event of the loss, theft or destruction of this Note, upon Borrower's receipt of a reasonably satisfactory indemnification agreement executed in favor of Borrower by the party who held this Note immediately prior to its loss, theft or destruction, or in the event of the mutilation of this Note upon Lender's surrender to Borrower of the mutilated Note, Borrower shall execute and deliver to such party or Lender, as the case may be, a new promissory note in form and content identical to this Note in lieu of the lost, stolen, destroyed or mutilated Note.

21. **Joint and Several Liability.**

21.1 **Joint and Several.** Each Person or party comprising Borrower shall be jointly and severally liable for the obligations of Borrower hereunder. If Borrower consists of more than one Person, the occurrence of any Default or Event of Default with respect to any one or more of such Persons shall constitute a Default or Event of Default, as applicable, and (in the case of an Event of Default) entitle the Lender to exercise its rights and remedies as provided above.

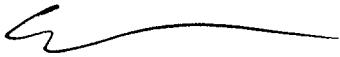
21.2 **Married Individuals.** Each Borrower who is a married person agrees that the Lender shall have the right to recourse against his or her community property and separate property for any or all obligations to the fullest extent permitted by law.

22. **Waiver of Right to Jury Trial.** Borrower irrevocably waives all rights to a jury trial in any action, suit, proceeding or counterclaim of any kind directly or indirectly arising out of or in any way relating to this Note or any of the other Loan Documents, any or all of the real and personal property collateral securing this Note. The jury trial waiver contained in this section is intended to apply, to the fullest extent permitted by law, to any and all disputes and controversies that arise out of or in any way related to any or all of the matters described in the immediately preceding sentence, including without limitation contract claims, tort claims, and all other common law and statutory claims of any kind. This Note may be filed with any court of competent jurisdiction as borrower's written consent to borrower's waiver of a jury trial.

23. **State Specific Provisions.** State specific provisions are outlined on Exhibit A (if applicable), attached hereto and incorporated herein.

IN WITNESS WHEREOF, Borrower has executed this Promissory Note Secured by the Security Instrument effective as of the date first written above.

**Borrower:** LC 2121 LLC, A Florida Limited Liability Company



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By: Elchanan Kagan, Manager

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## Schedule A (Principal Advances)

This schedule is attached to, and made a part of, the Promissory Note Secured by Security Instrument from LC 2121 LLC, A Florida Limited Liability Company ("Borrower") to Kiavi Funding, Inc. ("Lender") (Loan No. 35133052) ("Note"), and provides for the disbursement and release of the Initial Advance and Additional Advances in accordance with the terms of this schedule and the Construction Loan Rider to the Security Instrument.

### **1. Advances and Release of Funds.**

**1.1 Loan Amount.** The Loan shall be in an amount not to exceed the principal sum of \$276,600.00. The principal balance of the Loan at any time shall be comprised of the Initial Advance and any Additional Advances made by Lender, and shall bear interest on so much of the principal as shall have been advanced pursuant to the terms of the Note, the Security Instrument and all Riders to such documents.

**1.2 Initial Advance.** The advance to be used in connection with the acquisition of the Property (the "Initial Advance"). The Initial Advance will be funded by the Lender on the date of disbursement of the Loan, pursuant to and governed by the Note, this schedule and the Construction Loan Rider to the Security Instrument.

**1.3 Advance Termination Date.** Unless Lender agrees otherwise in writing, Lender is not required to disburse any Advance funds for construction or improvements on the Property completed subsequent to the earlier of (i) the Maturity Date or (ii) the date construction is to be completed according to Borrower's Scope of Work (the "Advance Termination Date"). After the Advance Termination Date, Lender may, in its sole and absolute discretion, elect not to make any further Additional Advances. If Lender makes that election, Lender will provide written notice to Borrower at the Borrower's physical address provided in the Note or email address provided by the Borrower at application.

### **2. Interest Rate.**

2.1 The Loan, including the Initial Advance and any Additional Advances will bear interest at the annual rate of 8.74 per cent. Each advance will become a part of the unpaid principal balance of the Loan and begin bearing interest on the date it is disbursed.

### **3. Note Amendments.**

3.1 The word "Term" as it appears in the parenthetical below the title of the Note is hereby replaced with the word "Construction".

3.2 Section 1.2 of the Note is hereby deleted and replaced in its entirety with the following:

**1.2 Additional Advances.** Subsequent advances of funds after the Initial Advance and prior to or contemporaneous with the Advance Termination Date shall be referred to herein as the "Additional Advances". The aggregate total of all Additional Advances shall not exceed the maximum amount of the Loan less the Initial Advance, as set forth in the Note and this Schedule thereto.

3.3 The final sentence of Section 2.2.3 of the Note is hereby deleted.

3.4 The capitalized term "Reserve Advances" is hereby replaced by "Additional Advances" wherever it appears in the Note.

### **4. Division of the Property into Units.**

To the extent the Scope of Work or Security Instrument contemplates the division of the Property into multiple units to be sold individually and held in fee simple or as a tenant-in-common by the related buyer (individually a "Unit" and collectively the "Units"), completion of construction of those Units and the sale thereof prior to the Maturity Date of the Note, Borrower may request the sale of any Unit and a partial reconveyance of Lender's lien on such Unit, provided that all of the conditions set forth below and in the Security Instrument are satisfied at the time of and with respect to, each such partial reconveyance. Lender may reject such request in its reasonable discretion based upon the facts and circumstances at the time.

#### **4.1 Sale of the Properties.**

4.1.1 Borrower will make a commercially reasonable effort to sell all of the Units as quickly as is commercially

reasonable. The asking price and the ultimate sale price for each Unit will be subject to Lender's approval. Every real property sales agreement will be in a form customary for the type and location of the Property. All terms and conditions of the sale shall be subject to Lender's approval. All funds and payments shall be through an escrow with a title company acceptable to Lender. All sales shall be for cash paid at the closing of the sale.

4.1.2 A customary non-refundable deposit will be required which will be deposited with a third-party broker or depository institution acceptable to Lender. Lender shall have a lien on such funds which will be recognized by the holder of the funds. If for any reason the sale fails to close any non-refundable portion of the security deposit ("Non-refundable Deposit") shall be paid to Lender.

4.1.3 No sale shall be concluded, and no partial release shall be recorded unless Lender receives at least the Release Price set forth on Schedule 1 of the Security Instrument. Such sum shall be paid through escrow via wire transfer to an account to be designated by Lender in its escrow instructions.

**4.2 Mandatory Prepayments on the Note.** All funds received by Lender in connection with the sale of any of the Units shall be applied as a Mandatory Prepayment on the Note.

**4.3 Legal Fees and Expenses in Preparation .** Borrower shall also pay all legal fees and any related expenses incurred by Lender in the preparation of this Note, all related Loan Documents, approval of any plans for division of the Property and any partial reconveyances or releases of the Security Instrument.

[the remainder of this page intentionally left blank]

IN WITNESS WHEREOF, Borrower has caused this instrument to be executed as of the date indicated on the Note.

**BORROWER:** LC 2121 LLC, A Florida Limited Liability Company



\_\_\_\_\_  
Signature

By: Elchanan Kagan, Manager



\_\_\_\_\_  
Signature

**PROMISSORY NOTE****EXHIBIT "A"****STATE SPECIFIC PROVISIONS**

**Section 23.1     Inconsistencies.** In the event of any inconsistencies between the terms and conditions of this Section 23 and the other provisions of this Note, the terms and conditions of this Section 23 shall control and be binding.

**Section 23.2     Documentary Stamp Tax.** DOCUMENTARY STAMP TAX IN THE AMOUNT REQUIRED BY LAW ON THIS NOTE IS BEING PAID ON THE RECORDING OF THE MORTGAGE.

**Section 23.3     Default Rate of Interest.** Section 2.1.3 of the Note is deleted in its entirety and replaced with the following:

“From and after the earlier of either (a) the occurrence of an Event of Default; or (b) the maturity of this Note (whether the stated Maturity Date of this Note or the maturity date resulting from Lender’s acceleration of unpaid principal and interest) subject to the provisions of Section 2.2.9, additional interest on the unpaid principal balance of this Note (under both the Initial Advance and the Construction Loan) shall immediately accrue at a rate equal to the lesser of ten percent (10%) per annum in excess of the Applicable Rate set forth in Section 2.1.1 or eighteen percent (18%) per annum.”

**Section 23.4     Late Charge.** Section 2.2.8 of the Note is deleted in its entirety and replaced with the following:

“Borrower shall immediately pay a late charge equal to the greater of: (i) Thirty-five Dollars (\$35.00) or (ii) ten percent (10%) of such installment of interest and/or principal to Lender to compensate Lender for administrative costs and expenses incurred in connection with such late payment if any installment of interest and/or principal under this Note is not paid within ten (10) days after the date on which it is due. Borrower agrees that the actual damages suffered by Lender because of any late installment payment are extremely difficult and impracticable to ascertain, and the late charge described in this Section represents a reasonable attempt to fix such damages under the circumstances existing at the time this Note is executed. Lender’s acceptance of any late charge shall not constitute a waiver of any of the terms of this Note and shall not affect Lender’s right to enforce any of its rights and remedies against any Person liable for payment of this Note.”

IN WITNESS WHEREOF, Borrower has caused this instrument to be executed as of date indicated on Promissory Note Secured by the Security Instrument.

**BORROWER:** LC 2121 LLC, A Florida Limited Liability Company



By: Elchanan Kagan, Manager

# GUARANTY

35133052

Single

This GUARANTY is made by and between Elchanan Kagan, a married person,  
(herein called ("Guarantor") and Kiavi Funding, Inc., a Delaware corporation ("Lender")  
on 12-02-2025.

## RECITALS

### A. LC 2121 LLC, A Florida Limited Liability Company

("Borrower"), shall obtain concurrently herewith a loan in the original principal face amount of  
Two Hundred And Seventy Six Thousand Six Hundred and 00/100 U.S. Dollars

(\$276,600.00) (the "Loan") from the Lender (Loan No. 35133052). The Loan will be evidenced by that certain Promissory Note Secured by Security Instrument dated as of the date hereof (the "Note") executed by Borrower in favor of the Lender. The Loan will be secured by that certain Deed of Trust, Mortgage or Security Deed ("Security Instrument") including an Assignment of Rents and Fixture Filing, dated as of the date hereof executed by Borrower, as trustor or mortgagor, in favor of the Lender, as beneficiary or mortgagee. The Note, Security Instrument (together with any riders thereto) and all other documents executed by Borrower and delivered to the Lender at the Lender's request in connection with the Loan and all extensions, renewals, modifications, and replacements of any or all of such documents, are referred to collectively as the "Loan Documents".

B. As one of the conditions to closing and funding the Loan, Lender requires that Guarantor execute and deliver this Guaranty to the Lender. Guarantor desires to guaranty Borrower's indebtedness and obligations to the Lender in connection with the Loan on the terms and conditions of this Guaranty.

C. Capitalized terms used but not defined herein shall have the meanings given those terms in the Loan Documents.

## GUARANTY

THEREFORE, for good, adequate and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Guarantor and based upon the foregoing Recitals, Guarantor agrees as follows:

1. **Guaranty of Payment and Performance.** For valuable consideration and to induce Lender to grant credit or other financial accommodations to Borrower, Guarantor, as primary obligor and not merely as surety, absolutely and unconditionally guarantees and promises to pay Lender, on demand, any and all Indebtedness of Borrower to Lender, and also absolutely and unconditionally guarantees the due performance by Borrower of all its obligations under the loan documents relating to the Loan(s).

2. **Indebtedness.** The word "Indebtedness" is used herein in its most comprehensive sense and includes without limitation: (i) the indebtedness arising from or in connection with the Loans or the Note or the Security Instrument or any other Loan Documents, (ii) all advances made thereunder, (iii) any increase of the principal amount of any Loan and all interest thereon, (iv) any and all extensions, renewals, modifications and replacements thereof, all of which shall be included within the term "Loans," and (v) all now existing and future debts, obligations, and liabilities of Borrower, jointly and severally to Lender (whether absolute or contingent, liquidated or unliquidated, secured or unsecured, and whether Borrower may be liable individually or jointly with others), including, but not limited to, indebtedness arising out of or relating to the following matters (1) fraud or misrepresentation by Borrower in connection with or relating to any Loan; (2) waste or willful mismanagement by Borrower with respect to any or all of any Property for any Loan; (3) the application by Borrower or Guarantor of the proceeds of any Loan in any manner or for any purpose other than as specified in or required by the Loan Documents; (4) the removal or disposition by Borrower or Guarantor of any or all of the Property in violation of any of the terms of any of the Loan Documents relating to any Loan; (5) any violation of any Governmental Requirements with respect to all or any part of the Property relating to any Loan (6) any failure by Borrower to pay any Impositions in accordance with the respective Loan Documents; and (7) any sale, conveyance, transfer, or encumbrance of all or part of any Property or any other transfer or event described in Section 3.12 of the Security Instrument without Borrower first obtaining the Lender's consent thereto in accordance with the respective Security Instrument; (8) the misapplication or misappropriation by Borrower or Guarantor of Insurance Proceeds relating to any Loan or any Property (9) any insured or uninsured casualty loss except to the extent Insurance Proceeds thereof are applied to the restoration of the Improvements as permitted by the relevant Loan Documents for any Loan or are paid to the Lender; (10) failure to deliver to Lender condemnation proceeds, insurance proceeds, or other proceeds of the Property securing any Loan or other similar proceeds, funds or payments, or other benefits of all or part of any Property for any Loan; (11) the misapplication or misappropriation of any rents, prepaid rents, security deposits and similar sums paid to Borrower or any other Person in connection with any or all Leases of any part of the Property in violation of the terms of the respective Loan Documents; (12) failure to reimburse Lender for attorneys' fees and costs incurred by the Lender in connection with the enforcement of any or all of its rights and remedies in connection with this Guaranty, excluding only those legal costs and expenses which would be customarily incurred by the Lender in realizing upon the respective Property in an uncontested foreclosure sale after an undisputed default by

Borrower; (13) recovery of amounts, damages, costs and expenses, including without limitation attorneys' fees, owing or payable to the Lender by Borrower relating to certain environmental matters or under any secured or unsecured indemnity agreement relating to Hazardous Substances executed by Borrower in connection with any Loan; and (14) all amounts owing to the Lender by Borrower under any other indemnification provision contained in the Loan Documents for any Loan or with respect to claims asserted by any third Person against the Lender or liabilities incurred by the Lender with respect to any third Person, which claims or liabilities directly or indirectly result from or arise out of any act or omission of Borrower or from the occupancy or use of all or part of any Property for any Loan by Borrower prior to Lender's acquisition of title to such Property; including any of the obligations in this section, without limitation, any and all of the foregoing sums which would have accrued under the Loan Documents but for the commencement of a case by Borrower or against Borrower by any person or entity other than Lender or any person or entity affiliated with Lender under any Bankruptcy Proceeding. "Impositions" means all (a) taxes; (b) insurance premiums related to any Property; (c) utility charges incurred for the benefit of the respective Property as defined in the respective Security Instrument or which may become a lien against the respective Property; (d) assessments, charges, and fees imposed pursuant to any covenants and restrictions imposed on the respective Property; (e) assessments, charges and fees payable with respect to any easements, water rights or development rights related to the respective Property; (f) other amounts payable in connection with any liens on the respective Property. "Improvements" means all buildings, structures, fixtures and other improvements now existing or hereafter located on the Land as defined in the Security Instrument relevant to any Loan.

**3. Continuing Guaranty.** This Guaranty, as to each Guarantor, is and shall remain effective without reaffirmation until the indebtedness has been paid in full. This Guaranty shall not be impaired by any modification, supplement, extension or amendment of any contract or agreement to which the parties thereto may hereafter agree, or by any increase of the principal amount modification, release or other alteration of any of the indebtedness hereby guaranteed or of any security therefor, including without limitation, pursuant to a bankruptcy or reorganization proceeding in connection with Borrower, or by any agreement or arrangements whatsoever with Borrower or anyone else. If any of the Indebtedness is a revolving credit, Guarantor acknowledges and agrees that the amount of such Indebtedness may at any one time be zero dollars, which shall not constitute a termination of this Guaranty. As to the Loan, this Guaranty shall terminate upon final payment in full of all amounts owed under the Loan subject to reinstatement or revival as set forth in Section 9 below.

**4. Joint and Several Obligations.** The obligations hereunder are joint and several as to each and every Guarantor, and are independent of Borrower's obligations. A separate action or actions may be brought against Guarantor, or any one of them, whether action is brought against Borrower or whether Borrower is joined in any such action or actions. Each Guarantor agrees that any releases which may be given by Lender to any one or more of the other Guarantors shall not release him, her or it from this Guaranty.

**5. Authorization.** Guarantor authorizes Lender, without notice or demand and without affecting its liability hereunder, from time to time to (a) renew, compromise, extend, accelerate or otherwise change the time for payment of, or otherwise change the terms of the Indebtedness or any part thereof, including any increase or decrease in the rate of interest thereon; (b) increase the principal amount of the Loan (c) take and hold security for the payment of this Guaranty or the Indebtedness guaranteed, and exchange, enforce, waive and release any such security; (d) apply such security and direct the order or manner of sale thereof as Lender in its sole discretion may determine; (e) accept additional guarantors or discharge (in whole or in part) any guarantors; (f) assign, without notice, this Guaranty in whole or in part and/or Lender's rights hereunder to anyone at any time; and (g) apply or refund, in its discretion, any payments made, or collections received, on any of the Indebtedness.

**6. Financial Condition.** Guarantor assumes the responsibility to keep informed of the financial status of Borrower and of any circumstance which may affect Guarantor's or Borrower's obligations, and Guarantor recognizes and agrees that Lender is not obligated to keep Guarantor informed of any such circumstances. Where Borrower is a corporation, partnership or limited liability company, it is not necessary for Lender to inquire into the powers of Borrower or the officers, directors, partners, manager or agents acting or purporting to act on its behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder. Guarantor agrees that by executing this Guaranty it assumes all risks of bankruptcy or reorganization cases or proceedings in connection with Borrower.

**7. Collateral.** Guarantor's performance of any and all obligations of Guarantor to Lender no matter how or when arising, whether absolute or contingent, whether due or to become due, and whether under this Guaranty or otherwise are secured by all monies or deposits of any Guarantor at any time in Lender's possession. Lender shall have the right to enforce such security interests and the right to offset against such security without notice or demand.

**8. Claims in Bankruptcy.** Guarantor shall file all claims against Borrower in any bankruptcy, reorganization or liquidation proceeding and shall assign to Lender such claims and all of its rights related thereto. If Guarantor fails to do so at Lender's request, Lender is authorized, and is hereby irrevocably granted Borrower's power of attorney, to file claims on Guarantor's behalf and to file an assignment of such claims with the bankruptcy court or liquidating entity. Guarantor hereby assigns to Lender all of Guarantor's rights to any payments on any such claims.

**9. Revival.** If Lender is required to reimburse to Borrower or any person any amount previously paid or recovered on account of the indebtedness as a preference, fraudulent transfer or because of any bankruptcy proceeding or similar proceeding, Guarantor's obligations shall be reinstated and revived. If, subsequent to payment of the Loan in full, Borrower or anyone attempts in any way to recover any amounts paid to Lender by anyone in connection with the Loan or challenges any rights previously or presently enjoyed by Lender under the Loan Documents, Guarantor's obligations shall be reinstated and revived.

**10. Waiver of Jury Trial.** GUARANTOR IRREVOCABLY WAIVES ALL RIGHTS TO A JURY TRIAL IN ANY ACTION, SUIT, OR PROCEEDING OF ANY KIND DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY RELATING TO THE INDEBTEDNESS OR THIS GUARANTY, ANY OR ALL OF THE REAL AND PERSONAL PROPERTY COLLATERAL SECURING THE INDEBTEDNESS OR THIS GUARANTY, OR ANY OF THE TRANSACTIONS WHICH ARE CONTEMPLATED BY THE LOAN DOCUMENTS OR THIS GUARANTY. THIS WAIVER IS INTENDED TO APPLY, TO THE FULLEST EXTENT PERMITTED BY LAW, TO ANY AND ALL DISPUTES AND CONTROVERSIES THAT ARISE OUT OF OR IN ANY WAY RELATED TO ANY OR ALL OF THE MATTERS DESCRIBED IN THE PRECEDING SENTENCE, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS OF ANY KIND. THIS GUARANTY MAY BE FILED WITH ANY COURT OF COMPETENT JURISDICTION AS GUARANTOR'S WRITTEN CONSENT TO WAIVER OF A JURY TRIAL

**11. State Specific Provisions.** State specific provisions are outlined on Exhibit A (if applicable), attached hereto and incorporated herein.

**12. Miscellaneous.**

**12.1** Guarantor agrees to pay attorneys' fees and all other costs and expenses which may be incurred by Lender in the enforcement or interpretation of Lender's rights under this Guaranty in any state, federal or bankruptcy mediation, arbitration or litigation proceeding.

**12.2** Any married person who signs this Guaranty hereby expressly agrees that (i) recourse may be had against his/her community property and separate property for all his/her obligations under this Guaranty and (ii) such person will have his/her spouse execute the Spousal Consent form.

**12.3** This Guaranty contains the entire guaranty agreement between Guarantor and Lender, and supersedes all prior agreements and negotiations whether oral or written pertaining to the subject matter of this Guaranty. No modification or amendment of this Guaranty shall be effective unless it is in writing and executed by Guarantor and Lender.

**12.4** The death of any Guarantor shall not terminate this Guaranty as to such deceased or as to any other Guarantor. This Guaranty shall be binding upon the heirs, executors, administrators, successors and assigns of each Guarantor and shall inure to the benefit of Lender's successors and assigns. Guarantor may not assign its rights or obligations hereunder.

**12.5** In all cases where there is more than one Borrower named herein, or when this Guaranty is executed by more than one Guarantor, the word "Borrower" and the word "Guarantor," respectively, shall mean all and any one or more of them.

**12.6** Any notice required to be provided in connection with this Guaranty shall be given in writing and shall be sent (a) for personal delivery by a delivery service that provides a record of the date of delivery, the individual to whom delivery was made, and the address where delivery was made; (b) electronic delivery to Borrower addressed to Borrower at the e-mail address set forth in this Guaranty (c) by first-class certified United States mail, postage prepaid, return receipt requested; or (d) by a nationally recognized overnight courier service, marked for next day business delivery. All notices shall be addressed to the party to whom such notice is to be given at the following address:

**LENDER:** 2 Allegheny Center, Nova Tower 2, Suite 200, Pittsburgh, PA 15212

**LENDER EMAIL:** [servicing@kiavi.com](mailto:servicing@kiavi.com)

**GUARANTOR NAME:** Elchanan Kagan

**GUARANTOR ADDRESS:** 8440 Byron Ave #1, Miami Beach, FL, 33141, USA

**GUARANTOR EMAIL:** eli@e2creativegroup.com

**12.7** All rights and powers of Lender under this Guaranty and under any other agreement between Guarantor and Lender shall be cumulative and in addition to all right, power and remedies given to Lender at law. Guarantor has read the Loan Documents and acknowledges and agrees that stated therein are certain obligations of Guarantor and agrees that Guarantor's failure to comply with such obligations will constitute an event of default thereunder.

**12.8** Guarantor represents and warrants to Lender that this Guaranty is an irrevocable, absolute, present and unconditional guaranty of payment and not of collectability. If Guarantor is an entity, Guarantor has duly authorized by all necessary action the execution, delivery and performance of this Guaranty and neither its execution and delivery of this Guaranty nor its consummation of the transactions contemplated by this Guaranty nor its compliance with any of the terms and provisions of this Guaranty does or will require any approval not yet received of its stockholders or equity holders or any approval or consent of any trustee or holders of any of its obligations and upon their execution and delivery in accordance with the provisions hereof will constitute legal, valid and binding agreements and obligations of Guarantor or the party which executes the same, enforceable in accordance with their respective terms.

**12.9** Headings in this Guaranty are for convenience of reference and shall not be used to interpret or define the provisions of this Guaranty.

**12.10** Each Guarantor declares that he, she or it understands the contents of this Guaranty and has had an opportunity to consult with an attorney regarding the form and content of this Guaranty.

**12.11** Upon request, Guarantor shall provide to Lender, the following financial information:

(i) a complete and accurate copy of its tax return (including K-1 and all other schedules if applicable) or application for filing an extension of such tax return, within **fifteen (15)** days of filing but in no event shall the tax return be delivered to Lender later than **October 15<sup>th</sup>** of each year. All tax returns shall be prepared by an independent certified public accountant acceptable to Lender.

(ii) personal financial statements from the previous quarter, recent bank and brokerage statements to confirm assets, most recent w-2 and paystub such other information as Lender may request in such detail and at such times as is satisfactory to Lender.

**12.12** Guarantor represents and warrants that the proceeds of the Loan will be used only for business purposes and that neither Guarantor, nor Borrower (or if Borrower is a legal entity, then no person affiliated with Borrower) will occupy or reside on the Property so long as the Loan remains outstanding.

**12.13** This Guaranty shall be governed by and construed in accordance with the laws of the State of Pennsylvania. Guarantor agrees that the courts of the State of Pennsylvania and Federal District Courts located in Allegheny County, Pennsylvania, shall have exclusive jurisdiction and venue of any action or proceeding directly or indirectly arising out of or related to the negotiation, execution, delivery, performance, breach, enforcement or interpretation of this Guaranty, regardless of how any claim, counterclaim or defense in any such action or proceeding is characterized. Guarantor irrevocably consents to the personal jurisdiction and venue of such courts, and to service of process in the manner provided for in the Security Instrument. Guarantor waives all objections to such jurisdiction and venue, including all objections that are based upon inconvenience or the nature of the forum.

**IN WITNESS WHEREOF**, this Guaranty is executed by the undersigned Guarantor on the date indicated above.

**GUARANTOR:** Elchanan Kagan, a married person

  
Elchanan Kagan, a married person

  
Single

**GUARANTY****EXHIBIT "A"****STATE SPECIFIC PROVISIONS - FLORIDA**

**Section 11.1      Inconsistencies.** In the event of any inconsistencies between the terms and conditions of this Section 11 and the other provisions of this Guaranty, the terms and conditions of this Section 11 shall control and be binding.

**Section 11.2      Waivers.**

(i) Notwithstanding any foreclosure of the lien of any mortgage or security agreement with respect to any or all of any real or personal property secured thereby, whether by the exercise of the power of sale contained therein, by an action for judicial foreclosure or by an acceptance of a deed in lieu of foreclosure, Guarantor shall remain bound under this Guaranty.

(ii) Guarantor waives any right to require Lender to: (a) proceed against Borrower; (b) proceed against or exhaust any security held from any person or marshalling of assets or liens; (c) proceed against any other Guarantor; or (d) pursue any other remedy available to Lender. Guarantor waives any defense arising by reason of any disability or other defense of Borrower or by reason of the cessation from any cause whatsoever of the liability of Borrower.

(iii) Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of default or demand, notices of acceptance of and reliance on this Guaranty and of the existence, creation, or incurring of new or additional indebtedness, notices of renewal, extension or modification of the indebtedness, notice of any and all favorable and unfavorable information, whether financial or other, about Borrower, heretofore, now, or hereafter learned or acquired by Lender and all other notices to which Guarantor or any of them might otherwise be entitled, and the right to a jury trial in any action hereunder or arising out of Lender's transactions with Borrower.

(iv) Guarantor hereby waives any and all defenses and claims based on principles of suretyship and/or guaranty. Guarantor waives the benefit of any statute of limitations affecting its liability hereunder or the enforcement hereof.

(v) Guarantor acknowledges that the waivers provided herein are made with Guarantor's full knowledge of the significance and consequence of such waivers, and that Lender is relying on such waivers. Guarantor obligations shall not be affected by: (a) termination, dissolution, consolidation or merger of Borrower with or into any other entity; (b) the voluntary or involuntary liquidation, dissolution or sale or other disposition of all or substantially all of Borrower's assets; or (c) the receivership, reorganization, bankruptcy assignment for the benefit of creditors or similar proceeding affecting Borrower.

**Section 11.3      Subrogation; Subordination.** So long as any indebtedness of Borrower to Lender remains outstanding, Guarantor waives, releases, and relinquishes any and all rights of reimbursement, contribution, and subrogation, which Guarantor may now or hereafter have against Borrower. Guarantor further agrees that, to the extent the waiver of its rights of subrogation as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation Guarantor may have against Borrower or against any collateral or security shall be junior and subordinate to any right Lender may have against Borrower and to all right, title and interest Lender may have in any collateral or security. Lender may, in accordance with applicable laws, use, sell or dispose of any item of collateral or security as it sees fit without regard to any subrogation right Guarantor may have, and upon disposition or sale, any right of subrogation Guarantor may have shall terminate. Any and all present and future debts and obligations of Borrower to each Guarantor are hereby postponed in favor of

and subordinated to the full payment and performance of all indebtedness of Borrower to Lender. Any amounts received on such indebtedness or obligations owed to Guarantor shall be held by Guarantor as trustee and paid over to Lender without affecting Guarantor's liability under this Guaranty.

**Section 11.4      Attorneys' Fees and Costs.** Section 12.1 of this Guaranty is deleted in its entirety and replaced with the following:

Guarantor agrees to pay attorneys' fees and all other costs and expenses which may be incurred by Lender in the enforcement or interpretation of Lender's rights under this Guaranty, whether out of court, in any state, Federal, or bankruptcy mediation, arbitration, or litigation proceeding, and in any appellate proceeding.

**Section 11.5      Applicable Law.** All acts and transactions hereunder and the rights and obligations of the parties hereto shall be governed construed and interpreted in accordance with the laws of the State of Florida without giving effect to the conflicts of laws principles thereof.

IN WITNESS WHEREOF,

Guarantor has caused this instrument to be executed as of the date indicated on the Guaranty.

**GUARANTOR:** Elchanan Kagan, a ~~married~~ person *SK*

Elchanan Kagan, a ~~married~~ person

*Single* *JK*

# **SECURITY INSTRUMENT**

# **COVER PAGE**

(Please Do Not include this page when recording the Security Instrument)

**CLOSING AGENT TO INSERT LEGAL DESCRIPTION**

**All pages following this cover sheet must be recorded.**

**THIS INSTRUMENT PREPARED BY  
AND RETURN TO:**

**Kiavi Funding, Inc.**  
**Attn: Post Closing Department**  
**2 Allegheny Center, Nova Tower 2, Suite 200**  
**Pittsburgh, PA 15212**

**Loan No:** 35133052

Prepared By: Grover Robinson

*Grover Robinson*

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(Space above this line for Recorder's use)

## **MORTGAGE**

**LENDER:** KIAVI FUNDING, INC.

**BORROWER:** LC 2121 LLC, A Florida Limited Liability Company

**LOAN No.:** 35133052

# MORTGAGE

THIS MORTGAGE (the "Mortgage") is made on 12-02-2025 by:

LC 2121 LLC, A Florida Limited Liability Company,

("Borrower"), whose address is:

525 71st St #546703, Miami Beach, FL, 33141, USA,  
in favor of **Kiavi Funding, Inc.**, a Delaware corporation, ("Lender"), whose address is:

2 Allegheny Center, Nova Tower 2, Suite 200, Pittsburgh, PA 15212.

## WITNESSETH

WHEREAS, Lender has agreed to provide Borrower with a Loan (the "Loan") as evidenced by that certain Promissory Note Secured by Security Instrument dated of even date herewith in the amount of \$ 276,600.00 by and between Lender and Borrower (the "Note"); and

WHEREAS, Lender is making the Loan in reliance on this Mortgage, and it is a condition precedent to the making of the Loan by Lender that Borrower execute and deliver this Mortgage.

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to Borrower, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby covenants and agrees with Lender, as follows:

## GRANTING CLAUSES

BORROWER IRREVOCABLY MORTGAGES AND WARRANTS TO LENDER, ITS SUCCESSORS AND ASSIGNS, all of Borrower's present and future estate, right, title and interest in and to the following described property (collectively, the "Property"):

(A) The real property located in the County of Miami-Dade, State of FL, commonly known and addressed as:

2121 NW 64th Street, Miami, FL 33147  
and more particularly described in Exhibit A attached to this Mortgage and incorporated herein by reference (the "Land"); and

(B) All Buildings, Fixtures, Easements, Rents and Profits, Development Rights, Water Rights, and Mineral Rights, including without limitation all present and future Leases relating to the foregoing real property and all guaranties and security and security deposits supporting such Leases (as those terms are defined in Article 1 of this Mortgage) (as those terms are defined in Article 1 of this Mortgage); and

(C) All of the following related to the assets specified in (A) and (B) above, (i) Books and Records, plans, specifications, surveys (ii) Insurance Policies, title insurance policies, sales contracts, construction contracts, architectural agreements, engineering contracts, service and maintenance contracts, management contracts, and marketing contracts; (iii) work product arising from any such contract or agreement; (iv) all warranties, guarantees, and other similar contract rights and (v) all other tangible personal property located on or used in connection with the forgoing (excluding only Consumer Goods as defined in the Uniform Commercial Code).

THIS MORTGAGE SECURES THE FOLLOWING INDEBTEDNESS AND OBLIGATIONS (collectively, the “**Obligations**”) in such order of priority as Lender may from time to time elect:

(1) Payment and performance of Borrower’s indebtedness and obligations under the Note and this Mortgage and all extensions, renewals, modifications, and replacements thereof, including the Reserve Advance pursuant to the Note(if applicable) (“**Reserve Advance**”); and

(2) Payment and performance of any and all other indebtedness which may hereafter be owing by Borrower to Lender under the Note, this Mortgage or other Loan Documents, however incurred, including but not limited to the attorneys’ fees, court costs, witness fees, expert witness fees, collection costs, and costs and expenses paid by Lender in the preservation and enforcement of its rights and remedies under this Mortgage or other Loan Documents.

(3) To the extent that Lender’s rights to recover a deficiency from Borrower are subject to California real property law (including without limitation the provisions of Code of Civil Procedure 580a, 580b, 580d, 580e, 726, 726.5 and 736) Borrower and Lender hereby agree and acknowledge that this Security Instrument shall not secure the following obligations which are hereby excluded from the definition of “Obligations”: (i) the obligations of Borrower under Section 2.3 of this Security Instrument or (ii) any obligations under any other environmental indemnity agreement or (iii) any obligations under any other guaranty or indemnity agreement

THIS MORTGAGE constitutes (i) a personal property security agreement to the extent that it includes personal property assets hereunder that are not real property assets subject to the applicable real property recording statutes (and Borrower hereby grants Lender a security interest in all such personal property assets to secure the Obligations) and (ii) a Fixture Filing in accordance with the Article 9 of the Uniform Commercial Code.

## ARTICLE 1

### DEFINITIONS

For purposes of this Mortgage, the following terms shall have the following definitions:

**1.1      Books and Records.** “Books and Records” means all books and records relating to the design, construction, improvement, development, use, ownership, operation, maintenance, repair, lease, taxation or marketing of the Property whether kept in hard copy or electronic form.

**1.2      Buildings.** “Buildings” means all buildings, structures and other improvements now existing or hereafter located on the Land.

**1.3      Condemnation Claims.** “Condemnation Claims” means all claims, actions, causes of action, demands, liens, rights, judgments, settlements, awards, compensation, and damages of every kind and nature which Borrower now has or which may hereafter accrue against any Person, whether arising in tort, by contract or statute, or in any other manner, which in any way directly or indirectly relate to or arise out of any condemnation of the Property or other taking of the Property for public or quasi-public use by eminent domain or to the transfer of the Property in lieu of condemnation or any such taking.

**1.4      Condemnation Proceeds.** “Condemnation Proceeds” means all proceeds, tangible and intangible property resulting from the payment, collection, recovery on, or other disposition of any or all of the Condemnation Claims.

**1.5      Covenants and Restrictions.** “Covenants and Restrictions” means all covenants, conditions, restrictions, equitable servitudes, and all other similar matters now or hereafter affecting the Property, including any condominium, planned unit development, or cooperative apartment declaration of covenants, conditions and restrictions, by-laws, articles, rules, and regulations to which Borrower or the Property is subject or bound.

**1.6      Development Rights.** “Development Rights” means all existing and future development rights, development credits, air rights, and options of any kind relating to the Property.

**1.7      Easements.** “Easements” means all existing and future easements, rights of way, licenses, and similar rights relating or appurtenant to the Property and all existing and future rights in or to streets, roads, sidewalks, alleys, strips and gores adjoining or used in connection with the Property.

**1.8      Event of Default.** “Event of Default” means any of the events described in Article 3 of this Mortgage.

**1.9      Fixtures.** “Fixtures” means all fixtures, machinery, equipment, building materials, appliances, landscaping, systems, built-in furniture, plumbing, electrical, coverings and other commonly recognized fixtures now or hereafter located in, on, attached or affixed to, or used in connection with the Land or the Buildings, including, but not limited to, all HVAC and utility systems; security and access control equipment; water heaters, showers, bathtubs, tanks, pumps, toilets, sinks, pipes, and other plumbing fixtures and equipment; stoves, ranges, refrigerators, dishwashers, and disposals; laundry equipment; engines, motors, generators, boilers, furnaces, and incinerators; wall, window, and floor coverings, including screens, shades, drapes, and awnings; partitions, doors, windows, cabinets, bookcases, and hardware; chandeliers and other light fixtures; trees, plants and other landscaping; and all attachments, substitutions, accessories, accessions, replacements, improvements, and additions to any or all of the foregoing, all of which shall conclusively be deemed to be part of the Land and Buildings and conveyed by this Mortgage, whether or not affixed or attached to the Land or the Buildings.

**1.10     General Partner.** “General Partner” means any Person who is acting as a general partner of a partnership.

**1.11     Governmental Authorities.** “Governmental Authorities” means all governmental or quasi-governmental authorities, boards, bureaus, agencies, commissions, departments, administrative tribunals, and other instrumentalities, judicial and non-judicial authorities, and public utilities having or exercising jurisdiction over Borrower or the Property.

**1.12     Governmental Permits.** “Governmental Permits” means all permits, approvals, and authorizations now or hereafter issued by all Governmental Authorities for or in connection with the Property, including grading permits, foundation permits, building permits, tentative subdivision map approvals, zone changes, zone variances, conditional use permits, temporary certificates of occupancy, and final certificates of occupancy.

**1.13     Governmental Requirements.** “Governmental Requirements” means all existing and future laws, ordinances, rules, regulations, orders, and requirements of all Governmental Authorities applicable to Borrower or the Property, including those respecting the design, construction, improvement, development, use, ownership, operation, maintenance, repair, or marketing of the Property.

**1.14     Guaranty.** “Guaranty” means the guaranty agreement or agreements executed by any Guarantor.

**1.15     Guarantor.** “Guarantor” means the Person or Persons, if any, now or hereafter guaranteeing payment of the Note or payment or performance of any or all of the other Obligations.

**1.16     Impositions.** “Impositions” means all (a) Taxes; (b) Insurance Premiums; (c) gas, electricity, water, sewer, and other utility charges which are incurred for the benefit of the Property or which may become a lien against the Property; (d) assessments, charges, and fees imposed pursuant to any Covenants and Restrictions; (e) assessments, charges and fees payable with respect to any Easements, Water Rights or Development Rights; (f) principal, interest, and other amounts payable in connection with any Liens; and (g) such other taxes, charges, premiums, assessments and impositions relating to the Property, the payment of which Lender determines to be necessary to protect Lender’s security for the Obligations.

**1.17     Improvements.** “Improvements” means the Buildings and Fixtures, collectively.

**1.18     Insurance Claims.** “Insurance Claims” means all claims, actions, causes of action, demands, liens, rights, judgments, settlements, awards, compensation, and damages of every kind and nature which Borrower now has or which may hereafter accrue against any Person, whether arising in tort, by contract or statute, or in any other manner, which in any way directly or indirectly relate to or arise under any policy of insurance which Borrower maintains with respect to the Property or which Borrower is required to maintain under this Mortgage (collectively, the “Insurance Policies”).

**1.19     Insurance Proceeds.** “Insurance Proceeds” means all proceeds, tangible and intangible property resulting from the payment, collection of, recovery on, or other disposition of any or all of the Insurance Claims.

**1.20     Insurance Premiums.** “Insurance Premiums” means all premiums and other amounts payable in connection with procuring or maintaining the Insurance Policies.

**1.21     Leases.** “Leases” means all existing and future rental agreements, leases, licenses, concessions, occupancy agreements, and other similar agreements affecting the Property, including all subleases at any level.

**1.22     Liens.** “Liens” means all mortgages, deeds of trust, mechanics’ liens, and other liens and encumbrances of every kind and nature, other than this Mortgage, now or hereafter affecting the Property.

**1.23     Loan Documents.** “Loan Documents” means the Note, this Mortgage (together with any riders), the Guaranty, and all other documents executed by Borrower or any of the Guarantors and delivered to Lender at Lender’s request in connection with the Loan, and all extensions, renewals, modifications, and replacements of such documents.

**1.24     Manager.** “Manager” means any Person who is acting as a manager of a limited liability company, including any member who is acting in such capacity.

**1.25     Mineral Rights.** “Mineral Rights” means all existing and future right, title, and interest in and to all minerals, oil, gas and other hydrocarbon substances in or on the Property.

**1.26     Person.** “Person” means any natural person or any entity, including any corporation, partnership, joint venture, limited liability company, trust, unincorporated organization, trustee, or Governmental Authority.

**1.27     Property Claims.** “Property Claims” means all claims, actions, causes of action, demands, liens, rights, judgments, settlements, awards, compensation, and damages of every kind and nature (other than the Insurance Claims and Condemnation Claims) which Borrower now has or which may hereafter accrue against any Person, whether arising in tort, by contract or statute, or in any other manner, which in any way directly or indirectly relate to or arise out of any or all of the following: (a) the Property; (b) any existing or future fact, matter, occurrence, or transaction relating to the Property; or (c) the design, construction, improvement, development, use, ownership, operation, maintenance, repair or marketing of the Property.

**1.28     Property Proceeds.** “Property Proceeds” means all proceeds, tangible and intangible property resulting from the payment, collection of, recovery on, or other disposition of any or all of the Property Claims.

**1.29     Rents and Profits.** “Rents and Profits” means all existing and future rents, royalties, issues, profits, proceeds, revenues, income and other benefits of the Property and all Leases, including all security deposits and prepaid rent.

**1.30     Taxes.** “Taxes” means (a) all taxes, bonds, levies and assessments now or hereafter affecting the Property, including all general and special real and personal property taxes, bonds, and assessments affecting the Property; (b) all other taxes, bonds, levies and assessments which now are or hereafter may become a lien on the Property, including all income, profits, franchise, withholding, and gross receipt taxes; (c) all other charges now or hereafter imposed on or assessed against the Property by any Governmental Authority or arising with respect to the design, construction, improvement, development, use, ownership, operation, maintenance, repair or marketing of the

Property; and (d) all taxes, bonds, levies, and assessments now or hereafter imposed by any Governmental Authorities on Lender by reason of their respective interests in the Loan Documents, excluding any franchise, estate, inheritance, income, or similar tax imposed on Lender.

**1.31      Tenants.** “Tenants” means all tenants and occupants of the Property under the Leases.

**1.32      Water rights.** “Water rights” means all existing and future water, water rights (whether riparian, appropriative, or otherwise, and whether or not appurtenant), and all water stock relating to the Property.

## **ARTICLE 2**

### **COVENANTS OF BORROWER**

**2.1      Performance of Secured Obligations.** Borrower shall pay and perform each and all of the Obligations in accordance with their respective terms.

**2.2      Preservation of the Property.** Borrower (a) shall maintain the Property in good condition and repair; (b) shall promptly repair and restore in a good and workmanlike manner any part of the Property which may be damaged or destroyed, whether or not any Insurance Proceeds are adequate to pay for the cost of such repair and restoration; (c) shall comply and cause the Property to comply with the provisions of all Insurance Policies; (d) shall comply and cause the Property to comply with all Governmental Requirements; (e) shall comply and cause the Property to comply with all Covenants and Restrictions; (f) shall maintain in effect all Governmental Permits; (g) shall not initiate, join in or consent to any change in the zoning, general plan, specific plan, or any other land use classification affecting the Property or any Covenant or Restriction without the prior written consent of Lender; (h) shall not remove, demolish, improve, add to, or alter the Improvements (excluding non-structural alterations which preserve or increase the value of the Property, alterations required by Governmental Requirements and alterations approved by Lender) or change the character or use of the Property without the prior written consent of Lender; (i) shall not commit or permit any waste respecting the Property or impairment of the Property; (j) shall not abandon the Property; (k) shall not commit or permit any act upon the Property in violation of any Governmental Requirements; (l) shall promptly complete in a good and workmanlike manner, and shall pay, when due, all claims for labor performed and for materials furnished in connection with, Improvements which Borrower commences to construct on the Land; and (m) shall paint, cultivate, irrigate, fertilize, fumigate, prune, maintain and do all other acts, in a timely and proper manner, which from the character or use of the Property may be necessary or appropriate to preserve, protect and maintain the value of the Property. Borrower hereby recognizes and acknowledges that the condition and appraisal of the Property and all relevant documents relating to the Property are important and necessary for Lender to protect its position as secured creditor (whether or not Borrower is a debtor in any bankruptcy, receivership, liquidation or credit restructuring case or proceeding under state or Federal or bankruptcy law). Therefore, Borrower hereby agrees: (a) to promptly provide to Lender all documents and filings reasonably requested by Lender which relate to (i) the Property, (ii) its condition, (iii) any operations related thereto, (iv) the maintenance thereof, (v) any taxes or assessments thereon, (vi) any insurance therefor, (vii) any liens, claims or interests thereon asserted by third parties, (viii) any leases thereof, and (ix) any rents or profits arising therefrom; (b) to provide Lender or its agents upon two days notice with a reasonable opportunity to conduct an internal and external appraisal of the Property and to cooperate with any reasonable requests in connection with such appraisal; and (c) to coordinate with Lender to take the forgoing actions on an expedited basis of not more than one day in the event that Borrower should become a debtor in any bankruptcy, receivership, liquidation or credit restructure case or proceeding under state or Federal or bankruptcy law.

**2.3      Hazardous Substances.** As used in this Section 2.3, (a) “Hazardous Substances” are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) “Environmental Law” means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) “Environmental Cleanup” includes any response action, remedial action, or removal action, as defined

in Environmental Law; and (d) an “Environmental Condition” means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, Hazardous Substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

**2.4      Insurance.** Borrower shall keep the Improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term “extended coverage,” and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. Each of the Insurance Policies, including the amounts, form, coverage, deductibles, insurer and loss payable and cancellation provisions, shall be acceptable to Lender and the insurance company providing coverage must have rating of at least A-V or better in the latest edition of “Best’s Insurance Guide,” must be licensed to do business in the state in which the property is located, and must be licensed to transact the lines of insurance required in this transaction. Without limiting any of the terms of this Section, (i) each of the Insurance Policies shall provide that it may be canceled or modified only upon not less than thirty (30) days prior written notice to Lender; and (ii) the fire and extended coverage and other casualty insurance policies which Borrower is required to maintain under this Mortgage shall contain a mortgagee’s loss payable endorsement acceptable to Lender naming Lender as loss payee and shall be written with liability in an amount equal to the lesser of (x) the original principal amount of the Loan plus any Reserve Advance and (y) the full replacement cost of the Improvements. Borrower shall provide evidence to Lender of all required insurance hereunder on or before the closing of the Loan.

**2.5      Insurance Policies.** Within thirty (30) days after closing of the Loan, Borrower shall deliver to Lender the originals of all Insurance Policies together with receipts for the full payment of all Insurance Premiums, and Lender shall have the right to hold such policies as long as any Obligations are outstanding. Lender shall not be liable or responsible for the suitability, adequacy, enforceability, validity, amount, form, or content of any Insurance Policies, the solvency of any insurer, or the collection of any Insurance Proceeds, and Borrower shall at all times have full responsibility for all of such matters. Not later than thirty (30) days prior to the expiration of each of the Insurance Policies, Borrower shall deliver to Lender a policy or policies renewing or extending the expiring Insurance Policies together with written evidence showing payment of the Insurance Premiums for such policies. If Borrower fails to deliver any of the Insurance Policies to Lender in accordance with this Mortgage, or if any of the Insurance Policies is canceled, Lender, without notice to or demand upon Borrower, shall have the right to obtain such insurance in such form, content and amount and with such insurer as Lender determines to be necessary or appropriate to protect its interest. Without limiting any other provision of this Mortgage, all premiums and other costs and expenses paid or incurred by Lender in connection with Lender’s obtaining any Insurance Policies under this Section shall be payable by Borrower to Lender on Lender’s demand. Lender shall not be obligated to obtain or maintain any policy of insurance with respect to the Property. All Insurance Policies relating to the Property and all unearned Insurance Premiums shall automatically inure to the benefit of and be deemed to be assigned to the grantee of the Property at any judicial or nonjudicial foreclosure sale under this Mortgage or by any deed in lieu of foreclosure under this Mortgage.

**2.6      Assignment of Insurance Claims and Proceeds.** To secure the Obligations, Borrower grants, transfers, and assigns to Lender the Insurance Claims and Insurance Proceeds.

**2.7      Assignment of Condemnation Claims and Proceeds and Other Claims.** To secure the Obligations, Borrower grants, transfers, and assigns to Lender the Condemnation Claims, Condemnation Proceeds, Property Claims, and Property Proceeds.

**2.8      Payment of Proceeds.** Borrower shall cause all Insurance Proceeds, Condemnation Proceeds and Property Proceeds (collectively, the "Proceeds") to be paid or delivered directly to Lender. Lender shall at all times have the right but not the obligation (a) to demand, collect, accept, receive and give receipts for any and all of the Proceeds; and (b) to direct any Person to pay or deliver any or all of the Proceeds directly to Lender. Nothing contained in this Mortgage shall be deemed to obligate Lender to make any inquiry as to the sufficiency of any Proceeds received by Lender. If for any reason Borrower receives any Proceeds, Borrower shall immediately pay, assign, endorse or deliver such Proceeds to Lender in the original form in which received by Borrower and shall not commingle such Proceeds with any of Borrower's other funds or property.

**2.9      Prosecution and Settlement of Claims.** Prior to the occurrence of any Event of Default, Borrower shall have a license to prosecute and enforce the Insurance Claims, Condemnation Claims, and Property Claims (collectively, the "Claims"). Lender shall at all times have the right to appear in, defend, and prosecute any action or proceeding arising out of or relating to any or all of the Claims if Lender determines that such action is necessary or appropriate to protect Lender's interest in connection with the Obligations. Upon the occurrence of an Event of Default, Borrower's license to prosecute and enforce the Claims shall be revoked upon, and to the extent provided in, notice by Lender to Borrower. Following such revocation, Lender, at its option, shall have the exclusive right to prosecute and enforce any or all of the Claims to the extent provided in Lender's notice of revocation and to compromise, adjust, settle or dismiss any or all of the Claims, whether or not Lender has taken possession of the Property. Without Lender's prior written consent, Borrower shall not (a) sell, transfer, pledge, hypothecate or otherwise dispose of or abandon any or all of the Claims; or (b) compromise, adjust, settle, or dismiss any or all of the Claims.

**2.10     Title Policy.** Upon recordation of this Mortgage, Borrower shall cause the Lender to be furnished with an lender's policy of title insurance acceptable to Lender (a) written in an amount equal to the principal amount of the Loan; (b) issued by a title insurance company acceptable to the Lender; (c) showing title to the Property to be vested in a manner acceptable to the Lender; (d) containing a legal description of the Property satisfactory to the Lender; (e) insuring this Mortgage as a first lien on the Property, subject only to such exceptions as have been approved in writing by the Lender; (f) containing such title insurance endorsements as may be required by the Lender; and (g) otherwise acceptable to the Lender in form and substance, including the policy revision date. Within five (5) business days after the Lender's request from time to time, Borrower, at its expense, shall furnish the Lender with such additional title insurance endorsements as the Lender may require insuring the continuing first priority of this Mortgage. Borrower shall at all times cooperate with the Lender and its title insurer and provide the Lender's title insurer with such information as such title insurer may request or require in order to provide the Lender with the policies and endorsements described in this Section.

**2.11     Subordinate Mortgages.** Borrower shall not grant or permit any other Lien on the Property ("Subordinate Mortgage") without Lender's prior written consent. To obtain Lender's written consent, which Lender may withhold for any reason in its discretion, Borrower must first deliver to Lender a written agreement, acceptable to Lender, executed by the holder of the Subordinate Mortgage which provides that (a) the Subordinate Mortgage is and shall at all times remain unconditionally subject and subordinate to this Mortgage; (b) if any action or proceeding is commenced to foreclose the Subordinate Mortgage, no Tenant under any Lease shall be named as a defendant in such action or proceeding, nor shall such action or proceeding terminate any Lease, without Lender's prior written consent; (c) all Rents and Profits, whether collected directly by the holder of the Subordinate Mortgage or through a receiver, shall be applied first to the Obligations, second to the payment of the Impositions, and thereafter to payment of maintenance and operating costs relating to the Property; and (d) the holder of the Subordinate Mortgage shall give written notice to Lender not later than ten (10) days prior to commencing any judicial or nonjudicial action or proceeding to foreclose the Subordinate Mortgage.

**2.12    Permitted Leasing; Assignment of and Compliance with Leases.** Notwithstanding Section 3.12 below, Borrower shall have the right to enter into Leases in the ordinary course of Borrower's business without Lender's prior written consent, provided that all of the following conditions are satisfied with respect to any such Lease or modification thereto: (a) the term of such Lease, including any extension or renewal options, does not exceed a total of five (5) years; (b) the form used for such Lease represents a commercially reasonable lease form or has been approved in writing by Lender prior to Borrower's execution of the Lease; (c) such Lease is unconditionally subordinate to this Mortgage and contains an attornment provision consistent with Section 2.13 below; (d) no Event of Default has occurred and is continuing at the time of Borrower's execution of such Lease; (e) Borrower provides Lender with an accurate and complete copy of such Lease within ten (10) business days after such Lease is executed by Borrower; (f) Borrower does not collect rent for more than one (1) month in advance; and (g) Borrower does not in any other manner impair Lender's rights with respect to or interest in the Rents and Profits. Upon Lender's request, Borrower shall execute, acknowledge and deliver to Lender an absolute and unconditional assignment acceptable to Lender of all of Borrower's interest in all Leases and all guaranties of and security for the Tenants' respective obligations under the Leases. Borrower shall perform and discharge all obligations of the lessor under the Leases in accordance with the terms thereof and shall diligently enforce all remedies available to Borrower in a commercially reasonable manner in the event of a default by the Tenant under any Lease.

**2.13    Attornment at Lender's Option.** Each Tenant who enters into a Lease for the Property after the date of recordation of this Mortgage (each such Lease is referred to as a "Subordinate Lease") and who has not entered into a written non-disturbance and attornment agreement with Lender shall be deemed to have agreed to attorn to Lender and accept Lender as the landlord under its Lease on the terms of this Section. If Lender acquires title to the Property by judicial or nonjudicial foreclosure under this Mortgage or by deed in lieu of foreclosure under this Mortgage, Lender, at its option, shall have the right to require any or all Tenants under Subordinate Leases to attorn to and accept Lender as the landlord under such Tenant's Subordinate Lease (the "Attornment Option") by giving written notice to such Tenant within thirty (30) days after the date on which Lender acquires title to the Property (the "Acquisition Date"). If Lender exercises the Attornment Option with respect to any Subordinate Lease, such attornment shall be effective and self-operative as of the Acquisition Date without the execution of any further documents on the part of the Tenant, Lender, or any other party, and the Tenant under the Subordinate Lease shall be bound to Lender under all of the terms, covenants, and conditions of the Subordinate Lease for the remaining balance of the term thereof, with the same force and effect as if Lender were the landlord under such Lease. Whether or not Lender exercises its Attornment Option with respect to any Subordinate Lease, Lender (a) shall not be liable for any act or omission of any prior landlord under any Subordinate Lease, including Borrower; (b) shall not be subject to any offset, defense, or claim which any Tenant may have against any prior landlord under any Subordinate Lease, including Borrower; (c) shall not be obligated (i) to return any security deposit now or hereafter paid by any Tenant; (ii) to return any prepaid rent or other amounts prepaid by any Tenant; or (iii) to grant any Tenant a credit for any such security deposit, prepaid rent or other prepaid amounts (excluding monthly rent and other charges which have not been prepaid for more than one month in advance), except to the extent, if any, that Lender has actually and unconditionally received such security deposit, prepaid rent or other prepaid amounts; and (d) shall not be obligated to complete the construction of any or all Improvements. Without limiting the terms of this Section, upon Lender's request, each Tenant under a Subordinate Lease shall execute and deliver to Lender any document which Lender determines to be necessary or appropriate to evidence such Tenant's attornment to Lender on the terms of this Section, including a new lease with Lender on the same terms and conditions as the Subordinate Lease for a term equal to the unexpired term of the Subordinate Lease. Nothing contained in this Section shall be deemed to obligate Lender to recognize any Subordinate Lease or accept an attornment by any Tenant upon Lender's acquisition of title to the Property. If Lender elects not to exercise the Attornment Option within the time period specified in this Section with respect to any Subordinate Lease, such Subordinate Lease and all of the rights, privileges and powers of the Tenant thereunder shall automatically terminate and shall be of no further force or effect from and after the Acquisition Date.

**2.14    No Liability by Lender.** Nothing contained in this Mortgage shall be deemed to obligate Lender to prosecute or enforce any or all of the Claims nor shall Lender have any liability or responsibility for any failure or delay by Lender in prosecuting or enforcing any or all of the Claims or to collect any or all of the Proceeds. Borrower shall at all times have the right to determine and follow its own policies and practices in the conduct of its business, subject to the terms and conditions of the Loan Documents.

**2.15 Application of Proceeds.** Lender, at its option, shall have the right (a) to apply any or all Proceeds received by Lender to any or all of the Obligations in such order and manner as Lender shall determine, whether or not such Obligations are then due and payable and without regard to the adequacy or impairment of the security for the Obligations; (b) to release any or all of the Proceeds received by Lender for payment of the costs of repair or reconstruction of the Property on such terms and conditions as may be acceptable to Lender; or (c) to release any or all of the Proceeds received by Lender to Borrower on such terms and conditions as may be acceptable to Lender. To the extent it is determined that Lender has applied payments in any order prohibited by any Governmental Authority, Lender shall refund to Borrower any fees and/or interest associated with the misapplication of payments. Acceptance of such refund by Borrower shall be deemed sufficient remedy and Borrower will have no right to seek further claims or damages from Lender.

**2.16 Release of Proceeds for Reconstruction.** Without limiting the generality of Section 2.15 above, if Lender elects to release any Proceeds for repair or reconstruction of the Property, at Lender's option, such release shall be conditioned on Borrower's satisfaction of the following conditions within one hundred and twenty (120) days after the occurrence of the damage requiring the repair or reconstruction: (a) Borrower's deposit with Lender of such funds in addition to the Proceeds as Lender determines to be necessary to pay all direct and indirect costs relating to the repair or reconstruction of the Property; (b) the establishment of a procedure acceptable to Lender for Lender's disbursement of the Proceeds; (c) Lender's receipt and approval of final plans and specifications and a cost breakdown for the repair or reconstruction of the Property; (d) Lender's receipt and approval of (i) a general construction contract for the repair or reconstruction of the Property executed by Borrower and a contractor acceptable to Lender; and (ii) payment and performance bonds written on such general contractor issued by a surety acceptable to Lender; (e) evidence acceptable to Lender that (i) the repair and reconstruction of the Property can be completed and a final and unconditional certificate of occupancy for the Property can be issued not later than thirty (30) days before the maturity date of the Note; (ii) upon completion of the repair or reconstruction of the Property, the income from the Property will be sufficient to pay all Impositions, operating expenses of the Property and installment payments due in connection with the Loan; (iii) leases acceptable to Lender will be in effect or remain in effect upon completion of the repair or reconstruction of the Property; (iv) upon completion of the repair or reconstruction of the Property, the fair market value of the Property will be at least as great as it was prior to the date on which the damage or condemnation occurred as shown in an appraisal acceptable to Lender; (v) there has been no adverse change in the financial condition of Borrower or any Guarantors since the date of this Mortgage; and (vi) no Event of Default exists; and (f) such additional conditions as Lender may establish.

**2.17 Taxes and Impositions.** Borrower (a) shall pay all Taxes at least ten (10) days before delinquency; and (b) shall pay all other Impositions when due. Upon Lender's request, Borrower shall deliver to Lender receipts and such other substantiating documentation as may be required by Lender to evidence payment of all Impositions by Borrower in accordance with this Section.

**2.18 Absolute Assignment of Rents and Profits.**

(a) **Absolute Assignment.** Borrower absolutely, irrevocably and unconditionally grants, transfers and assigns to Lender all Rents and Profits. Prior to the occurrence of an Event of Default, Borrower shall have a license to collect and retain on the terms of this Section 2.18 all Rents and Profits as they become due and payable. Upon the occurrence of an Event of Default, Borrower's license to collect the Rents and Profits shall automatically be revoked without notice to Borrower. Following such revocation, Lender shall be entitled to collect and retain all Rents and Profits, whether or not Lender has taken possession of the Property, and Borrower shall immediately pay, deliver or cause to be delivered to Lender any Rents and Profits then held or thereafter collected by Borrower. All Rents and Profits collected by or on behalf of Lender may be applied by Lender to the Obligations in such order and amounts as Lender may determine. If Lender elects to seek the appointment of a receiver following the occurrence of an Event of Default, Borrower irrevocably and unconditionally consents to the appointment of a receiver without regard to the adequacy of the security for any of the Obligations. Notwithstanding anything to the contrary contained in this Mortgage, the assignment of Rents and Profits contained in this Section is an absolute assignment and not an assignment as security. Neither the assignment of Rents and Profits contained in this Section nor any action taken by Lender to collect the Rents and Profits shall be deemed to make Lender a mortgagee-in-possession of the Property or shall be deemed to render Lender directly or indirectly liable or responsible for (i) the

use, control, condition, care, operation, occupancy, management, repair, or leasing of the Property; (ii) the production of Rents and Profits from the Property; or (iii) to the extent permitted under applicable law, the performance or observance of any or all of Borrower's duties, obligations, representations, or warranties under any Leases or other agreements relating to the Rents and Profits. Lender shall have no responsibility or liability of any kind for any failure or delay by Lender in enforcing any of the terms or conditions of this Section 2.18.

(b) **Applications of Rents and Profits Prior to Revocation of License.** Borrower shall apply the Rents and Profits to the payment of all reasonable and necessary operating costs and expenses of the Property, installment payments due in connection with the Loan, payment of Impositions, and a reasonable reserve for future reasonable and necessary expenses, repairs and replacements relating to the Property before using the Rents and Profits for any other purpose which does not directly benefit the Property.

(c) **Notices to Tenants.** Upon revocation of the license described in Section 2.18(a) above, Borrower irrevocably authorizes and directs all Tenants under the Leases to comply with any notice or demand by Lender for payment to Lender of any Rents and Profits or for the performance of any of the Tenant's other respective obligations under the Leases, regardless of any conflicting demand by Borrower or notice by Borrower to any Tenant that Lender's demand is invalid or wrongful. No Tenant shall have any duty to inquire as to whether any default by Borrower has occurred under the Loan Documents in connection with any notice or demand by Lender under this Section.

**2.19 Request for Lender's Consent to Transfers.** All requests by Borrower for Lender's consent to transfers under Section 3.12 below (a) shall specifically describe the transaction with respect to which Lender's consent is requested; (b) shall be delivered to Lender not less than fifteen (15) days before Borrower proposes to take the action with respect to which Lender's consent is requested; and (c) shall be accompanied by complete and accurate copies of all documents relating to the transaction with respect to which Lender's consent is requested, including financial statements and other information regarding the proposed transferee. Borrower acknowledges and agrees that Lender's right to withhold its consent, in its sole and absolute discretion, to any or all of the events described in Section 3.12 below is based, in part, on the fact that Borrower's particular financial condition, credit history, character, experience, ability and expertise, as represented by Borrower to Lender, were material and important factors in Lender's decision to make the Loan, and that Lender will continue to rely on such matters to insure satisfactory compliance with the Loan Documents during the entire term of the Loan. If Lender, in its sole and absolute discretion, consents to any of the transfers described in Section 3.12 below, such consent shall not be deemed to release Borrower or any other Person liable for payment or performance of the Obligations, and Borrower and such Persons shall continue to remain liable for payment and performance of the Obligations in accordance with the terms of the Loan Documents, unless expressly released pursuant to a further written agreement signed by Lender.

**2.20 Fixtures.** Notwithstanding Section 3.12 below, Borrower may from time to time replace any Fixtures constituting a part of the Property in the ordinary course of Borrower's business, provided that (a) the replacement property for such Fixtures is at least equivalent in value, character, and quality to the Fixtures being replaced; (b) Borrower has good and marketable title to such replacement property free and clear of all liens, claims, and interests other than the lien of this Mortgage; and (c) this Mortgage shall constitute a first lien on such replacement Property.

**2.21 Notice of Certain Matters.** Borrower shall promptly notify Lender in writing of (i) any claim, demand, right, or Lien relating to the Property which may be adverse to the lien of this Mortgage; (ii) any material loss, depreciation, or adverse change in the value of the Property and any other occurrence which may materially and adversely affect Lender's lien on the Property; (iii) any material adverse change in Borrower's ability to perform any or all of the Obligations; (iv) any event or condition which constitutes an Event of Default; and (v) any dispute between Borrower and any Governmental Authority relating to the Property which may have a material adverse effect on the Property.

**2.22 Inspection.** Lender shall have the right at all reasonable times (a) upon reasonable prior written or telephonic notice (except that no such notice shall be required in the case of an emergency or any inspection limited to the public areas or common areas of the Property) to enter upon and inspect the Property, including any entry which

Lender determines is necessary or appropriate in connection with enforcing or exercising any right, remedy or power available to or conferred on Lender under the Loan Documents; (b) to contact any Person to verify any information provided or disclosed by Borrower to Lender; and (c) to release such information regarding the Property, Borrower, or the Obligations as Lender may determine to be necessary or appropriate in connection with enforcing or exercising any right, remedy or power available to or conferred on Lender under the Loan Documents. Lender shall have no obligation or duty to inspect the Property, and all such inspections by Lender shall be for Lender's sole benefit and not for the benefit of Borrower or any other Person.

**2.23     Defense of Actions and Protection of Security by Borrower.** Borrower shall appear in and defend any action or proceeding commenced by any Person other than Lender which affects or which Lender determines may affect any or all of the following: (a) the Property; (b) the Insurance Claims, Condemnation Claims, or Property Claims; (c) Lender's or Borrower's respective rights and obligations under the Loan Documents; (d) the Obligations; or (e) any other transaction or matter which affects Lender by reason of its interest in the Property. Borrower shall promptly commence and diligently prosecute all actions and proceedings which are necessary or appropriate or which Lender determines may be necessary or appropriate to do any or all of the following: (i) prevent any damage, destruction, or injury to the Property; (ii) enforce or recover upon the Insurance Claims, Condemnation Claims or Property Claims or collect the Insurance Proceeds, Condemnation Proceeds, or Property Proceeds; or (iii) to preserve, protect, maintain, and defend the Property and Lender's lien thereon.

**2.24     Enforcement of Covenants and Restrictions.** If any of the Covenants and Restrictions apply to Persons owning or occupying real property which is adjacent to or in the vicinity of the Property, Borrower shall diligently enforce the Covenants and Restrictions against such Persons if (a) such Persons have breached their obligations under the Covenants and Restrictions; and (b) such breach has not been cured by such Persons within ninety (90) days after a request by Lender to Borrower to enforce the Covenants and Restrictions.

**2.25     Further Assurances.** Upon Lender's request, Borrower shall execute, acknowledge and deliver to Lender such further documents and agreements and take such further actions as Lender may reasonably require from time to time to effectuate or carry out the purposes of the Loan Documents or to evidence, perfect, maintain, preserve or protect Lender's lien on the Property, including Borrower's execution of security agreements, assignments, financing statements, and continuation financing statements. Upon Lender's request, Borrower shall execute, acknowledge and deliver to Lender an assignment acceptable to Lender of such additional rights, privileges, Governmental Permits, and documents relating to the Property as Lender may reasonably determine to be necessary or appropriate in connection with the design, construction, improvement, development, use, ownership, operation, maintenance, repair or marketing of the Property.

## ARTICLE 3

### EVENTS OF DEFAULT

Lender, at its option, shall have the right to declare Borrower to be in default under this Mortgage and the other Loan Documents upon the occurrence of any or all of the following events:

**3.1     Payment of Note and Other Monetary Obligations Under Loan Documents.** If (a) an Event of Default occurs under the terms of the Note; or (b) Borrower fails perform any of its other obligations under the Loan Documents or under any other document with Lender requiring the payment of money to Lender or any third Person within ten (10) days after the date on which such indebtedness or monetary obligation is due.

**3.2     Performance of Non-Monetary Obligations Under Loan Documents.** If Borrower breaches or otherwise fails to perform any of its non-monetary obligations to Lender or any third Person under any of the Loan Documents or under any other document with Lender when due.

**3.3     Misrepresentation.** If any request, statement, information, certification, or representation, whether written or oral, submitted or made by Borrower to Lender in connection with the Loan is false or misleading in any material respect.

**3.4      Insolvency of Borrower.** If (a) a petition is filed by or against Borrower under the federal bankruptcy laws or any other applicable federal or state bankruptcy, insolvency or similar law; (b) a receiver, liquidator, trustee, custodian, sequestrator, or other similar official is appointed to take possession of Borrower or the Property, or Borrower consents to such appointment; (c) Borrower makes an assignment for the benefit of creditors; provided, however, that Borrower shall have thirty (30) days within which to cause any involuntary bankruptcy proceeding to be dismissed or the involuntary appointment of any receiver, liquidator, trustee, custodian, or sequestrator to be discharged. The cure provision contained in this Section shall be in lieu of, and not in addition to, any and all other cure provisions contained in the Loan Documents.

**3.5      Performance of Obligations to Senior Lien Holders or Third Persons.** If (i) Borrower fails to pay any of its indebtedness or to perform any of its obligations under any agreement between Borrower and any other Person who holds a Lien senior to this Mortgage when due; or (ii) Borrower fails to pay any of its indebtedness or to perform any of its obligations when due under any other material document between Borrower and any other Person.

**3.6      Attachment.** If all or any material part of the assets of Borrower or Guarantor are attached, seized, subjected to a writ or levied upon by any court process and Borrower fails to cause such attachment, seizure, writ or levy to be fully released or removed within sixty (60) days after the occurrence of such event. The cure provision contained in this Section shall be in lieu of, and not in addition to, any and all other cure periods contained in the Loan Documents.

**3.7      Injunctions.** If a court order is entered against Borrower enjoining the conduct of all or part of its business and Borrower fails to cause such injunction to be fully stayed, dissolved or removed within sixty (60) days after such order is entered. The cure provision contained in this Section shall be in lieu of, and not in addition to, any and all other cure periods contained in the Loan Documents.

**3.8      Dissolution.** The dissolution, liquidation, or termination of existence of Borrower or any of Borrower's General Partners or Managers.

**3.9      Impairment of Priority.** If (i) the priority of this Mortgage or Lender's security interest under any of the other agreements securing any or all of the Obligations is impaired for any reason; or (ii) the value of the Property has deteriorated, declined or depreciated as a result of any intentional tortious act or omission by Borrower.

**3.10     Condemnation.** If all or any material part of the Property is transferred to any Governmental Authority as a result of any condemnation proceeding or action with respect to all or any material part of the Property.

**3.11     Failure to Repair Casualty.** If there is an uninsured casualty with respect to the Property and Borrower (a) fails to commence repairs and reconstruction of the Property within ninety (90) days after such damage; or (b) thereafter fails to diligently prosecute such repairs and reconstruction to completion.

**3.12     Sales, Transfers and Further Encumbrances.** If any one of the following events occurs without Lender's prior written consent, which may be withheld in Lender's sole and absolute discretion:

(a)      the sale, conveyance, transfer, mortgage, encumbrance, lease (except for (i) the leasing of space in the Improvements which is permitted under Section 2.12 of this Mortgage and (ii) the conveyance or transfer of any part or any interest in the Property to a revocable family trust affiliated with Borrower, provided that such conveyance or transfer is solely for estate planning purposes), or alienation of all or any part of the Property or any interest in the Property, whether voluntary or involuntary, or Borrower's grant of any option or agreement to effect any such transaction.

(b)      if Borrower or any General Partner or Manager of Borrower is a partnership, the admission, withdrawal, retirement or removal of any General Partner of Borrower or any of Borrower's General Partners or Managers, or the sale or transfer of more than forty-nine percent (49%) of the beneficial interests in Borrower or any of Borrower's General Partners or Managers.

(c) if Borrower or any General Partner or Manager of Borrower is a corporation, the sale or transfer of an aggregate of more than forty-nine percent (49%) of any class of stock in such corporation or the issuance by such corporation of additional stock to any Person who is not a shareholder in such corporation as of the date of this Mortgage.

(d) if Borrower or any General Partner or Manager of Borrower is a limited liability company, the appointment, withdrawal, retirement or removal of any Manager of Borrower or any of Borrower's General Partners or Managers or the sale or transfer of more than forty-nine percent (49%) of the beneficial interests in Borrower or any of Borrower's General Partners or Managers.

(e) if Borrower or any General Partner or Manager of Borrower is an individual, the death or incompetency of such Person, except where applicable law limits or prohibits Lender's declaration of a default based on such occurrences; provided, however, that Lender shall not declare an Event of Default to exist based solely on the death or mental incompetence of any individual Borrower, General Partner, or Manager if, within ninety (90) days after the occurrence of such event, a substitute is appointed, and Lender determines that the financial condition, credit history, character, experience, ability and expertise of such substitute is otherwise acceptable.

**3.13      Default by Guarantor.** If Guarantor fails to pay any of its indebtedness or perform any of its obligations under the Guaranty when due or the revocation, limitation or termination or attempted revocation, limitation or termination of any of the obligations of Guarantor under the Guaranty, except in accordance with the express written terms of the Guaranty.

**3.14      Misrepresentation by Guarantor.** If any request, statement, information, certification, or representation, whether written or oral, submitted or made by Guarantor to Lender in connection with the Loan or any other extension of credit by Lender to Borrower or such Guarantor is false or misleading in any material respect.

**3.15      Cross-Default.** If Borrower, or any Affiliated Borrower (as hereinafter defined), fails to pay any of its indebtedness or to perform any of its obligations as to any other loan or loans or any other obligation owed to Lender when due. As used in this Section, "Affiliated Borrower" means, any borrower (individual or entity) directly or indirectly controlling, controlled by, or under common control with, Borrower, and "control" means an ownership interest equal to or greater than 10% of the entity or the ability to direct the management or affairs of that entity, whether through ownership, by contract or otherwise.

## ARTICLE 4

### REMEDIES

Upon Lender's election to declare Borrower to be in default under this Mortgage and the other Loan Documents pursuant to Article 3 above, Borrower shall be deemed to be in default under this Mortgage and the other Loan Documents, and Lender shall have the following rights and remedies:

**4.1      Actions by Lender.** Lender shall have the right (a) to enter, take possession of, and manage, operate and lease the Property; (b) to take possession of any or all Books and Records; (c) to collect any or all Rents and Profits, whether or not Lender has taken possession of the Property; and (d) to take any or all actions which Lender determines to be necessary or appropriate in connection therewith or to preserve, protect, maintain and defend the Property and Lender's lien thereon, including (i) the exercise and enforcement of all of Borrower's rights under any or all of the Leases; (ii) the termination, acceptance of a surrender, modification or amendment of any or all of the Leases; (iii) the execution of new Leases on such terms and conditions as Lender determines to be appropriate; and (iv) the repair, alteration, improvement or completion of the Property in such manner and to such extent as Lender determines to be necessary or appropriate. If Lender elects to take possession of the Property or to take any or all of the other actions described in this Section by court process, Borrower irrevocably and unconditionally agrees that a receiver may be appointed by a court for such purpose pursuant to Section 4.5 below.

**4.2      Judicial Action.** Lender shall have the right to commence an action or proceeding to foreclose this Mortgage and to enforce any or all of the terms of the Loan Documents, including specific performance of the covenants of Borrower under this Mortgage.

**4.3      Foreclosure by Power of Sale.**

(a)      **Declaration and Notice of Default.** Lender shall have the right (i) to cause the Property to be sold under the power of sale contained in this Mortgage in any manner permitted by applicable law; and (ii) to deliver to Borrower a written notice of default and election to cause the Property to be sold. Upon the expiration of such period of time after delivery of such notice of default and election to sell and the giving of such notice of sale as may then be required by law, and without the necessity of any demand on Borrower, Lender or any designated sheriff or clerk, at the time and place specified in the notice of sale, shall sell the Property at public auction to the highest bidder for cash in U.S. Dollars payable at the time of sale. Lender or any obligee, creditor, or the holder or holders of the Note or Loan Documents may bid and purchase at such sale.

(b)      **Postponements; Multiple Parcels.** To the extent permitted by law, Lender may, from time to time, postpone any sale hereunder by public announcement at the time and place noticed for such sale or may, in its discretion, give a new notice of sale. If the Property consists of several lots, parcels or items of property, Lender shall have the exclusive right (i) to designate the order in which such lots, parcels or items shall be offered for sale or sold; and (ii) to elect to sell such lots, parcels or items through a single sale, through two or more successive sales, or in any other manner Lender determines to be in its best interest. Any Person, including Borrower and Lender, may purchase at any sale under this Mortgage, and Lender shall have the right to purchase at any such sale by crediting upon the bid price the amount of all or any part of the Obligations. If Lender determines to sell the Property in more than one sale, Lender may, at its option, cause such sales of the Property to be conducted simultaneously or successively, on the same day or on such different days or times and in such order as Lender may determine, and no such sale shall terminate or otherwise affect the lien of this Mortgage on any part of the Property that has not been sold until all Obligations have been paid in full.

(c)      **Costs of Sale; Incomplete, Defective or Irregular Sales.** Borrower shall pay all costs, fees, and expenses of all sales of the Property under this Mortgage, including the costs, fees, and expenses (including attorneys' fees) of Lender, together with interest thereon at the interest rate applicable to principal under the Note. A sale of less than all of the Property or any defective or irregular sale under this Mortgage shall not exhaust, impair or otherwise affect the power of sale contained in this Mortgage, and subsequent sales of the Property may be made under this Mortgage until all Obligations have been satisfied or until the entire Property has been sold without defect or irregularity. .

**4.4      Application of Sale Proceeds.** Lender shall apply the proceeds of the sale or sales in the following order of priority: (a) first, to payment of all expenses of such sale or sales and all costs, expenses, fees, and liabilities of Lender, including attorneys' fees, costs of other evidence of title; (b) second, to all amounts advanced or disbursed by Lender under any of the terms of this Mortgage which have not then been repaid, together with interest thereon at the rate applicable to principal under the Note; (c) third, to the payment of all other Obligations in such order and amounts as Lender determines; and (d) the remainder, if any, to the Person or Persons legally entitled thereto.

**4.5      Appointment of a Receiver.** Lender shall have the absolute and unconditional right to apply to any court having jurisdiction and obtain the appointment of a receiver or receivers of the Property, and Borrower irrevocably and unconditionally consents to such appointment and agrees that Lender shall have the right to obtain such appointment (a) without notice to Borrower or any other Person; (b) without regard to the value of the Property or any other collateral securing the Obligations; and (c) without acceleration of the Obligations or commencement of foreclosure proceedings under this Mortgage. Any such receiver or receivers shall have the usual powers and duties of receivers in similar cases and all powers and duties necessary or appropriate to exercise the rights of Lender as provided in this Mortgage.

**4.6      Protection of Lender's Security.** Lender, without obligation to do so and without notice to or demand on Borrower, and without releasing Borrower from any of its Obligations or waiving Lender's rights under

the Loan Documents, shall have the right to perform any Obligation which Borrower has breached in such manner, at such time, and to such extent as Lender determines to be necessary or appropriate to preserve, protect, maintain and defend the Property and Lender's lien thereon.

**4.7      Assembly of Property.** Upon Lender's request, Borrower shall assemble and make available to Lender at the location of the Land all Property which has been removed from or which is not located on the Land.

**4.8      Rescission of Notice of Default.** Prior to the conduct of any sale under the power of sale contained in this Mortgage, Lender, at its option, shall have the right to rescind any notice of default and election to sell the Property. Lender's rescission of any notice of default and election to sell pursuant to this Section or under applicable law shall not constitute or be construed as a waiver of any Event of Default or impair, prejudice or otherwise affect (a) Lender's right to record a new notice of default and election to sell the Property based on the same or any other Event of Default; or (b) Lender's rights and remedies in connection with the Obligations.

**4.9      Exercise of Rights Under Other Loan Documents and Laws.** Lender shall have the right to exercise any or all rights and remedies which Lender may have under any or all of the other Loan Documents and all other applicable law, including without limitation the applicable Uniform Commercial Code as it relates to such personal property assets as are encumbered under this Agreement.

**4.10    Continuing Recourse Liability.** Notwithstanding any contractual or statutory defense to, or prohibition of, (x) continuing liability on the Loan or the Note or the other Loan Documents or (y) liability for any deficiency remaining on the Loan, the Note and or any other Loan Document after foreclosure upon any item of Property (collectively "Deficiency Defense"), Borrower hereby agrees, to the extent not prohibited by applicable law, that:

(a)      Borrower shall be continue to be liable for, and shall be subject to full recourse liability for, all amounts owed under the Loan, the Note or any other Loan Documents if any of the following conditions occur:

(i)      in the event of (1) the commencement of a case by Borrower or against Borrower by any person or entity other than Lender or any person or entity affiliated with Lender under Title 11 of the United States Code (11 U.S.C. §§101, et seq.) or any successor statute (the "**Bankruptcy Code**") or under any other law governing any federal or state bankruptcy, insolvency, reorganization, or other similar proceeding (collectively, a "**Bankruptcy Proceeding**"), or (2) the consent of the Borrower to any Bankruptcy Proceeding; or (3) the failure of Borrower to oppose in good faith and to the maximum extent permitted by law of such involuntary Bankruptcy Proceeding; or (4) if any involuntary Proceeding is filed, the failure of Borrower to promptly stipulate to entry of an order granting Lender relief from the "automatic stay" under 11 U.S.C. 342 to proceed with a foreclosure of the Property, or (5) any collusion by Borrower with other creditors to cause, assist, or support such involuntary Bankruptcy Proceeding.

(ii)     in the event that Guarantor joins or consents to any Bankruptcy Proceeding for Borrower or opposes any stipulation or motion seeking to grant Lender relief from the "automatic stay" under 11 U.S.C 342 to proceed with a foreclosure of the Property.

(iii)    in the event that Borrower makes a transfer of any interest in the Borrower or in the Property or makes or allows to exist an encumbrance on the Property or on an interest in the Borrower, (1) that is not expressly permitted pursuant to the terms, conditions, and provisions of the Loan Documents and (2) without the prior express written approval of the Lender and (3) that is not cured within thirty (30) days after written notice from the Lender.

(b)      Borrower shall be continue to be liable for, and shall be subject to full recourse liability for, all amounts owed under the Loan, the Note and the other Loan Documents minus any recovery the Lender is successful in collecting on any title insurance policy it holds in connection with the Property in the event that the Lender is prevented from acquiring title to the Property after the occurrence of an Event of Default) because of the failure of the Borrower's title to the Property under applicable federal, state, or

local laws due to the commission of a criminal act by the Borrower or an affiliate of the Borrower as a result of which the applicable governmental entity is entitled to (under such applicable law) and does, take title to the Property.

(c) Borrower shall be continue to be liable for, and shall be subject to full recourse liability for, all damages and losses incurred by Lender directly or indirectly arising out of or relating to any of the following: (1) fraud or misrepresentation by Borrower in connection with or relating to the Loan; (2) waste or willful mismanagement by Borrower with respect to any or all of the Property; (3) the application by Borrower of the Loan proceeds in any manner or for any purpose other than as specified in or required by the Loan Documents; (4) the removal or disposition by Borrower of any or all of the Property in violation of any of the terms of any of the Loan Documents; (5) any failure by Borrower to pay any Impositions in accordance with the Loan Documents, (6) the misapplication or misappropriation by Borrower of Insurance Proceeds (7) failure to deliver to Lender condemnation proceeds, insurance proceeds, or other proceeds of the Property or other similar proceeds, funds or payments, or other benefits of all or part of any collateral; (8) the misapplication or misappropriation of any Rents and Profits, prepaid rents, security deposits and similar sums paid to Borrower or any other Person in connection with any or all Leases of any part of the Property in violation of the terms of the Loan Documents; (9) recovery of amounts, damages, costs and expenses, including without limitation attorneys' fees, owing or payable to the Lender by Borrower relating to certain environmental matters or under any secured or unsecured indemnity agreement relating to Hazardous Substances executed by Borrower in connection with the Loan, including without limitation under (A) any Environmental Indemnity Agreement executed by Borrower in connection with the Loan; and (B) all terms of the Loan Documents which constitute "environmental provisions" under applicable law (including without limitation California Code of Civil Procedure Section 726.5 and 736, as such Section may be amended from time to time); respectively; and (10) all amounts owing to the Lender by Borrower under any other indemnification provision contained in the Loan Documents or with respect to claims asserted by any third Person against the Lender or liabilities incurred by the Lender with respect to any third Person, which claims or liabilities directly or indirectly result from or arise out of any act or omission of Borrower or from the occupancy or use of all or part of the Property by Borrower prior to Lender's acquisition of title to such Property.

(d) To the extent not prohibited by applicable law, Borrower hereby waives any and all rights and protections of the Deficiency Defenses.

## ARTICLE 5

### WARRANTIES AND REPRESENTATIONS

**5.1      Warranties and Representations.** As a material inducement to Lender's extension of credit to Borrower in connection with the Loan, Borrower warrants and represents to Lender as follows:

(a)      **Qualifications.** Borrower is qualified to do business in the jurisdiction in which the Property is located.

(b)      **Litigation.** To the best of Borrower's knowledge, there are no actions, suits, proceedings or investigations pending or threatened against or affecting Borrower or the Property in any court or before any other Governmental Authorities that could reasonably be expected to have a material adverse effect on Borrower's ability to repay the Loan or on the value of the Property, nor does Borrower know of any basis for any such action, suit, proceeding or investigation.

(c)      **Ownership.** Upon recordation of this Mortgage, Borrower will be the sole legal and beneficial owner of, and will have good and marketable title to, the Property and all other collateral which is the subject of the Loan Documents.

(d) **Liens.** To the best of Borrower's knowledge, there are no Liens, claims, encroachments, Covenants and Restrictions, Leases, Easements, or other rights affecting the Property which would not be disclosed by a customary search of the records relating to the Land of the county recorder for the county in which the Property is located, except for such matters as have been specifically disclosed by Borrower to and approved in writing by Lender prior to the date of recordation of this Mortgage.

(e) **Condition.** Upon completion of the Project (as defined on the Construction Loan Rider attached hereto), the Property will be in good condition and repair without any material defects known to Borrower.

(f) **Property Compliance.** Upon completion of the Project, the Property will be in compliance with all Governmental Requirements in all material respects.

(g) **Borrower Compliance.** Borrower shall comply with all Governmental Requirements, except to the extent that failure to comply therewith would not have a material adverse effect on its ability to fulfill its Obligations or otherwise fully comply with the Loan Documents.

(h) **Damage.** Except for any damage to be repaired by the Project, the Property is free from material casualty or termite damage.

(i) **Condemnation.** To the best of Borrower's knowledge, there is no condemnation, zoning change, or other proceeding or action pending, threatened or contemplated by any Governmental Authority which would in any way affect the Property.

(j) **Commercial Loan.** Borrower represents and warrants that the proceeds of this loan will be used by Borrower only for business purposes. If Borrower is a natural person, Borrower represents and warrants that Borrower does not intend to, and will not, occupy or reside on the Property so long as the Loan remains outstanding. If Borrower is a legal entity, Borrower represents and warrants that no person affiliated with Borrower intends to or will occupy or reside on the Property so long as the Loan remains outstanding.

(k) **Arms-Length Transaction.** Borrower represents and warrants that Borrower is operating at arms-length with, and has no material interest in, all parties to the Loan transaction, including the seller(s), any assignor(s) of the purchase and sale agreement for the Property, any loan broker or real estate agent(s), settling agent(s), escrow and title companies, insurance agent(s) or companies, or others, except for any relationship Borrower has disclosed to Lender and which Lender has approved in writing.

**5.2 Continuing Warranties and Representations.** The warranties and representations contained in this Article 5 shall be true and correct as of the date of recordation of this Mortgage, shall survive the closing of the Loan, and shall remain true and correct as of the date on which such warranties and representations are given.

## **ARTICLE 6**

### **MISCELLANEOUS**

**6.1 Lender Statement; Certain Charges.** With respect to (a) any statement, accounting, or similar information requested by Borrower or any other Person; or (b) any other document furnished to Borrower or any other Person by Lender at Borrower's request, Lender shall have the right to charge the maximum amount then permitted by law or, if there is no such maximum, Lender's customary charge for providing such statement, accounting, or other information. Borrower shall pay Lender its customary charge for any other service rendered by Lender in connection with the Loan or the Property, including the issuance of a request for full or partial reconveyance of this Mortgage, transmitting Loan proceeds to an escrow holder and changing Lender's records relating to the Obligations.

**6.2 Execution of Instruments by Lender.** Without notice to or affecting the liability of Borrower or any other Person for the payment or performance of the Obligations, without affecting the lien or priority of this Mortgage or Lender's rights and remedies under the Loan Documents, and without liability to Borrower or any other

Person, Lender shall have the right, at any time and from time to time, to do any one or more of the following: (a) release any part of the Property from the lien of this Mortgage; (b) consent in writing to the making of any map or plat relating to the Property; (c) join in or consent to the granting of any Easement affecting the Property; and (d) execute any extension agreement relating to any or all of the Obligations, any document subordinating the lien of this Mortgage to any other Lien or document, or any other document relating to the Property, Obligations, or Loan Documents.

**6.3      Late Charges.** If any installment payment under the Note is not paid when due, Borrower shall pay any late charge provided for in the Note.

**6.4      Requests by Borrower for Approvals by Lender.** All requests by Borrower for Lender's consent to or approval of any transaction or matter requiring Lender's consent or approval under the Loan Documents (a) shall be made by Borrower in writing (inclusive of electronic delivery); (b) shall specifically describe the transaction or matter with respect to which Lender's consent or approval is requested; (c) shall be accompanied by such information and documentation as Lender may require in connection with such request; and (d) shall be delivered to Lender not less than fifteen (15) days before Borrower proposes to take the action or effect the transaction with respect to which Lender's consent or approval is requested, unless a different period of time is expressly provided for in the Loan Documents.

**6.5      Approvals by Lender.** Whenever (a) the terms of the Loan Documents grant Lender the right to consent to or approve any transaction or matter; (b) Lender is authorized or empowered under the Loan Documents to make a determination with respect to any transaction or matter; or (c) the Loan Documents provide that any document or other item must be approved by or acceptable to Lender, then except as otherwise expressly provided in the Loan Documents, (i) Lender shall have the right to grant or withhold such approval or consent and make such determination in its sole and absolute discretion; and (ii) the form and substance of such document or other item must be satisfactory to Lender in its sole and absolute discretion. Whenever the terms of the Loan Documents require Lender's consent to or approval of any transaction, matter, or document, such consent or approval shall not be deemed to be effective unless it is set forth in a written instrument executed by Lender.

**6.6      Transfers by Borrower Without Lender's Consent; No Release of Borrower.** The following provisions shall apply if Borrower sells the Property to a third Person either (i) without Lender's consent; or (ii) with Lender's consent in a transaction in which Borrower is not released from liability under the Loan Documents:

**(a)      No Release of Borrower.** No such action by Borrower nor any assumption of any or all of the Obligations by any transferee of the Property ("Transferee") shall be deemed to release Borrower or any other Person, including Guarantor, from any liability under the terms of the Loan Documents, and Borrower and such Persons shall remain liable to Lender for the payment and performance of all of their respective obligations under the Loan Documents.

**(b)      Actions Without Borrower's Consent.** Borrower agrees that Lender may do any one or all of the following without notice to or the consent of Borrower and without affecting Lender's rights or remedies against Borrower: (i) accelerate, accept partial payment of, compromise, settle, renew, extend the time for payment or performance of, or refuse to enforce any of Borrower's Obligations to Lender under or in connection with this Mortgage or any of the other Loan Documents; (ii) grant any indulgence or forbearance to the Transferee or any other Person under or in connection with any or all of the Loan Documents; (iii) release, waive, substitute or add any or all collateral securing payment of any or all of the Obligations; (iv) release, substitute or add any one or more endorsers or guarantors of any or all of the Obligations; (v) amend, supplement, alter or change in any respect whatsoever any term or provision of the Loan Documents or any other agreement relating to the Obligations; and (vi) exercise any right or remedy with respect to the Obligations or any collateral securing the Obligations, notwithstanding any effect on or impairment of Borrower's subrogation, reimbursement or other rights against the Transferee.

**(c)      Waivers.** Borrower waives all rights which it may have (i) to require Lender to exhaust its rights and remedies against the Transferee, any other Person, or any collateral securing any or all of the Obligations before pursuing its rights and remedies against Borrower; (ii) to require Lender to exercise any right or power or to

pursue any remedy which Lender may have under the Loan Documents or applicable law before pursuing its rights and remedies against Borrower; and (iii) to assert any defense to Lender's enforcement of its rights and remedies against Borrower based on an election of remedies by Lender or the manner in which Lender exercises any remedy which destroys, diminishes or interferes with any or all of Borrower's subrogation, reimbursement or other rights against the Transferee.

**6.7      Defense of Actions and Protection of Security by Lender.** Whether or not an Event of Default has occurred, Lender shall have the right, but not the obligation, to appear in and defend any action or proceeding, whether commenced by or against Borrower, any of the Guarantors, or any other Person, which affects or which Lender determines may affect any or all of the following: (a) the Property; (b) the Insurance Claims, Condemnation Claims, or Property Claims; (c) Lender's, or Borrower's respective rights and obligations under the Loan Documents; (d) the Obligations; or (e) any other transaction or matter which affects Lender by reason of its interest in the Property. Lender shall have the right, but not the obligation, to commence and prosecute any action or proceeding which Lender determines to be necessary or appropriate to do any or all of the following: (i) prevent any damage, destruction, or injury to the Property; (ii) enforce or recover upon the Insurance Claims, Condemnation Claims, or Property Claims or collect the Insurance Proceeds, Condemnation Proceeds, or Property Proceeds pursuant to this Mortgage; (iii) preserve, protect, maintain, and defend the Property and Lender's lien thereon; or (iv) enforce or exercise any right, remedy or power available to or conferred on Lender under the Loan Documents or applicable law. Lender shall have the right to discontinue, suspend or dismiss any such action or proceeding which has been commenced by Lender at any time.

**6.8      Expenses.** Lender shall have the right to incur and pay all costs, fees, expenses, and liabilities that Lender determines to be necessary or appropriate in connection with any or all of the following matters (the "Reimbursable Costs"): (a) the exercise of any or all of Lender's rights and remedies under the Loan Documents, (b) the enforcement of any or all of the Obligations or any other obligation of any Person liable to Lender in connection with the Loan, whether or not any legal action or proceeding is commenced by Lender; (c) the preservation, protection, maintenance, or defense of the Property or Lender's lien thereon; (d) the sale or disposition of the Property or any other collateral securing any or all of the Obligations; (e) the defense of any action or proceeding commenced by Borrower or Guarantor; or (f) the commencement and prosecution of any action or proceeding by Lender with respect to any or all of the matters described in this Section or in Section 6.7 above, including an action for relief from any stay, injunction, or similar order or enactment arising under any federal or state bankruptcy, insolvency or similar law. Without limiting the terms of this Section, Lender shall have the right to do any or all of the following in connection with any of the matters described in this Section, and all costs, fees, expenses, and liabilities incurred or paid in connection therewith shall constitute Reimbursable Costs: (1) select, retain, and consult with attorneys, accountants, appraisers, contractors, brokers, architects, engineers and such other experts, consultants, advisors and third Persons as Lender determines to be necessary or appropriate; (2) settle, purchase, compromise or pay any or all claims, demands, and Liens; and (3) obtain title insurance coverage relating to the Property which Lender determines to be necessary or appropriate.

**6.9      Taxes Imposed on Lender.** If, after the date of this Mortgage, any Governmental Requirements are enacted for the purpose of taxing any lien on the Property or changing in any way the laws for the taxation of mortgages or debts secured by mortgages, so as to impose on Lender payment of all or part of any Taxes assessed against the Property, then prior to the due date of such Taxes, Borrower shall pay all such Taxes and agree to pay such Taxes when levied or assessed against the Property or Lender.

**6.10    Payment of Advances by Borrower.** All Reimbursable Costs and all other costs, fees, expenses and liabilities incurred or paid by Lender under any other provision of the Loan Documents or under applicable law in connection with the Obligations or the Property (a) shall be payable by Borrower to Lender on Lender's demand; (b) shall constitute additional indebtedness of Borrower to Lender; (c) shall be secured by this Mortgage; and (d) shall bear interest from the date of expenditure at the rate of interest applicable to principal under the Note. Nothing contained in this Mortgage shall be deemed to obligate Lender (i) to incur any costs, fees, expenses, or liabilities; (ii) to make any appearances in or defend any action or proceeding; or (iii) to commence or prosecute any action or proceeding relating to any matter.

**6.11    No Third Party Beneficiaries.** The Loan Documents are entered into for the sole protection and benefit of Lender and Borrower and their respective permitted successors and assigns. No other Person shall have any rights or causes of action under the Loan Documents.

**6.12    Notices.** All notices and demands by Lender to Borrower under this Mortgage and the other Loan Documents shall be in writing and shall be effective on the earliest of (a) personal delivery to Borrower; (b) electronic delivery to Borrower addressed to Borrower at the e-mail address set forth in this Mortgage (c) two (2) days after deposit in first-class or certified United States mail, postage prepaid, addressed to Borrower at the address set forth in this Mortgage; and (d) one (1) business day after deposit with a reputable nationally recognized overnight delivery service, delivery charges prepaid, addressed to Borrower at the address set forth in this Mortgage; provided, however, that notwithstanding anything to the contrary contained in this Section, service of any notice of default or notice of sale provided or required by law shall, if mailed, be deemed effective on the date of mailing. All notices and demands by Borrower to Lender under this Mortgage shall be in writing and shall be effective on actual receipt by Lender at Lender's address set forth in this Mortgage; provided, however, that nonreceipt of any such notice or demand by Lender as a result of Lender's refusal to accept delivery or Lender's failure to notify Borrower of Lender's change of address shall be deemed receipt by Lender. Borrower's and Lender's respective addresses set forth in this Mortgage may be changed by written notice given to the other party in accordance with this Section. If Borrower consists of more than one Person, service of any notice or demand on any one of such Persons by Lender shall be effective service on Borrower for all purposes.

**6.13    Performance of Covenants.** Borrower shall perform and comply with all of its obligations under this Mortgage at Borrower's sole cost and expense.

**6.14    Severability; Savings Clause.** If any provision of the Loan Documents shall be held by any court of competent jurisdiction to be unlawful, voidable, void, or unenforceable for any reason, such provision shall be deemed to be severable from and shall in no way affect the validity or enforceability of the remaining provisions of the Loan Documents. Notwithstanding anything to the contrary contained in the Note or any of the other Loan Documents, the interest and other amounts paid or agreed to be paid to the Lender in consideration of the Loan evidenced by the Note (such interest and other amounts are referred to collectively as "Interest") shall not exceed the maximum rate permitted under applicable usury laws. If, for any reason, the Interest exceeds the maximum rate permitted under applicable usury laws, then (a) all excess Interest amounts previously collected by the Lender shall be credited against the principal balance of the Note or, at the Lender's option, to any other principal indebtedness of Borrower to Lender arising out of the Loan evidenced by the Note; (b) if the Note and all such other indebtedness have been paid in full, such excess amounts shall be refunded by the Lender to Borrower; and (c) the provisions of the Note shall automatically be deemed to be reformed and the amount of Interest payable hereunder shall automatically be deemed to be reduced, without the execution of any further documents by Borrower or Lender, so as to provide for the payment of Interest in an amount equal to, but not exceeding, the maximum rate permitted under applicable usury laws. All consideration paid to Lender which constitutes Interest under applicable usury laws shall be amortized, prorated, allocated, or otherwise apportioned throughout the term of the Note so that, to the extent possible, the rate of interest on the principal amount of the Note does not exceed the maximum rate permitted under applicable usury laws.

**6.15    Interpretation.** Whenever the context of the Loan Documents reasonably requires, all words used in the singular shall be deemed to have been used in the plural, and the neuter gender shall be deemed to include the masculine and feminine gender, and vice versa. For purposes of this Mortgage, all references to the Property or Improvements shall be deemed to refer to all or any part of the Property or Improvements, respectively. The headings to sections of this Mortgage are for convenient reference only, and they do not in any way define or limit any of the terms of this Mortgage and shall not be used in interpreting this Mortgage.

**6.16    Time of the Essence.** Time is of the essence in the performance of each provision of the Loan Documents by Borrower.

**6.17    Amendments.** The Loan Documents (excluding the Guaranty) may be modified only by written agreement signed by Lender and Borrower.

**6.18    Entire Agreement.** The Loan Documents contain the entire agreement concerning the subject matter of the Loan Documents and supersede all prior and contemporaneous negotiations, agreements, statements, understandings, terms, conditions, representations and warranties, whether oral or written, between Lender and Borrower concerning the Loan which are the subject matter of the Loan Documents.

**6.19    No Waiver by Lender.** No waiver by Lender of any of its rights or remedies in connection with the Obligations or of any of the terms or conditions of the Loan Documents shall be effective unless such waiver is in writing and signed by Lender. Without limiting the generality of this Section, (a) no delay or omission by Lender in exercising any of its rights or remedies in connection with the Obligations shall constitute or be construed as a waiver of such rights or remedies; (b) no waiver by Lender of any default by Borrower under the Loan Documents or consent by Lender to any act or omission by Borrower shall constitute or be construed as a waiver of or consent to any other or subsequent default, act or omission by Borrower; (c) no acceptance by Lender of any late payment or late or defective performance of any of the Obligations by Borrower shall constitute a waiver by Lender of the right to require prompt payment and performance strictly in accordance with the Loan Documents with respect to any other payment or performance of any of the Obligations; (d) no acceptance by Lender of any payment or performance following any notice of default which has been given or recorded by Lender shall constitute a waiver of Lender's right to proceed with the exercise of its remedies with respect to any Obligations which have not been paid or performed in full; (e) no acceptance by Lender of any partial payment or performance shall constitute a waiver by Lender of any of its rights or remedies relating to any Obligations which have not been paid or performed in full; and (f) no application of Rents and Profits, Insurance Proceeds, Condemnation Proceeds or Property Proceeds to any of the Obligations shall constitute or be construed as a waiver by Lender or cure of any Event of Default or impair, prejudice, invalidate or otherwise affect any action by Lender in response to such default.

**6.20    Waivers by Borrower.** Borrower waives presentment, demand for payment, protest, notice of demand, dishonor, protest and non-payment, and all other notices and demands in connection with the delivery, acceptance, performance, default under, and enforcement of the Loan Documents. Borrower waives the right to assert any statute of limitations as a defense to the enforcement of any or all of the Loan Documents to the fullest extent permitted by law. Without limiting the generality of the immediately preceding sentence, in the event of Borrower's payment in partial satisfaction of any or all of the Obligations, Lender shall have the sole and exclusive right and authority to designate the portion of the Obligations that is to be satisfied.

**6.21    Waiver of Marshalling.** Borrower and all Persons holding a Lien affecting the Property who have actual or constructive notice of this Mortgage waive (a) all rights to require marshalling of assets or liens in the event of Lender's exercise of any of its rights and remedies under this Mortgage, including any judicial or nonjudicial foreclosure sale of the Property; (b) all rights to require Lender to exhaust its rights and remedies against any other collateral securing any or all of the Obligations before pursuing its rights and remedies under this Mortgage; and (c) all rights to require Lender to exercise any other right or power or to pursue any other remedy which Lender may have under any document or applicable law before pursuing its rights and remedies under this Mortgage.

**6.22    Waiver of Subrogation.** Borrower waives all rights to recover against Lender for any loss or damage incurred by Borrower from any cause which is insured under any of the Insurance Policies, except that the foregoing waiver of subrogation shall not be effective with respect to any Insurance Policy if the coverage under such policy would be materially reduced or impaired as a result of such waiver. Borrower shall use its best efforts to obtain Insurance Policies which permit the waiver of subrogation contained in this Section.

**6.23    Cumulative Remedies.** No right or remedy of Lender under this Mortgage or the other Loan Documents shall be exclusive of any other right or remedy under the Loan Documents or to which Lender may be entitled. Lender's rights and remedies under the Loan Documents are cumulative and in addition to all other rights and remedies which Lender may have under any other document with Borrower and under applicable law. Lender shall have the right to exercise any one or more of its rights and remedies in connection with the Obligations at Lender's option and in its sole and absolute discretion, without notice to Borrower or any other Person (except as otherwise expressly required by law or under the Loan Documents), and in such order as Lender may determine in its sole and absolute discretion. If Lender holds any collateral in addition to the Property for any of the Obligations, Lender, at its option, shall have the right to pursue its rights or remedies with respect to such other collateral either

before, contemporaneously with, or after Lender's exercise of its rights or remedies with respect to the Property. Upon the occurrence of an Event of Default, Lender, at its option, shall have the right to offset against any debt or monies due from Lender to Borrower against all or part of the Obligations.

**6.24 Subrogation to Lien Rights.** If any or all of the proceeds of the Note are directly or indirectly used to pay any outstanding Lien against the Property, or if Lender pays or discharges any Lien pursuant to any of the terms of the Loan Documents or under applicable law, Lender shall be subrogated to all rights and liens held by the holder of such Lien, regardless of whether such Lien is reconveyed.

**6.25 Joint and Several Liability.** Each Person signing this Mortgage as Borrower shall be jointly and severally liable to Lender for the performance of Borrower's obligations under the Loan Documents. If Borrower consists of more than one Person, the occurrence of any Event of Default with respect to any one or more of such Persons shall constitute an Event of Default and entitle Lender to exercise its rights and remedies under Article 4 of this Mortgage.

**6.26 Sale of Loan Documents.** Lender shall have the right to do any or all of the following at any time without prior notice to or the consent of Borrower or any other Person: (a) to sell, transfer, pledge or assign any or all of Loan Documents, or any or all servicing rights with respect thereto; (b) to sell, transfer, pledge or assign participations in the Loan Documents ("Participations"); and (c) to issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement (the "Securities"). Lender is authorized to forward or disclose to each purchaser, transferee, pledgee, assignee, servicer, participant, or investor in such Participations or Securities (collectively, the "Investor") or any Rating Agency rating such Securities, each prospective Investor, and any organization maintaining databases on the underwriting and performance of commercial mortgage loans, all documents and information which Lender now has or may hereafter acquire relating to the Loan and to Borrower or any Guarantor as Lender determines to be necessary or desirable. Upon Lender's request, Borrower shall reasonably cooperate with Lender in connection with any of the transactions contemplated by this Section. Notwithstanding anything to the contrary contained in this Mortgage or any of the other Loan Documents, from and after the date of any sale, transfer or assignment of the Note and other Loan Documents by Lender or upon any realization of a pledge by a pledgee, the cross-default provision contained in Section 3.15 of this Mortgage shall terminate and shall be of no further force or effect.

**6.27 Applicable Law; Jurisdiction; Venue.** This Mortgage shall be governed by and construed under the laws of the state in which the Property is located (without giving effect to any state's conflict of law principles). All payments made pursuant to this Mortgage are to be made to the Lender in the Commonwealth of Pennsylvania in which state the last act occurred to make the Note effective between the parties. Borrower agrees that the state and federal courts in the state and county in which the Property is located shall have exclusive jurisdiction and venue of any action or proceeding directly or indirectly arising out of or related to the negotiation, execution, delivery, performance, breach, enforcement or interpretation of this Mortgage, regardless of how any claim, counterclaim or defense in any such action or proceeding is characterized. Borrower irrevocably consents to the personal jurisdiction and venue of such courts, and to the service of process in the manner provided for the giving of notices in this Mortgage. Borrower waives all objections to such jurisdiction and venue, including all objections that are based upon inconvenience or the nature of the forum.

**6.28 Successors.** Subject to the restrictions contained in the Loan Documents, the Loan Documents shall be binding upon and inure to the benefit of Lender and Borrower and their respective permitted successors and assigns.

**6.29 Power of Attorney.** Borrower irrevocably appoints Lender, with full power of substitution, as Borrower's attorney-in-fact, coupled with an interest, with full power, in Lender's own name or in the name of Borrower to take any or all of the actions specified in Article 4 above with respect to the Property. Lender shall have the right to exercise the power of attorney granted in this Section directly or to delegate all or part of such

power to one or more agents of Lender. Nothing contained in this Mortgage shall be construed to obligate Lender to act on behalf of Borrower as attorney-in-fact.

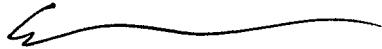
**6.30      Indemnification.** Borrower shall indemnify and hold Lender and its officers, directors, agents, employees, representatives, shareholders, affiliates, successors and assigns (collectively, the "Indemnified Parties") harmless from and against any and all claims, demands, damages, liabilities, actions, causes of action, suits, costs, and expenses, including attorneys' fees and costs, arising directly or indirectly out of or relating to any or all of the following: (a) Borrower's breach of any of its Obligations or warranties under the Loan Documents; (b) any act or omission by Borrower; (c) any act or omission by a contractor, architect or any other Person providing labor, services, materials or equipment in connection with the design, construction, improvement, development, use, ownership, operation, maintenance, repair or marketing of the Property; (d) Borrower's use and occupancy of the Property or any other activity or thing allowed or suffered by Borrower to be done on or about the Property; (e) any claims for commissions, finder's fees or brokerage fees arising out of the Loan or the transactions contemplated by the Loan Documents; and (f) Lender's exercise of any or all of Lender's rights or remedies under the Loan Documents in accordance with the terms thereof, except in the case of negligence or intentional tortious conduct of such Indemnified Party which such Indemnified Party is determined by the final judgment of a court of competent jurisdiction to have committed.

**6.31      State Specific Provisions.** State specific provisions are outlined on Exhibit B (if applicable), attached hereto and incorporated herein.

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IN WITNESS WHEREOF, Borrower has caused this Mortgage to be executed as of the day and year first written above.

**BORROWER:** LC 2121 LLC, A Florida Limited Liability Company



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By: Elchanan Kagan, Manager

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**NOTE: ALL SIGNATURES ON THIS MORTGAGE MUST BE NOTARIZED**

**CONSTRUCTION LOAN RIDER  
TO SECURITY INSTRUMENT  
(Principal Advances)**

This Construction Loan Rider B to Security Instrument (the “**Rider**”) is attached to and made a part of the Deed of Trust, Mortgage, or Security Deed (the “**Security Instrument**”, and together with the Rider, the “**Agreement**”) including an Assignment of Rents, and Fixture Filing dated 12-02-2025 executed by:

LC 2121 LLC, A Florida Limited Liability Company (“**Borrower**”), for the benefit of **Kiavi Funding, Inc.**, a Delaware corporation (“**Lender**”), and encumbering the property described in the Security Instrument. Capitalized terms used in this Rider without definition have the meanings ascribed to them in the Security Instrument and/or Note.

WHEREAS, Borrower desires to finance the construction of certain improvements to the Property and Borrower and Lender desire to establish certain terms and conditions relating to the advance of proceeds of the Construction Loan for such construction.

WHEREAS, all references to the word “Loan” in the Security Instrument should include this Construction Loan.

NOW, THEREFORE, for valuable consideration, the Security Instrument is hereby amended and supplemented as follows:

**I.        CHANGE IN DEFINED TERMS:**

1.        The words “the reserve advance” in paragraph (1) of the definition of “Obligations” on page two of the Security Instrument are hereby replaced by the words “any advance,” and the word “Reserve” is hereby deleted from the parenthetical at the end of said paragraph.

2.        The defined term “Reserve Advance” in clause (ii) of the penultimate sentence of Section 2.4 of the Security Instrument is hereby replaced by the defined term “Advance”.

**II.        CONSTRUCTION PROVISIONS:**

The following Article 7 is hereby added to the Security Instrument:

**ARTICLE 7**

**CONSTRUCTION PROVISIONS**

**7.1 Additional Definitions.** For purposes of this Security Instrument, the following terms shall have the following definitions:

(a) **Account.** “Account” means a construction loan account used to deposit additional funds provided by Borrower, if applicable.

(b) **Additional Advance(s)**. “Additional Advance(s) means all advances made as provided hereunder following the Initial Advance.

(c) **Approved Sale Costs**. “Approved Sale Costs” means:

(1) Any actual brokerage fees payable to an unaffiliated third party in an amount not to exceed three percent (3%) of the Gross Retail Sales Proceeds of the Property which has been pre-approved by Lender in writing unless otherwise agreed by Lender in writing; plus

(2) Reasonable escrow, closing, recording, loan payoff; plus

(3) Appraisal fees.

(d) **Architect**. “Architect” means any architect who provides or provided materials to Contractor and/or the Borrower relative to the Project.

(e) **Budget**. “Budget” means the amounts set forth in Exhibit B-1 to be disbursed according to the timetable and dates set forth therein.

(f) **Business Day**. “Business Day” shall mean a day other than a Saturday, Sunday or a day on which commercial banks are traditionally authorized or required by Law to close.

(g) **Completion Date**. “Completion Date” means either: (i) three hundred sixty (360) days after the Initial Advance if the Loan has an original twelve (12) month term and seven hundred twenty (720) days after the Initial Advance if the Loan has an original twenty-four (24) month term, subject to extension as may be agreed to by Lender in its discretion in writing or (ii) at Lender’s option, the dates set forth in the Work Schedule.

(h) **Contract Price**. “Contract Price” means total cost of construction project.

(i) **Contractor**. “Contractor” means the general contractor or contractors who have been retained by Borrower to construct the Project and approved by Lender. As used herein, and if so approved by Lender in its sole discretion, “Contractor” may be (or include) Borrower.

(j) **Construction Account**. “Construction Account” means the bank account maintained by Borrower from which Loan payments shall be debited and to which Advances may be deposited by Lender.

(k) **Construction Contract**. “Construction Contract” means the general construction contract or contracts between Borrower and the Contractor, which have been submitted to and approved by Lender including without limitation, any Infrastructure Contract.

(l) **Construction Loan**. “Construction Loan” means the total amount of the Additional Advances made under this Agreement, including the principal sum identified in Schedule A to the Note plus all other sums due under the Note and under this Agreement.

(m) **Construction Project**. “Construction Project” means the work of improvement to be undertaken by the Borrower with respect to the Property, as described in the Scope of Work, and, unless otherwise agreed by Lender in writing, with respect to which all necessary zoning, mapping, sub-division, utilities, site clearing, street, sidewalk and drainage installations and other horizontal site improvements required by Lender have been completed prior to the date of the Loan.

(n) **Determined Value**. “Determined Value” means the value of the remaining

Property as determined by Lender in its reasonable discretion.

(o) **Gross Appraised Value**. “Gross Appraised Value” means the gross fair market value of the Property remaining subject to the liens of the Security Instrument as of a particular date as determined by Lender based upon an appraisal conducted by a licensed MAI appraiser not older than sixty (60) days.

(p) **Gross Retail Sale Proceeds**. “Gross Retail Sale Proceeds” means the gross cash proceeds plus the fair market value in cash of any non-cash consideration, resulting from the sale of a Property (including any personal property therewith) to a bona fide, unaffiliated third party, in immediately available funds. Cash equal to the fair market value of any non-cash consideration shall be paid by Borrower to lender concurrently with the closing of the sale of any applicable Property.

(q) **Improvements**. “Improvements” are the improvements made to a residence or new construction of a residence.

(r) **Infrastructure Contract**. “Infrastructure Contract” means any contract for Infrastructure Improvements for the Property.

(s) **Infrastructure Improvements**. “Infrastructure Improvements” means any and all streets, storm drains, sewers and other improvements required by any governmental agency to be constructed as a condition to construction, sale and occupancy of any residence on the Property as more particularly described in the Plans and Specifications, together with any rough grading of home sites.

(t) **Infrastructure Plans**. “Infrastructure Plans” means any and all Plans and Specifications relating to Infrastructure Improvements.

(u) **Law**. “Law” shall mean any applicable Federal, state, or local law or laws (including common law), constitution, statute, treaty, convention, regulation, rule, ordinance, order, injunction, writ, decree or award of any Governmental Authority.

(v) **Loan to Value**. “Loan to Value” shall be determined by Lender by taking (i) the sum of: the outstanding principal balance of the Loan plus (ii) the remaining costs to complete the Improvements; and dividing the total by the Determined Value.

(w) **Minimum Sale Price**. “Minimum Sale Price” shall mean the minimum price at which each Unit shall be sold as agreed to by Lender at the time of any sale or pursuant to Schedule 1 attached hereto.

(x) **Net Sale Proceeds**. “Net Sales Proceeds” means the Gross Retail Sale Proceeds for the Property less applicable Approved Sale Costs for such Property.

(y) **Plans and Specifications**. “Plans and Specifications” are any and all plans and, maps, surveys, drawings, specifications, or lists of materials approved by Lender including without limitation any Infrastructure Plans, as any of them may be from time to time hereafter changed, amended, modified, and/or otherwise supplemented.

(z) **Project**. “Project” means the improvements that Borrower proposes to construct on the Land as described in the Scope of Work.

(aa) **Property**. "Property" means the particular single family residence which is encumbered by this Security Instrument.

(bb) **Release Price**. "Release Price" means the payment that must be received by Lender for application to the secured obligations in connection with the sale of each Unit as provided in Schedule 1 if attached hereto.

(cc) **Scope of Work**. "Scope of Work" means the documents (including without limitation the final Plans and Specifications for the Project, describing in reasonable detail the improvements to be performed and/or construction on the Land that have been submitted to Lender on or around the date of the loan application, and subsequently approved by Lender.

(dd) **Utility Services**. "Utility Services" means all utility services commonly provided for residential property in the area where the Property is located, including without limitation, gas, sewer, water, electrical, and telephone.

(ee) **Work**. "Work" means labor performed and materials furnished by Contractor.

(ff) **Work Schedule**. "Work Schedule" means the work schedule and any line item Budget approved by Lender.

**7.2 Advances of Construction Loan Proceeds.** Subject to the terms, conditions, and provisions of the Note, Security Instrument, Contract, and this Agreement, and provided no Event of Default (or potential Event of Default which with notice and/or passage of time would become an Event of Default) has occurred and is continuing under the same, Lender agrees to advance the Construction Loan proceeds to Borrower's Construction Account at any time during the period from the date of recordation of this Security Instrument up to but not including the Advance Termination Date (as defined in Schedule A of the Note) in the aggregate principal amount not to exceed at any time the amount of the Construction Loan under the terms and conditions set forth below; provided, however, that, except as otherwise set forth in Section 7.9, such disbursement of the Construction Loan shall not occur until (1) Borrower successfully submits to Lender a Request for Advance (as defined below); (2) Borrower submits to Lender any other documents Lender may require; and (3) Borrower complies with all requirements set forth in this Section 7.2 (the "Advance"). All Advances made by the Lender for financing construction of the Improvements shall be charged against the Note, shall bear interest on said amount as provided in the Note from the date of advance, and shall become a part of the indebtedness as additional unpaid principal balance of the Construction Loan from the date of Advance. If the funds to be advanced under the Loan, together with the funds in the Account, appear to Lender at any time to be insufficient to complete the Improvements in accordance with the Plans and Specifications, Borrower agrees to promptly deposit in an Account with Lender (the "Account") funds to cover the insufficiency. Any excess funds will, at Borrower's option, be refunded to Borrower or credited against any completion costs.

(a) **Use of Construction Loan Proceeds**. All Construction Loan proceeds received by Borrower shall be held in trust and shall be applied solely for the purposes for which such proceeds have been advanced under the Loan Documents. Lender shall have no obligation to monitor or verify the use or application of any Construction Loan proceeds advanced by Lender. Borrower understands that if amounts properly owing are not actually paid, subcontractors, artisans, laborers, or materialmen may file liens against the Property. Borrower understands that Borrower has selected Contractor, and thereby agrees to assume all risks in the event Contractor fails to pay for all labor and material furnished, or otherwise fails to perform under the Contract. Notwithstanding the foregoing, Borrower shall not use any portion of the Construction Loan proceeds to make any payment on the Loan or on any other outstanding loan(s) from or serviced

by Lender.

(b) **Request for Advance**. The proceeds of the Construction Loan and any funds held in the Account shall be advanced at such times as Borrower has successfully submitted, on any Business Day, a request that the Lender make such Advance, by delivery to the Lender of an executed request for advance (“**Request for Advance**”), which shall be satisfactory to Lender in form and substance, not later than 12:00 PM NOON (Eastern Standard Time) at least five (5) Business Days prior to the proposed Business Day of said Advance. The amount of each such Advance shall be for reimbursement for the items identified in the draw request as previously paid by Borrower, as approved by Lender. At any time, Lender shall have the right to request any other documentation as it may deem necessary to accompany the Request for Advance. The Request for Advance shall be fully completed and executed, and shall specify (i) the borrowing date (which shall be a Business Day) in respect to the Advance and (ii) the amount of the proposed borrowing. From time to time during the course of construction of the Project and upon Lender’s request, Borrower shall, or shall cause its Contractor (if any) to, submit to Lender an itemized statement (the “**Itemized Statement**”) showing the cost of those items of labor, services, materials, and equipment that have been performed on or incorporated in, or delivered to the Project together with, if applicable, the pro rata portion of any contractor’s fee, overhead, or general conditions attributable to such labor, services, materials, and equipment. Each Itemized Statement (i) shall be satisfactory to Lender in form and substance; (ii) shall be stated on a standard AIA payment request form or other form approved by Lender and shall be only with respect to work actually done and materials actually incorporated into the Improvements; (iii) shall be signed and certified as being true and correct by Borrower; (iv) shall be signed and certified as being true and correct by the contractor who was responsible for completing the work identified in the Itemized Statement; (v) shall be accompanied by a true and correct copy of the bills and itemized receipts and invoices setting forth in reasonable detail the labor, services, materials, and equipment used or performed which are the subject of the Itemized Statement (collectively, the “**Invoices**”); (vi) shall be accompanied by the names of all parties who have been paid by Borrower, the payment of which will be reimbursed to Borrower in whole or in part with the proceeds of such Itemized Statement (the “**Claimants**”); (vii) shall be accompanied by photographic evidence substantiating the work performed; (viii) at Lender’s request, shall be accompanied by recorded video evidence substantiating the work performed; (ix) shall be accompanied by a lien waiver and release in form and substance satisfactory to Lender upon progress payment in the form required by the laws of the state in which the Property is located executed by each Claimant; and (x) shall be accompanied by such title insurance endorsements or other information as may be required by Lender to insure the first priority of this Security Instrument insofar as it secures such advance as provided in Sections 7.2(d)(2) and (e)(3) below. All of the items and documentation required to accompany each Advance Request shall be considered a part of such Advance Request. For each Advance Request submitted to Lender, Borrower shall pay to Lender an administrative fee; provided that Lender shall have no obligation to approve any Advance Request or Itemized Statement that does not comply with this Section.

(c) **Advances**. Upon Borrower’s successful submission of an Advance Request, Lender shall advance funds directly to Borrower’s Account, at Lender’s option, on such borrowing date for reimbursement of the amount(s) shown in the Advance Request, which amounts were paid by the Borrower for the purposes of completing the Project. Notwithstanding anything in the foregoing, Lender shall not have any obligation to advance any funds if the work performed is outside the scope of the Scope of Work. If, at the time any such draw request is made, Lender determines in its sole discretion that there are insufficient funds remaining to be advanced to complete the Improvements in accordance with the Contract, Lender shall have no obligation to advance funds hereunder until such time as Borrower has deposited sufficient funds into the Account which, when added to the remaining funds to be advanced, are sufficient in the opinion of Lender to complete said Improvements in accordance with the Contract.

(d) **Initial Advance.** As a condition precedent to the initial advance of funds for the construction of the Improvements, and in addition to the requirements for all additional advances, all of the following conditions shall have been satisfied, which satisfaction shall be determined solely by Lender:

(1) **Documentation.** Borrower shall have delivered the following documents to Lender:

- [A] This Agreement fully executed and acknowledged;
- [B] A copy of the recordable Warranty Deed (if applicable) conveying the Property to Borrower;
- [C] The original executed Note and any applicable Allonge;
- [D] A fully executed and acknowledged Security Instrument and applicable Riders covering the Property and all Improvements thereon, whether now existing or hereafter constructed;
- [E] Satisfactory evidence that a notice of commencement (if required by applicable law), has been properly executed, recorded and posted at the Property or will be recorded and posted promptly following acquisition of the Property by Borrower; and
- [F] Any other documentation required by Lender.

(2) **Mortgagee Title Policy.** Borrower shall furnish to Lender, at Borrower's expense, an acceptable ALTA Lender's Policy of Title Insurance ("Mortgagee Title Policy") insuring that the lien created by the Security Instrument constitutes a valid first lien on the Property. Such policy shall, in form and substance, be acceptable to Lender, and contain only the Lender-approved exceptions. Such policy must evidence that all due and payable real estate taxes, including subsequent assessments for prior years due to change in land usage or ownership, have been paid in full. At the completion of construction, Borrower shall be responsible for the cost of any endorsements or additional title coverage necessary to satisfy Lender.

(3) **Contract and Work Schedule.** Borrower shall have furnished to Lender, in form and content acceptable to Lender, (i) the Contract executed between Contractor and Borrower; (ii) any contract or other agreement between any Architect and the Contractor and/or the Borrower relative to the Project; (iii) the Work Schedule and budget prepared for the project; and (iv) the names, addresses and telephone numbers of all subcontractors, artisans, laborers and materialmen with whom Borrower or Contractor has contracted or intends to contract for the construction of the Improvements.

(4) **Plans and Specifications.** Borrower shall have furnished to Lender two final sets of the Plans and Specifications for the Improvements and any modifications thereof with, if required, the appropriate governmental approval, which shall be reviewed and approved by Lender. Furthermore, Borrower shall provide such additional sets of the Plans and Specifications as may be required by any Governmental Authorities.

(5) **Soil Test.** If requested to do so by Lender, Borrower shall furnish to Lender a copy of all fault line maps and soil and subsoil test reports for the Property prepared by a registered engineer qualified to do soil testing and acceptable to Lender,

(6) **Building Permit.** Borrower shall have furnished to Lender building permits and all other necessary approvals, with respect to the Improvements, including approval from any appropriate environmental agency, issued by the appropriate Governmental Authority. Borrower shall provide Lender with satisfactory evidence that all Plans and Specifications for construction of the Improvements have been approved by all governmental units having jurisdiction and, if applicable, by the appropriate homeowners association or architectural review committee, and that construction shall comply with applicable zoning, building, use and occupancy codes, and restrictions. Borrower represents and warrants to Lender that all utility services and facilities necessary for the construction and use of the Improvements are unconditionally available to the Property and any costs associated therewith are included in the Contract Price.

(7) **Survey.** Where applicable, Borrower agrees to furnish Lender a survey, prepared by a registered surveyor or engineer acceptable to Lender, which survey shall show that the foundation will comply with the minimum slab level regulations promulgated by the Federal Housing Administration and the regulations of the municipality in which the Property is located. If the Property contains existing improvements, a current survey made and certified by a registered public surveyor or professional engineer in a form acceptable to Lender, which survey will include a flood stamp, shall be furnished to Lender. Additionally, Borrower agrees to furnish a final survey upon completion of the Improvements.

(8) **Contractor's Warranties.** If required by Lender, Borrower must furnish evidence to Lender that Contractor is approved by an association acceptable to Lender for the issuance of a homeowner's warranty.

(9) **Insurance.** Borrower or Contractor shall have obtained or cause to have been obtained from an insurance company acceptable to Lender, builder's all risk extended coverage insurance against loss or damage, which coverage in no event shall be less than the expected value of the structures upon completion of the Improvements. Such insurance policy shall name the Lender as a "loss-payee" as its interest may appear, and shall contain a non-contributory mortgagee clause. Borrower or Contractor shall furnish Lender with a certificate that such insurance is in full force and effect, Borrower or Contractor shall also furnish a general or public liability insurance policy and evidence of Contractor's workers compensation insurance in accordance with applicable state law requirements. Each such policy shall be in an amount and form and issued by an insurer acceptable to Lender. Each such policy shall provide that Lender receive written notice thirty (30) days prior to cancellation of said policy, and shall be otherwise satisfactory in content to Lender. The originals of such policies shall be deposited with Lender, or in lieu thereof, certified copies of the original policies along with original certificates of insurance coverage. In case of loss, Lender, at its option, shall be entitled to receive and retain the proceeds of the insurance policies, applying the proceeds to the balance of the Note, and the balance of such proceeds, if any, shall be paid to Borrower.

(10) **Flood Insurance.** Lender shall have been provided with evidence, satisfactory to Lender that the Property is not situated in an area designated by the Federal Emergency Management Agency as being located in a special flood hazard area or Borrower shall provide flood insurance from an insurer acceptable to Lender and in form and amount satisfactory to Lender.

(11) **Infrastructure Arrangements.** To the extent that any governmental agency shall require posting of security to permit construction of any Infrastructure Improvements, Borrower shall provide evidence to Lender prior to commencement of construction that sufficient security has been posted.

(12) **Entitlements.** The Property shall have all necessary approvals, consents and entitlements from all appropriate agencies to complete all Improvements as provided in the Plans and Specifications and to obtain a certificate of occupancy for each Property.

(e) **Additional Advances.** Each advance is subject to the satisfaction, at the option of and as determined solely by Lender, of each of the following conditions listed in this Section 7.2(e) at the time of such advance. Lender reserves the right to make advances which are allocated to any of the designated items in the approved Work Schedule for such other purposes or in such different proportions as Lender may, in its sole discretion, deem necessary or advisable. Borrower or Contractor may not reallocate items of cost or change the approved Work Schedule without the prior written consent of Lender. In the absence of a Work Schedule, Lender shall make advances in its sole discretion. Borrower agrees to fulfill each of these conditions, and to furnish to Lender such evidence of compliance therewith as Lender may require:

(1) **Foundation Survey.** A foundation survey, if required by Lender, showing no encroachments of the Improvements on any boundary line, or easement, setback line or other restricted area shall have been furnished to Lender within ten (10) days after laying of the foundation of the Improvements. If applicable, the foundation survey will refer to the basement.

(2) **No Casualty.** No fire or other casualty has occurred which could reasonably be expected to make it impossible for the Improvements to be completed by the Completion Date. There have been no notifications from any municipal authority of any potential fire or environmental hazard.

(3) **Title Insurance Endorsement.** If requested by Lender, Borrower will furnish to Lender, at the expense of Borrower, a title insurance policy endorsement insuring the lien of the Security Instrument to be a valid first lien, containing only such exclusions and exceptions as Lender may approve, issued by a title insurance company satisfactory to Lender, current to the date of the advance and covering that advance and all prior advances.

(4) **Contract in Force.** The Contract shall be in full force and free from default; all amounts then payable for labor and materials with respect to construction of Improvements have been or will be paid with the requested advance; that Lender has been informed in writing as to whether or not Borrower and Contractor have been served with any written notice or otherwise informed that a lien will be claimed for any amounts unpaid for materials furnished or labor performed by any person, firm, or corporation furnishing materials or performing labor of any kind entering into the construction of any of the Improvements, and that a copy of any such notice is thereto attached to the written notice.

(5) **Sworn Statements.** Lender has been furnished with sworn statements by Contractor, any Architect, and Borrower as specially requested to do so by Lender, specifying as follows:

[A] The Contract between Contractor and Borrower is in full force and free from default, and the names, and the amounts due as well as the amounts already paid or to be paid contemporaneously with the requested advance to each contractor, subcontractor, artisans,

laborers and materialmen or other person or entity furnishing materials or performing work entering into the construction of any improvements are accurate.

[B] The stage of completion of construction and overall cost of construction theretofore incurred, and that no material changes from the Plans and Specifications have been made.

[C] The estimated overall cost of completing the Improvements, to be in such form and with such supporting details as Lender shall require, including (without limitation) certification by Contractor of the estimated cost of completing construction, demonstrating to the satisfaction of Lender that the amount to be subsequently advanced will be sufficient to pay the remaining overall cost of completing construction.

[D] That all Work performed to the date of the advance in question has been performed in a good and workmanlike manner pursuant to the provisions of the Contract and in conformance with the Plans and Specifications and any manufacturer requirements. That all construction has been performed in strict compliance with all applicable ordinances, statutes, regulations, and subdivision requirements or restrictions.

[E] That no default exists under the Note, the Security Instrument, the Contract, or this Agreement, and that no event has occurred which, with the giving of notice, or otherwise, would constitute an event of default under said Note, Security Instrument, Contract, or this Agreement. Any advance made by Lender prior to the fulfillment by Borrower of any requirements made by Lender, or of any condition precedent set forth in this Agreement, shall not be deemed a waiver of Lender's right to have such requirement or condition precedent fulfilled prior to advancing future Loan proceeds. Lender may, but shall not be obligated to, advance an amount that exceeds the face amount of the Note.

[F] That there are no liens or encumbrances against said Property other than the liens created by the Security Instrument or those otherwise approved by Lender.

(f) **Final Draw.** Notwithstanding anything herein to the contrary and unless Lender agrees otherwise, (i) for a Construction Project, the final Request for Advance (the "**Final Request for Advance**") shall be for an advance in an amount equal to or greater than 10% of the original principal amount of the Construction Loan and (ii) for all other Projects, the Final Request for Advance amount shall be at least 25% of the original principal amount of the Construction Loan.

(g) **Borrower Certification.** With respect to each Request for Advance that Borrower submits, Borrower shall be deemed conclusively to have certified to Lender that (i) the items of labor, services, materials, and equipment shown in the Request for Advance have been performed on, supplied to, or installed in the Project in conformance with the Scope of Work and all Governmental Permits; (ii) the costs of labor, services, materials, and equipment shown in the Request for Advance are commercially reasonable, and (iii) all funds advanced to or for the benefit

of Borrower by Lender in connection with the Request for Advance shall be in reimbursement of the cost of those items of labor, services, materials, and equipment shown in the Request for Advance. Borrower shall be deemed to have made the certification described in this Section 7.2(g) with respect to each Request for Advance received by Lender, notwithstanding Borrower's failure to sign such Request for Advance. Each Request for Advance shall be deemed a reaffirmation of each representation and warranty provided in this Agreement and as representation and warranty by Borrower that no event of default exists under this Agreement.

(h) **Reliance by Lender**. Lender may conclusively presume that all Itemized Statements, Request for Advance, statements, information, certifications, and representations, whether written, oral or electronic, submitted or made by Borrower, Contractor, or any of the other parties involved in the Project, or any of their respective agents, to Lender in connection with the Construction Loan are true and correct, and Lender shall be entitled to rely thereon, without investigation or inquiry of any kind by Lender, in advancing the Construction Loan proceeds and taking or refraining from taking any other action in connection with the Construction Loan.

(i) **[Reserved]**.

(j) **No Default**. To receive disbursement of any Construction Loan proceeds, Borrower must not be in default under the Loan Documents or under any monthly payment grace period for this Loan or any other loan made or serviced by Lender. If an Event of Default has occurred, all obligations on the part of Lender to make any further advances hereunder or under the Security Instrument shall, at Lender's election, cease and all amounts previously advanced shall, at the option of Lender, become due and payable under the terms of the Note.

(k) **Records**. All financial records of Borrower and of Contractor shall be prepared and maintained in accordance with Generally Accepted Accounting Principles (GAAP).

(l) **Set Aside Letters**. Borrower may request that Lender issue letters ("Set Aside Letters") to any governmental agency or any bonding company whereby Lender agrees with such third party to allocate Loan proceeds for the construction of off-site, common area or other improvements for which bonds may be required in connection with the development of the Property. Lender may agree to issue such Set Aside Letters on such terms and conditions as it may impose. Lender's consent to issue one Set Aside Letter shall not obligate it to issue any other Set Aside Letter.

(m) **Pledge and Assignment**. As additional security for Borrower's performance under the Loan Documents, Borrower hereby irrevocably grants Lender a security interest and assigns to Lender all present and future Account which contains any proceeds of the Loan or Net Sale Proceeds from the sale of any Property.

**7.3 Construction Covenants**. Borrower covenants and agrees to comply with each of the following terms and conditions:

(a) **Approval of Scope of Work, Permits and Notices**. Borrower shall deliver to Lender for Lender's approval complete and accurate copies of the following documents upon Borrower's receipt thereof: (i) Scope of Work and any material modifications thereto; (ii) the Construction Contracts and any material modifications thereto; (iii) Governmental Permits related to the Project; (iv) and all material notices, requests, and demands received by Borrower from any Governmental Authority, architect, contractor, subcontractor or engineer related to the Project.

(b) **Commencement of Construction**. After recordation of this Security Instrument and Lender's approval of the Scope of Work and other documents described in Section

7.3(a) herein, Borrower shall commence any site preparation work or construction of the Project and shall thereafter diligently prosecute construction in a good and workmanlike manner in accordance with the Scope of Work. For the avoidance of doubt, Borrower shall not commence any construction activity prior to the date of recordation of this Security Instrument which may result in any mechanic's lien or similar lien gaining priority over the lien of this Security Instrument, unless arrangements acceptable to Lender have been made by Borrower for the issuance of a title insurance policy to Lender which satisfies the requirements of this Security Instrument.

(c) **Completion of Construction.** Borrower shall complete construction of the Project on or before the Completion Date. For purposes of this Agreement, the Work shall be deemed completed on the day the Property is ready for occupancy, subject only to the completion of the usual punch list items. Prior to the advance of funds upon completion of the Improvements, Borrower agrees, where deemed applicable by Lender:

- (1) To deliver an acceptable final survey which would allow the title insurer to remove the survey exceptions from the Mortgagee Title Policy;
- (2) To deliver an appraiser's final inspection;
- (3) To deliver a hazard insurance policy, acceptable to Lender and, if applicable, flood insurance application reflecting the correct property address;
- (4) To pay any funds due under the Note, Construction Loan, Security Instrument and/or this Agreement;
- (5) To file a completion affidavit, or the statutory equivalent, in a form acceptable to Lender, of record in the county where the Property is located;
- (6) To pay any escrow impounds required by Lender for appropriate taxes, insurance, mortgage insurance and homeowners association dues;
- (7) To obtain an affidavit from Contractor which affirmatively states that all subcontractors, artisans, laborers, or materialmen have been paid in full;
- (8) To obtain any further documentation required by Lender; and
- (9) To execute, acknowledge and deliver to Lender any documentation deemed necessary by Lender.

The Improvements shall not be considered complete unless and until: (i) all the work requiring inspection by any homeowners association or similar entity, municipal or other governmental authorities having jurisdiction has been duly inspected and approved by such entities or authorities and all requisite certificates of occupancy and other approvals have been duly issued; and provided, further, that satisfactory evidence shall have been presented to Lender showing payment in full of all obligations incurred in connection with construction of the Improvements, and waiver of all liens in conjunction with such obligations and (ii) all Utility Services for the Project have been completed and are in full operation.

(d) **Notice of Completion.** Lender may from time to time request Borrower to sign and record a notice of completion for the Project in the office of the county recorder for the county in which the Property is located as soon as permitted under applicable law. Upon Lender's request, Borrower (i) shall sign and record a notice of cessation of labor and such other similar notices or documents as Lender may reasonably require to protect its interest in connection with the

Construction Loan; and (ii) shall provide Lender with a copy of all notices recorded pursuant to this Section 7.3(d).

(e) **Substitution of Contractor.** In the event that Borrower and Contractor agree to release Contractor from its obligation under the Contract and substitute a different Contractor, Borrower agrees to execute and acknowledge, and to obtain Contractor's execution and acknowledgment, if required by Lender, of a recordable document evidencing the substitution and the continuing validity of all liens arising from the Work and benefiting Lender. Lender's consent is a condition precedent for any substitution of contractor.

(f) **Approval of Changes to the Construction.** Borrower agrees and understands that, with respect to the construction of the Improvements, no modification, deletion, addition, and/or amendment to the Contract or Plans and Specifications subsequent to the execution of this Agreement, may be made without the prior written approval of Lender. If any change order is proposed by the parties, the Plans and Specifications shall be amended, and a modified set shall be submitted to Lender. Any such proposed change order shall be subject to Lender's approval, which approval may be withheld in its sole discretion. Borrower agrees to be responsible to Lender for Lender's fees and costs in connection with such review.

**7.4 Inspection.** Lender shall have the right at all times to enter upon and inspect the Property, or designate an agent to do the same, and to contact any Person supplying labor, materials, services, or equipment to the Property to verify information disclosed by Borrower or the Contractor to Lender, to obtain information relating to the Property, or for any other purpose relating to the Construction Loan, and Borrower authorizes each such Person to provide such information to Lender. NOTHING, INCLUDING, WITHOUT LIMITATION, APPROVAL OF ANY PLANS AND SPECIFICATIONS OR WORK, ANY DISBURSEMENT HEREUNDER OR THE DEPOSIT OR ACCEPTANCE OF ANY DOCUMENT OR INSTRUMENT, SHALL BE CONSTRUED AS A REPRESENTATION, WARRANTY, OR WAIVER, EXPRESS OR IMPLIED, AS TO KIND, QUALITY, VALUE, MARKETABILITY OR FITNESS FOR ANY PURPOSE OF THE IMPROVEMENTS, ON LENDER'S PART.

#### **7.5 Right to Stop Work, Complete or Secure.**

(a) **Right to Stop Work.** If Lender determines that any portion of the Project does not conform in any material respect to the Scope of Work or the requirements of the Loan Documents, Lender shall have the right (a) to require Borrower and the Contractor to stop work on such portion of the Project and to correct the non-conforming matter as soon as reasonably practicable; and (b) to withhold any or all further advances relating to such portion of the Project until the matter has been corrected. No such action by Lender shall affect Borrower's obligation to complete the Project on or before the Completion Date. Borrower, at its expense, shall take all actions which may be reasonably necessary to correct any non-conforming matter within the time period reasonably specified by Lender or, if no time period is specified, as soon as reasonably practicable.

(b) **Right to Complete.** Borrower agrees that, if construction of the Improvements is delayed or suspended for a period in excess of fifteen (15) days, or if Contractor fails to supply workmen and materials which are satisfactory to Lender at any time during the progress of the construction, or if Contractor or any other persons engaged in such construction or any part thereof refuses, omits or neglects to supply a quantity of material or workmen necessary to complete the Work within the required time period, or if Borrower shall be in default with respect to any provision hereof, or any provision of the instruments referenced in this Agreement, Lender may (but is not obligated) and is hereby authorized, in its sole discretion, upon five (5) days written notice to Borrower, to proceed with the Improvements..

(c) **Right to Secure.** If construction is delayed or suspended, Lender, in Lender's sole discretion, and without notice to Borrower or Contractor, may take such steps as Lender deems reasonable to secure the Property and Improvements from the elements, intruders or other hazards. Any costs so incurred shall be at Borrower's expense, Lender may act hereunder by itself, or through any agent, representative or contractor. All disbursements by Lender shall be considered advances made by Lender to Borrower under the provisions of this Agreement and the Note.

(d) **Right of Access.** For the purposes specified above, Lender, and any persons authorized or employed by it, are expressly authorized to enter into and upon said Property and Improvements and take charge thereof, together with all materials, equipment and other personal property thereon and: (i) to proceed with the construction of said Improvements, or to require Borrower and Contractor to complete construction, with any such changes, alterations, additions or modifications as may be deemed necessary or expedient by Lender, and to do whatever Lender may, in its sole discretion, deem necessary to insure furtherance or completion of the construction and (ii) to proceed to secure the Property and Improvements..

**7.6 Lien Claims; Stop Notices.** Borrower shall promptly pay and discharge all claims and liens for labor, services, materials and equipment furnished in connection with the development of the Property, including without limitation mechanics liens. Lender shall have the right to withhold Construction Loan proceeds pursuant to any stop notice or bonded stop notice that is served on Lender in connection with the Construction Loan. Within ten (10) days after service of any such stop notice on Lender or the recordation of any mechanic's lien or other similar lien against the Property, Borrower (a) shall cause the claim evidenced by the stop notice or lien to be paid in full out of Borrower's own funds and not out of the Construction Loan proceeds and thereby cause such stop notice or lien to be released and discharged; (b) shall deliver to Lender or record, as appropriate, a surety bond complying with all applicable Governmental Requirements which is sufficient to release such stop notice or lien; or (c) shall make such other arrangements as may be acceptable to Lender for the payment of the claim evidenced by the stop notice or lien and the protection of Lender and the Property from the effect of the stop notice or lien.

**7.7 Sales of Units.** To the extent that the Scope of Work contemplates the construction of multiple Units on the Property and the sale thereof prior to the Maturity Date of the Note, Borrower may request the sale of any Unit and a partial reconveyance of Lender's lien on such Unit, provided that all of the conditions set forth below are satisfied at the time of and with respect to, each such partial reconveyance. Lender may reject such request in its reasonable discretion based upon the facts and circumstances at the time.:

(a) Without Lender's written consent, Borrower will not sell any Unit for less than its respective Minimum Sale Price. Absent Lender's written consent Lender shall receive the greater of (i) the Net Sales Proceeds from the Unit or (ii) the Release Price.

(b) No event of default exists on the Loan Documents.

(c) Borrower's request shall be received by Lender with sufficient time to implement the partial release and coordinate with the title company handling the sale, which time shall not less than 5 business days prior to the proposed closing of the sale of the Unit. Lender shall be provided with a CLTA 111 and 116.3 endorsements on its existing title insurance policy.

(d) All expenses of Lender including title insurance fees and expenses shall be paid by Borrower.

(e) The partial release shall not affect Borrower's obligations: (i) under the Loan

Documents except to the extent that payments received by Lender in respect to such release will be credited upon receipt of funds by Lender or (ii) under the Security Instrument as regards the remainder of the Property which is not released .

(f) Lender shall have received evidence reasonably satisfactory to Lender that any tax, bond, or assessments, including without limitation any Mello-Roos Community Facilities Act of 1982 which constitutes a lien against the Property and Improvements has been properly allocated between the portion of the Property and Improvements to be conveyed and the portion of the Property and Improvements which shall remain encumbered by the Security Instrument.

**7.8 Additional Events of Default.** In addition to the Events of Default specified in Article 3 of the Security Instrument, the following also constitute additional Events of Default: (i) if the Contractor does not proceed diligently and continuously with an adequate supply of labor and materials to construct and complete the Improvements, except for a period of not more than fifteen (15) days (or of such greater length of time as the Lender may agree to in writing in any given case); (ii) if any statement, representation, or warranty contained herein or in any certificate or other instrument at any time delivered to Lender pursuant to this Agreement shall be untrue in any material respect at the time such statement, representation, or warranty was made or (iii) for any Construction Project if, by the date which is one hundred and eighty (180) days from the date hereof, Borrower fails to obtain any permits or other governmental approvals necessary to allow improvement of the Property consistent the Scope of Work, or the governmental authority responsible for the issuance of any such permit or approval has formally declined to issue any necessary permit or approval.

#### **7.9 Additional Remedies of Lender.**

(a) In addition to the remedies provided in Article 4, upon the occurrence of an Event of Default, Lender, at its option (and whether or not it exercises any other rights hereunder), may thereupon or at any time thereafter (i) take possession of the Property, together with all materials, equipment, and Improvements thereon, whether or not affixed to the Property; (ii) perform any and all Work and labor and purchase any and all materials necessary to complete the Improvements substantially according to the Plans and Specifications and to equip the same; and (iii) incur and pay such other costs and expenses as are reasonably connected with any of the foregoing. The authorization granted hereby shall be deemed irrevocably vested in Lender for the purpose of protecting Lender's security interest in the Property and shall constitute a power coupled with an interest, and may not be revoked by Borrower or interfered with by Contractor, In no event shall such remedies taken by Lender generate any right or claim to compensation by Contractor, Lender has any rights and/or remedies given to Lender in the Note, Security Instrument, or any other document executed in connection with the Loan, and any remedy at law or in equity under the laws of the state where the Property is located.

(b) All costs and expenses paid or incurred by the Lender pursuant to the foregoing Section 7.8(a) shall be deemed to be advanced to Borrower and shall be a part of the indebtedness evidenced by the Note and secured by the Security Instrument, At the option of Lender, such sums may be deducted from any advance thereafter becoming due.

(c) Nothing herein contained shall be deemed to waive any right given to Lender pursuant to the applicable law relating to Contractor's, subcontractors, artisan's and materialman's liens.

**7.10 Use of Funds by Lender.** Lender or its escrow agent may at any time without the consent of Borrower or Contractor, pay bills and continue the construction pursuant to this

Agreement in accordance with the Plans and Specifications on file with Lender, using for such purposes such sums as may be available in the Account or such additional funds as may be otherwise advanced by Lender (but not in excess of the maximum principal amount secured by this Security Instrument under applicable Law); provided, however, that nothing herein shall in any way be construed to obligate Lender to pay bills or to complete the Work. No use of such funds by the Lender shall generate any right or claim to compensation by Contractor. Any use of funds by Lender pursuant to this Section 7.9 shall be deemed an Advance for all purposes under this Agreement and the Note.

**7.11 Costs to be Paid by Borrower.** Borrower will pay Lender for all expenses contemplated in this Agreement of any kind which may be incurred by Lender in connection with this transaction, and Lender may deduct from any advance to be made hereunder any amount necessary for the payment of any unpaid interest owing to Lender hereunder or any fees and expenses of or relating to the examination of the title to the Property, surveys, appraisals, re-appraisals, inspection fees, recording fees, wire transfer fees, architect's fees, attorney fees and legal expenses incurred in the enforcement by Lender of any of the provisions contained in this Agreement, and any other amounts necessary for the payment of the costs of said Improvements, whether incurred by an escrow agent or by Lender, and all sums so deducted or applied shall be deemed advances under this Agreement. In addition, Lender has the option, but not the obligation, to pay or discharge any lien or claim upon the Property and to pay any delinquent tax or assessment thereon, and upon such payment, Lender shall be subrogated to the rights of the holder of such lien or claim or the rights of the taxing authority. Lender may also advance any unpaid insurance premiums and obtain and maintain insurance not provided by Borrower or Contractor. Borrower hereby expressly agrees to pay Lender, upon demand, any and all disbursements made under this Agreement, together with interest thereon at the rate stated in the Note, from the date each disbursement is made, and Borrower agrees that all such disbursements shall become a part of the indebtedness represented by the Note.

**7.12 Indemnification.** In addition to the indemnification provisions in Section 6.30 of the Security Instrument, Borrower herein indemnifies and agrees to hold Lender harmless from any and all liability or claims or causes of action arising from any applicable statute or regulation, which Lender may at any time be subject to arising from any interest of Lender in the Property related to the Loan. Borrower and Contractor or any other interested parties indemnify and shall hold Lender, its agents and attorneys harmless from any and all actions, claims, demands, damages, costs, expenses, and other liabilities, including without limitation attorney's fees, that any such parties may incur or that in any way relate to or arise out of the construction of the Improvements, including without limitation those arising out of the negligence of Lender. Borrower indemnifies and shall hold Lender harmless for any losses or damages incurred as a result of any delay in construction including without limitation the estimated reasonable rental value of the completed Improvements during the period of delay in completion which Lender would have recovered following any foreclosure.

**7.13 Compliance with Applicable Laws.** Borrower shall at all times comply with and keep in effect all Governmental Permits. Borrower shall at all times cause the Property to comply with (a) all Governmental Requirements; (b) all requirements and orders of all judicial authorities which have jurisdiction over the Property; and (c) all covenants, conditions, restrictions and other matters of record affecting the Property.

**7.14 Additional Insurance.** In addition to the insurance requirements set forth in Section 2.3 of this Security Instrument, Borrower at its expense shall at all times maintain in full force builder's all-risk insurance covering the Project and all materials stored on the Property, together with such endorsements as Lender may require, including vandalism, malicious mischief, earthquake, and flood coverage, and such other types of insurance as may from time to time be required by Lender.

**7.15 Cooperation.** Borrower shall at all times cooperate with Lender in order to ensure that the Property is developed in accordance with the requirements of the Loan Documents. Upon Lender's request, Borrower (a) shall execute such further documents and instruments and perform such further acts as may be required by Lender to carry out the terms and conditions of the Loan Documents; and (b) shall assign to Lender as additional collateral for the Construction Loan such further rights, privileges, permits, licenses, approvals, contracts, agreements, reports, and other documents relating to the Property as Lender may require.

**7.16 No Duty to Inspect.** Lender shall have no obligation to supervise or inspect the Project or to examine any of Borrower's or Contractor's books and records relating to the Property. All such inspections and examinations by Lender, including Lender's review and approval of the Scope of Work or Construction Contract shall be for Lender's sole benefit and not for the benefit of Borrower. No inspection of the Project by Lender shall constitute or be construed as a representation or determination by Lender that the Project complies with the Scope of Work or that the Project is or will be free from defective work or materials.

**7.17 No Liability of Lender.** Borrower shall have the sole responsibility for all aspects of Borrower's business and the development of the Property, including (a) the quality, suitability and adequacy of the Scope of Work; (b) the inspection and supervision of construction of the Project; (c) the qualifications, financial condition and performance of all architects, engineers, contractors, subcontractors, material suppliers, consultants, sureties, bonding companies, property managers and other Persons supplying labor, materials, services, or equipment to the Property; (d) the accuracy of all applications for advances of the Construction Loan proceeds; (e) the proper application of all Construction Loan advances; (f) the suitability, adequacy, enforceability, and validity of the Construction Contracts; (g) the conformance of the Project with the Scope of Work and the existence or non-existence of any defective work or materials in the Project; and (h) the legitimacy of any party making a Request for Advance on Borrower or Contractor's behalf. Borrower agrees that Lender shall not be directly or indirectly liable or responsible in any way or under any circumstances to Borrower or any other Person for any or all of the matters described in parts (a) through (h) of this Section 7.16, and Lender owes no duty of care to protect Borrower against negligent, faulty, inadequate or defective workmanship or materials in connection with the construction of the Project.

**7.18 Third Parties.** This Agreement is made for the sole protection and benefit of Borrower and Lender, and no other person shall be deemed to have any privity of contract hereunder nor any right of action of any kind hereon. Borrower agrees that, without the written consent of Lender, Borrower will not assign this Agreement or any interest herein, or assign or issue an order on Lender for any advances or any part thereof, and that any such purported assignment or order shall be null and void, and Lender shall not be obligated to recognize, accept, or fulfill any such assignment or order.

**7.19 Environmental.** Borrower or Contractor have made such inspections of the Property as each deems reasonable and necessary, regarding the presence of hazardous waste or other toxic substances in or on the Property. Borrower warrants and represents to Lender that it is not aware of any presence of any hazardous waste or toxic substance in or on the Property, whether in containers or otherwise, any storage medium or facilities for hazardous waste or other toxic substances in or on the Property, or the use of any part of the Property for processing or storage of any hazardous waste or other toxic substance. There is excepted from this provision such matters as may pertain to normal residential utility service to the Property.

**7.20 Relationship of Parties.** Nothing contained in the Loan Documents or the transactions contemplated by the Loan Documents shall (a) constitute or be construed as the formation of a partnership or joint venture between Lender and Borrower or any Person; or (b) constitute or be construed as the creation of any confidential or fiduciary relationship of any kind

between Lender and Borrower or any other Person; or (c) result in Lender being deemed to be a manager, controlling person, or other business associate or participant of any kind in the conduct of Borrower's business or affairs, including the design, construction, improvement, development, use, ownership, operation, maintenance, repair or marketing of the Property.

**7.21 Power-of-Attorney.** In addition to the Power of Attorney provided in Section 6.32, Borrower does hereby irrevocably constitute and appoint Lender to be Borrower's true and lawful attorney-in-fact, and in Borrower's name to sign any and all releases, waivers, substitution of contractor documentation, and all draw requests for the advances to be made hereunder as Lender may, in its sole discretion, deem necessary and proper to secure the continuance and completion of said Improvements according to the terms hereof, and to pay all sums necessary for expenses in connection therewith, all of which disbursements and sums shall be considered advances made by Lender to Borrower under the provisions of this Agreement and the Note. Lender may make such payments without regard to any requirements otherwise in this Agreement or the Contract for draw requests or other instruments to be signed by any party. Borrower does hereby also irrevocably authorize and empower Lender to do and perform for Borrower and in Borrower's name, place and stand all actions which Lender may in its judgment deem necessary and proper to be done to effect the construction of said Improvements, including but not limited to the execution and recording of any notice or other instrument which Lender may in its sole discretion deem necessary to protect its interest or security. Further, Lender has the option but not the obligation to commence, appear in or defend any action or proceeding which may affect the Property. The Powers-of-Attorney contained herein shall be a power coupled with an interest.

[the remainder of this page intentionally left blank]

IN WITNESS WHEREOF, Borrower has caused this instrument to be executed as of the date indicated on the Security Instrument.

**BORROWER:** LC 2121 LLC, A Florida Limited Liability Company



Signature

By: Elchanan Kagan, Manager

---



## MORTGAGE

### EXHIBIT "B"

#### STATE SPECIFIC PROVISIONS - Florida

**Section 6.31.1 Inconsistencies.** In the event of any inconsistencies between the terms and conditions of this Section 6.31 and the other provisions of this Mortgage, the terms and conditions of this Section 6.31 shall control and be binding.

**Section 6.31.2 Foreclosure by Power of Sale.** Section 4.3 of the Mortgage is deleted in its entirety.

**Section 6.31.3 Application of Sale Proceeds.** Section 4.4 of the Mortgage is deleted in its entirety and replaced with the following:

**Application of Proceeds.** Lender shall apply the proceeds of any foreclosure or other sale of the Property in the following order of priority: (a) first, to the payment of all expenses of such sale and all costs, expenses, fees, and liabilities of Lender, including attorneys' fees, costs of other evidence of title; (b) second, to all amounts advanced or disbursed by Lender under any of the terms of this Mortgage which have not been repaid, together with interest thereon at the rate applicable to principal under the Note; (c) third, to the payment of all other Obligations in such order and amounts as Lender determines; and (d) the remainder, if any, to the Person or Persons legally entitled thereto.

**Section 6.31.4 Rescission of Notice of Default.** Section 4.8 of the Mortgage is deleted in its entirety.

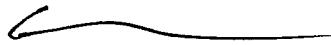
**Section 6.31.5 Future Advances.** In addition to all other indebtedness secured by this Mortgage, this Mortgage shall also secure and constitute a first lien on the Property for all future advances, if any, made by Lender to the Borrower for any purpose within 20 years after the date of this Mortgage, just as if the advances were made on the date of this Mortgage. Any future advances may be made at the option of Lender. The total amount of the indebtedness that may be secured by this Mortgage may increase or decrease from time to time, but the total unpaid principal balance secured at any one time by this Mortgage shall not exceed two times the amount of the Note, together with accrued interest and all Lender's costs, expenses, and disbursements made under this Mortgage.

**Section 6.31.6 Notice of Limitation of Future Advances.** Borrower shall not file a notice of limitation on future advances for this Mortgage in the public records of the county where the Property is located without Lender's prior written consent, which consent Lender may refuse for any reason whatsoever. Unless a Construction Loan Rider – Principal Advances is attached to this Mortgage, the Loan is fully disbursed at closing.

**Section 6.31.7 Construction Mortgage.** The following provision shall be added to the Construction Rider (if applicable): this Mortgage is a "Construction Mortgage" under the Florida Uniform Commercial Code to the extent that it secures an obligation incurred for the construction of certain improvements to the Land.

IN WITNESS WHEREOF, Borrower has caused this instrument to be executed as of date indicated on the Mortgage.

**BORROWER:** LC 2121 LLC, A Florida Limited Liability Company



By: Elchanan Kagan, Manager

NOTARY ACKNOWLEDGEMENT – FLORIDA MORTGAGE

STATE OF FLORIDA  
COUNTY OF Miami-Dade

The forgoing instrument was acknowledged before me by means of  physical presence or  online notarization this 02 day of December, 2023, by ECHANAN KOGAN, as Manager of LC 2121, LLC A Florida limited liability Company on behalf of the United Liability Company. He/She  is personally known to me or  has produced Driver License as identification.

(AFFIX NOTARIAL SEAL)

Commission No. HH 361768

Notary Public  
(Name) Leslie Melchor  
My Commission Expires: 2/17/2027



**Exhibit A - Property Description**

**Closing Date: December 2, 2025**

**Borrower(s): LC 2121 LLC**

**Property Appraisers Parcel Identification (Folio) Number: 30-3115-020-0680**

**Property Address: 2121 NW 64th Street, Miami, FL 33147**

Lot 3, Block 18 of ORANGE RIDGE SUB-DIVISION, according to the plat thereof, as recorded in Plat Book 4, at Page 129 of the Public Records of Miami-Dade County, Florida.

# **SECURITY INSTRUMENT**

## **END PAGE**

**CLOSING AGENT TO INSERT**

**>>> LEGAL DESCRIPTION <<<**

**AND RECORD WITH THIS  
SECURITY INSTRUMENT**

**CLOSING AGENT TO INSERT**

**>>> LEGAL DESCRIPTION <<<**

**ALL PAGES ABOVE THIS PAGE MUST RECORD  
WITH THE SECURITY INSTRUMENT**

# **STATEMENT OF ANTI-COERCION FLORIDA**

Loan Number: 35133052

Date: 12-02-2025

Lender: Kiavi Funding, Inc.

Borrower(s): LC 2121 LLC, A Florida Limited Liability Company

Subject Property: 2121 NW 64th Street, Miami, FL 33147

**THE FOLLOWING STATEMENT IS REQUIRED UNDER RULE 69B-124.002, F.A.C., OF THE RULES  
AND REGULATIONS PROMULGATED BY THE CHIEF FINANCIAL OFFICER  
RELATIVE TO ANTI-COERCION**

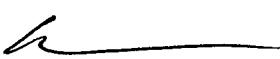
The Insurance Laws of this state provide that the Lender may not require the Borrower to take insurance through any particular insurance agent or company to protect the mortgaged property.

The Borrower, subject to the rules adopted by the Chief Financial Officer, has the right to have the insurance placed with an insurance agent or company of his choice, provided the company meets the requirements of the Lender. The Lender has the right to designate reasonable financial requirements as to the company and the adequacy of the coverage.

I have read the foregoing statement, or the rules of the Chief Financial Officer relative thereto, and understand my rights and privileges and those of the Lender relative to the placing of such insurance.

I have selected NSI Insurance Group to write the hazard insurance covering the Subject Property.

**Borrower:** LC 2121 LLC, A Florida Limited Liability Company



12/2/2025  
Date

Date

By: Elchanan Kagan, Manager



DATE: 12-02-2025

LOAN NO: 35133052

BORROWER(S): LC 2121 LLC, A Florida Limited Liability Company

PROPERTY ADDRESS: 2121 NW 64th Street, Miami, FL 33147

## BUSINESS PURPOSE & OCCUPANCY AFFIDAVIT

I, the undersigned borrower(s), hereby declare that the following is true and correct:

1. **I have applied for the loan identified above (the "Loan") and am seeking financing for the Property for business purposes only.** I do not intend to use the proceeds of the Loan for personal, family, or household purposes.
2. **The proceeds of the loan will be used to purchase, improve, or maintain the Property, and I intend to:**  
 **sell or refinance the Property by the Maturity Date of the Note; or**  
 **operate the Property as one or more rental units for profit.** If I have not executed a lease with a tenant (or tenants) at or before closing of the Loan, I intend to, and will, use commercially reasonable methods and effort to obtain a tenant (or tenants) for the Property following closing of the Loan.
3. **Neither I nor any family member intend or expect to occupy the Property at any time. I will not, under any circumstances, occupy the Property at any time while the Loan remains outstanding.** In addition, I will not claim the Property as my primary or secondary residence for any purposes for the duration of my Loan. I now reside, and for the duration of my Loan will continue to reside, elsewhere.
4. **I understand that Lender is originating the Loan in reliance upon this Business Purpose & Occupancy Affidavit (this "Affidavit").** If this Affidavit is not true and correct, and in consideration of Lender making the Loan, I agree to indemnify Lender and its agents, affiliates, subsidiaries, parent companies, successors and assigns and hold them harmless from and against any and all loss, damage, liability or expense, including costs and reasonable attorneys' fees, which they may incur as a result of or in connection with my misrepresentation. I further understand that any misrepresentation in this Affidavit will constitute an Event of Default under my Loan Documents, and may result in the rescission of my loan and/or the immediate acceleration of my debt and the institution of foreclosure proceedings, eviction, and any other remedies allowable by law.
5. **I understand that the agreements and covenants contained herein shall survive the closing of the Loan.**
6. **I understand, affirm and acknowledge that, the Loan is a business-purpose loan secured by non-owner-occupied real property.** I understand that this means that the Loan may not be subject to the requirements of certain federal and state consumer protection, mortgage lending, or other laws, including but not limited to the provisions of the federal Truth-in-Lending Act (15 U.S.C. §§ 1601 *et seq.*) and its implementing Regulation Z (12 C.F.R. Part 1026), and that protections offered under federal and state laws for consumer-purpose residential mortgage loans may be unavailable to me.
7. **I understand that any false statements, misrepresentations, or material omissions I make in this Affidavit may result in civil and criminal penalties.**

### THE PROPERTY IS NOT AND WILL NOT BE OCCUPIED BY ME OR ANY MEMBER OF THE LLC OR MY FAMILY

As of the date first written above, the undersigned certify under penalty of perjury that the foregoing is true and correct.

**Borrower(s) / Authorized Signatory:** LC 2121 LLC, A Florida Limited Liability Company

Signature

Signature

By: Elchanan Kagan, Manager



## Kiavi Funding, Inc. Loan Application

### Loan Overview

Loan Number: 35133052

Purpose of Loan: purchase

Purchase Price: \$290,000.00

Acquisition Date: 12-03-2025

Target Closing Date: 12-23-2025

Loan Term: 12

Loan Amount Requested: \$276,600.00

Use ACH Auto---debit: true

Do you have an existing loan?:

Insurance Agent Name: Debbie Whittingham

Insurance Agent Phone: 786-724-0085

Insurance Agent Email: DebbieW@nsigroup.org



## Property Overview

Property Address: 2121 NW 64th Street, Miami, FL 33147

Property Type: single-family

As-is Property Value: \$290,000.00

Improvement Since Purchase: N/A

MLS ID#:

MLS List Date:

MLS List Price: N/A

Number of Units: 1

## Property Expenses

Annual Property Tax: N/A

Annual Property Insurance: N/A

Annual SID/LID/Special Assessment/Community Fees: N/A

Annual HOA Fees: N/A

Other Annual Costs: N/A

## Property Features

Living Area: 828

Lot Size: 6950



**Number of Stories:**

**Number of Bedrooms:** 2.0

**Number of Bathrooms:** 1.0

**Garage (# of Cars):**

**Water Type:**

**Sewer Type:**

**Home Owners Association:**

**Pool:**

**Spa:**

**Deed Restrictions:**



## Project Details

Will you request rehab funds in an additional draw?: true

Plans for repair:

The renovation at 2121 NW 64th Street in Miami-Dade includes demolition of the existing subfloor system

Estimated Cost of Rehab: \$60,000.00

Estimated Days Required: 60

After Repair Property Value: \$450,000.00



## Borrower Details

Is the borrower an individual or an entity?: entity

### Individual Details

Is this individual a U.S. citizen or legal US permanent resident?

#### Personal Information

First Name:

Middle Name:

Last Name:

Suffix:

Email address: eli@e2creativegroup.com

Phone number: N/A

Date of Birth:

SSN/ITIN:

Marital Status:

Alternate Name:



### Entity Details

Entity Name: LC 2121 LLC, LLC

Entity Type: llc

State of Incorporation: FL

EIN Number: 41-2683116

### Individual/Entity Address

Current Address: 525 71st St #546703, Miami Beach, FL, 33141, USA

Mailing Address: 525 71st St #546703, Miami Beach, FL, 33141, USA

### Authorized Signatory Details

First Name: Elchanan Kagan

Last Name:

Email Address:

Phone Number:

Role Within Entity: Manager



### Entity Members Details

First Name: KAGAN FAMILY HOLDINGS, LLC

Last Name:

Address:

Email:

Phone:

SSN:

Date of Birth:

First Name: Elchanan Kagan

Last Name:

Address:

Email:

Phone:

SSN:

Date of Birth:

First Name: Kegan Family Holdings

Last Name:

Address:

Email:

Phone:

SSN:

Date of Birth:

1911-LHapp-20170320lh



## Borrower Properties

Total number of Properties Owned:

Total Property Assets: N/A

Total Property Liabilities: N/A

Number of Projects Completed (ever):

Number of Projects Completed (last 12M):

Number of Projects Completed (last 6M):

Number of Homes Currently in Portfolio:

Average Home Purchase Price: N/A

## Borrower Assets

Type:

Name/Descriptions:

Amount:

Type:

Name/Descriptions:

Amount:

Type:

Name/Descriptions:

1911-LHapp-20170320lh



Amount:

Type:

Name/Descriptions:

Amount:

Type:

Name/Descriptions:

Amount:

Total Borrower Assets: N/A

## Borrower Liabilities

Type:

Description:

Maturity:

Monthly Payment:

Amount:

Type:

Description:

Maturity:

Monthly Payment:

Amount:

Type:

1911-LHapp-20170320lh



Description:

Maturity:

Monthly Payment:

Amount:

Type:

Description:

Maturity:

Monthly Payment:

Amount:

Total Liabilities Monthly Payments: N/A

Total Liabilities Amount: N/A

## Guarantor

Will there be a guarantor on this loan?

Is Guarantor U.S. citizen or legal US permanent resident?

Guarantor Name: Elchanan Kagan

Guarantor Email Address: eli@e2creativegroup.com

Guarantor Phone Number: 323-899-9988

Guarantor Date of Birth: 11-12-1974

Guarantor SSN/ITIN: 614549712

Guarantor Marital Status: married

Guarantor Current Address: 8440 Byron Ave #1, Miami Beach, FL, 33141, USA

Guarantor Mailing Address:



## **Guarantor Experience**

Guarantor Total Number of Properties Owner:

Guarantor Total Property Assets: N/A

Guarantor Total Property Liabilities: N/A

Guarantor Number of Projects Completed (ever):

Guarantor Number of Projects Completed (last 12M):

Guarantor Number of Projects Completed (last 6M):

Guarantor Number of Homes Currently in Portfolio:

Guarantor Average Home Purchase Price: N/A



## Guarantor Assets

Type:

Name/Descriptions:

Amount:

Guarantor Total Assets: N/A



## Guarantor Liabilities

Type:

Description:

Maturity:

Monthly Payment:

Amount:

Type:

Description:

Maturity:

Monthly Payment:

Amount:

Type:

Description:

Maturity:

Monthly Payment:

Amount:

Guarantor Total Liabilities Monthly Payments: \$0.00

Guarantor Total Liabilities Amount: N/A



## Broker Details

Broker Name:

Daniel Adler

Broker Company:

Adler Capital LLC

Broker Address:

7483 AVENIDA DEL MAR #901 BOCA RATON, FL 33433

Broker Email Address:

stads98@gmail.com

I have reviewed the information that I (or my agent(s)) have included in this application and hereby certify that, based on my own personal knowledge, the information is true, complete and correct as of today's date. I understand that any misrepresentation (whether intentional or negligent) or material omission of information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I (or my agents(s)) have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.

Borrower: LC 2121 LLC, A Florida Limited Liability Company

A handwritten signature in black ink, appearing to read "E".

By: Elchanan Kagan, Manager

12/22/25  
Date

---

Date



DATE: 12-02-2025  
LOAN NO: 35133052  
BORROWER(S): LC 2121 LLC, A Florida Limited Liability Company

PROPERTY ADDRESS: 2121 NW 64th Street, Miami, FL 33147

## **CORRECTION AGREEMENT AND LIMITED POWER OF ATTORNEY**

This CORRECTION AGREEMENT AND LIMITED POWER OF ATTORNEY is made by and between:

LC 2121 LLC, A Florida Limited Liability Company, ("Borrower")  
and Kiavi Funding, Inc., a Delaware corporation ("Lender") as of the first date of execution below (the "Effective Date"). All capitalized but undefined terms used herein shall have the same meaning given those terms in that certain Promissory Note Secured by Security Instrument dated of even date herewith and executed by Borrower in favor of Lender (the "Note").

In consideration of the approval, closing and funding of the mortgage loan evidenced by the Note, Borrower and the undersigned hereby grant Independence Title, Inc. as settlement agent, and Lender, a limited power of attorney to correct and/or execute or initial all typographical or clerical errors discovered in any or all of the Loan Documents required to be executed by the undersigned at settlement. In the event this Limited Power of Attorney is exercised, the Borrower will be notified and receive a copy of the document executed or initialed on their behalf.

**THIS LIMITED POWER OF ATTORNEY MAY NOT BE USED TO INCREASE THE NOTE'S INTEREST RATE, INCREASE THE TERM OF THE LOAN, INCREASE THE OUTSTANDING PRINCIPAL BALANCE, OR INCREASE THE MONTHLY PRINCIPAL AND INTEREST PAYMENTS. Any such changes must be executed separately, in writing, and directly by the Borrower.**

This Limited Power of Attorney shall automatically terminate 120 days from the Effective Date.

**IN WITNESS WHEREOF**, this Limited Power of Attorney is executed by the undersigned Borrower(s) on the date indicated.

**BORROWER:** LC 2121 LLC, A Florida Limited Liability Company

A handwritten signature in black ink, appearing to read "Elchanan Kagan".

By: Elchanan Kagan, Manager

**NOTE: ALL SIGNATURES ON THIS AGREEMENT MUST BE NOTARIZED**

[Notary seal follows]

## ALL PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of FLORIDA

County of Miami-Dade)

On December 02, 2025 before me, Leslie Melchor, Notary Public (insert name and title of the officer)

personally appeared EICHANAN KASAN, who proved to me on the basis of satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of FLORIDA that the foregoing paragraph is true and correct

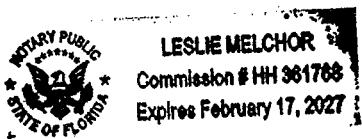
WITNESS my hand and official seal.

Signature 

(Seal)

Name: Leslie Melchor

My Commission Expires: 2/17/2027





DATE: 12-02-2025  
LOAN NO: 35133052  
BORROWER(S): LC 2121 LLC, A Florida Limited Liability Company

PROPERTY ADDRESS: 2121 NW 64th Street, Miami, FL 33147

**COMPLIANCE & AUTHORIZATION AGREEMENT**  
**STATUS CERTIFICATION**

**COMPLIANCE & AUTHORIZATION AGREEMENT**

In consideration of **Kiavi Funding, Inc.** (the "Lender") making the loan referenced above (the "Loan") and disbursing the Loan proceeds, the undersigned Borrower(s) agree as follows:

- A. Borrower(s) agree to cooperate with Lender after closing in completing or correcting all Loan documentation (the "Loan Documents") by executing corrected or additional documents and providing Lender with such additional information and documents as may be deemed necessary or desirable in the reasonable discretion of Lender, including, without limitation, execution and delivery of the following:
1. New or additional loan documents or corrected original loan documents by interlineation, marginal notation, or striking through provisions necessary to correct errors or clarify information in any of the Loan Documents.
  2. New or additional documents mistakenly omitted from the Loan Documents executed in this transaction.
  3. Any additional or different documents, as may be requested or required by anyone to whom this Loan is being transferred or who otherwise obtains any interest in this Loan.
  4. Any documents or information necessary to comply with the requirements of HUD, FHA, VA, FNMA, FHLMC, or other applicable Federal agency, or to comply with applicable Federal and State laws, rules and regulations.
  5. Any additional or different loan documents needed to ensure that the final set of Loan Documents accurately reflects the rates, terms, provisions and type of loan as approved by Lender for this transaction.
  6. Any duplicate documents needed to replace documents which have been lost or misplaced, whether a closing document, or a document involved in the application for or processing of this Loan.

Borrower(s) further agree that the obligations in this Agreement are a substantial and important part of the obligations of Borrower(s) in this transaction; that Lender would not have closed this Loan without this Agreement; and that failure of Borrower(s) to comply with their obligations under this Agreement within seven (7) days of request by Lender SHALL CONSTITUTE AN EVENT OF DEFAULT UNDER THE LOAN AND SHALL ENTITLE LENDER TO EXERCISE ALL OR ANY OF ITS RIGHTS UNDER THE LOAN AND LOAN DOCUMENTS IN THE EVENT OF A DEFAULT, INCLUDING, WITHOUT LIMITATION, ACCELERATION, FORECLOSURE, AND IMPOSITION OF DEFAULT INTEREST. It is also understood and agreed that Lender may exercise its rights under this Agreement at any time while this Loan is outstanding, that there may be multiple occasions for requests for documents and information under this Agreement, and that the rights of Lender under this Agreement shall exist in favor of the Lender and in favor of any subsequent transferee of this Loan, or anyone else who acquires an interest in this Loan.

- B. Borrower(s) acknowledge and agree that Lender may verify information contained in Borrower(s) loan application and in other documents provided by Borrower(s) in connection with the Loan both before the Loan is closed, as part of Lender's loan application process, and after the Loan is closed, as part of Lender's quality control program or secondary marketing program. Borrower(s) expressly authorize any person with information or documentation regarding Borrower(s) employment and income history, credit history, banking and investment accounts, assets and liabilities, income and other tax returns, and any other personal or financial information relevant to Borrower(s) qualifications for the Loan when requested to provide such information and documentation to Lender and to any assignee or transferee to whom Lender may propose to sell or has sold the Loan. Lender, or any investor purchasing

the Loan, may address this authorization to any person or party named in Borrower(s) loan application and a photocopy of this agreement may be relied upon by any such person or party as their authorization to provide such requested information or documentation as fully as if an original form of authorization signed by Borrower(s) were addressed to such person or party.

- C. Borrower(s) acknowledge and agree that Lender may share information about the Borrower(s) loan status with any loan broker that submitted the Borrower(s) application, including but not limited to information concerning the nature of any default under the Borrower(s) Loan Documents.
- D. By providing us with a telephone number below for a mobile device, including a number that you later convert to a mobile device number, you are expressly consenting to receiving communications—including but not limited to prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system—from us and our affiliates and agents at that number, about any product or services offered by Lender. This express consent applies to each such telephone number that you provide to us now or in the future. Calls and messages may incur access fees from your mobile services provider. You understand that you need not provide this consent as a condition of obtaining goods or services from Lender, and that you may decline to provide or revoke your consent at any time by emailing [compliance@kiavi.com](mailto:compliance@kiavi.com) or by any other method that reasonably ensures we receive your revocation.

IN WITNESS WHEREOF, Borrower has executed this Compliance & Authorization Agreement effective as of the date first written above.

**Borrower:** LC 2121 LLC, A Florida Limited Liability Company

**Borrower Signature:**



**Phone Number:** N/A

By: Elchanan Kagan, Manager

**Borrower Signature:**

**Phone Number:**

## **STATUS CERTIFICATION**

1. I/We the undersigned Borrower(s) understands that Lender is granting a mortgage loan (the "Loan") based on the representations made in the Loan application given by the Borrower(s) to Lender, which application may have been completed on-line. I/We hereby certify that all statements related to the Loan application, including but not limited to **financial, marital, and employment status**, have not changed and to my/our knowledge, will not change in the foreseeable future. The statements of fact regarding **occupancy of the Property** which is being purchased, improved, refinanced or additionally encumbered with a mortgage or deed of trust securing repayment of the proceeds of the Loan are the same as represented at time of Loan application.
2. If the Property is being purchased by Borrower(s), the **funds for down payment and closing costs** are being paid from the source stated on the loan application and there is **no secondary financing** in this transaction that has not been disclosed to the Lender. I/We certify that if my/our **Loan application states that other real estate was to be sold**, this is to certify that such transaction has taken place and I/We no longer have title to that real estate.
3. If the Property is currently owned by the Borrower(s), I/We certify that there are **no delinquent state, county, city, school, water district, utility district or other governmental taxes or assessments due or owing against said Property**, and that **no tax suit has been filed** by any state, county, municipality, water district, utility district or other governmental agency for taxes or assessments levied against Borrower(s) which have not been disclosed in writing to Lender. I/We also certify that there are no unpaid paving assessments or delinquent owner association dues.
4. There are **no suits filed by or pending against Borrower(s)** in any federal or state court which have not been disclosed in writing to Lender.
5. Borrower(s) acknowledges that this Status Certification is given as a material inducement to cause Lender to make the Loan to Borrower(s). Borrower(s) also understands that **any false statements, misrepresentations or material omissions may result in civil and criminal penalties**. The agreements and covenants contained herein shall survive the closing of this Loan transaction.

IN WITNESS WHEREOF, Borrower has executed this Status Certification effective as of the date first written above.

**Borrower:** LC 2121 LLC, A Florida Limited Liability Company

**Borrower Signature:** 

By: Elchanan Kagan, Manager

**Borrower Signature:** 



DATE: 12-02-2025

LOAN NO: 35133052

GUARANTOR(S): Elchanan Kagan, a married person

PROPERTY ADDRESS: 2121 NW 64th Street, Miami, FL 33147

### VERIFICATION OF IDENTITY

**Instructions to Closing Agent**

Please complete the Identity information below with appropriate data.

Name of Person on Identification Presented: ELCHANAN Eliyahu KAGAN

Person's Date of Birth: 11/12/1974

Person's Address on Identification Presented: 8440 BYRON Ave Apt 1 Miami Beach, FL 33141

Identification Presented



Driver's License

Issuing Government Agency Florida Department of Motor Vehicles ID# K615117-07-900-0

Expiration Date 11/12/2031



Passport

Issuing Government Agency \_\_\_\_\_ ID# \_\_\_\_\_

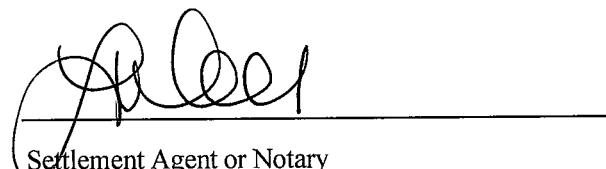
Expiration Date \_\_\_\_\_



Other

Issuing Government Agency \_\_\_\_\_ ID# \_\_\_\_\_

Expiration Date \_\_\_\_\_



A handwritten signature in black ink, appearing to read "Elchanan Kagan". Below the signature is a horizontal line.

Settlement Agent or Notary



DATE: 12-02-2025  
LOAN NO: 35133052  
SIGNER FOR: LC 2121 LLC, A Florida Limited Liability Company

PROPERTY ADDRESS: 2121 NW 64th Street, Miami, FL 33147

#### VERIFICATION OF IDENTITY

##### Instructions to Closing Agent

Please complete the Identity information below with appropriate data.

Name of Person on Identification Presented: ELOHANAN Eliyahu KAGAN

Person's Date of Birth: 11/12/74

Person's Address on Identification Presented: 8440 Byron Ave, Apt 1 Miami Beach, FL 33141

##### Identification Presented

Driver's License

Issuing Government Agency FLORIDA DMV ID# K1615-17-07-900-0

Expiration Date 11/12/2031

Passport

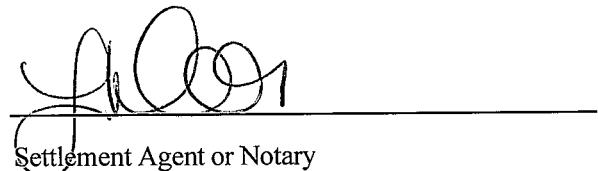
Issuing Government Agency \_\_\_\_\_ ID# \_\_\_\_\_

Expiration Date \_\_\_\_\_

Other

Issuing Government Agency \_\_\_\_\_ ID# \_\_\_\_\_

Expiration Date \_\_\_\_\_



A handwritten signature in black ink, appearing to read "J. D. O'Conor". Below the signature is a horizontal line.

Settlement Agent or Notary



DATE: 12-02-2025  
LOAN NO: 35133052  
BORROWER(S): LC 2121 LLC, A Florida Limited Liability Company

PROPERTY ADDRESS: 2121 NW 64th Street, Miami, FL 33147

**FLOOD INSURANCE AUTHORIZATION**

The National Flood Insurance Reform Act of 1994 mandates the purchase of flood insurance when appropriate, if available. Therefore, the above referenced Borrower(s) hereby authorize(s) Lender, and its assigns, to purchase flood insurance during the life of the loan secured by the above-described Property.

This authorization is extended only in the case where a determination is made subsequent to closing that flood insurance is necessary, because the lender has determined the improved real property or mobile home and personal property securing the loan is located both in a Special Flood Hazard Area (SFHA) as determined by the Director of the Federal Emergency Management Agency (FEMA), and in a community participating in the National Flood Insurance Program (NFIP). In such event, unless a different standard is permitted by law or regulation and such standard is proposed, flood insurance shall be purchased in the amount of the loan or the maximum amount available under NFIP, whichever is less.

At any time during the life of the loan secured by the above-described Property, such flood insurance policy may be purchased from the agency designated by Borrower(s) and subsequently furnished to Lender. The premiums and fees incurred shall be paid by Borrower(s) and may be paid from the escrow funds on hand and the proper adjustments made to the monthly payments. Borrower(s) agrees that if the Lender or Servicer is escrowing for items such as taxes and property insurance, they are required to also escrow for required flood insurance costs.

Lender shall provide Borrower(s) with written notice that flood insurance must be purchased, the amount necessary, and an estimate of the costs. If a response is not received from the Borrower(s) within 45 days of such notice, Lender is hereby authorized to force-place the required flood insurance from whatever source advisable under the circumstances and provide the Borrower(s) with a copy of the policy.

If there is a dispute or uncertainty on the part of the Lender or Borrower about the flood determination, they may jointly request FEMA to review and resolve whether the building or mobile home or personal property in question is located in an SFHA. FEMA will review the determination and provide the Lender and borrower(s) a final determination within 45 days.

**Flood Insurance Coverage Subject to Change Disclosure:** We may assign, sell, or transfer the servicing of your mortgage loan. Your new lender/servicer may require more flood insurance coverage than the minimum amount that has been identified in your Notice of Special Flood Hazards (NSFH). The new lender/servicer may require coverage in an amount greater than the minimum, and has the right to require flood coverage at least equal to 100% of the insurable value (also known as replacement cost value) of the building(s) used as collateral to secure the loan or the maximum available under the National Flood Insurance Program (NFIP) for the particular type of building. You should review your exposure to flood damage with your insurance provider, as you may wish to increase your coverage above the minimum amount required at the time of closing your loan versus what subsequently the new lender/servicer may require.

**Borrower:** LC 2121 LLC, A Florida Limited Liability Company

Date 12/2/25

Date

By: Elchanan Kagan, Manager



DATE: 12-02-2025  
LOAN NO: 35133052  
BORROWER(S): LC 2121 LLC, A Florida Limited Liability Company

PROPERTY ADDRESS: 2121 NW 64th Street, Miami, FL 33147

### **FIRST PAYMENT INFORMATION LETTER**

I/We understand and agree that our first mortgage payment on the above-referenced loan is due on or before 02-01-2026 and on the first (1st) calendar day of each month thereafter until the loan is paid in full. Our current total monthly payment is \$1,584.13 and is broken down as follows:

Mortgage Payment	<u>\$1,584.13</u>
Property Tax Reserve *	<u>                          </u>
Hazard Insurance Reserve *	<u>                          </u>
Condo Insurance Reserve *	<u>                          </u>
Flood Insurance Reserve *	<u>                          </u>
Rent Loss Reserve *	<u>                          </u>
TOTAL MONTHLY PAYMENT	<u>\$1,584.13</u>

I/We further understand and agree that all subsequent monthly payments are due on or before the first day of every month, and that our payments will be considered **DELINQUENT** if received after the **first** day of the month. Unless the Note provides otherwise, payments received more than **FIFTEEN** calendar days after the due date are subject to late charges. As a reminder, Kiavi requires electronic payment. See your Automatic Payment Authorization Agreement for more information.

Borrower: LC 2121 LLC, A Florida Limited Liability Company



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By: Elchanan Kagan, Manager

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\* Escrow reserve amounts are subject to change each year after taxes and insurance premiums are paid. If the annual taxes and/or insurance premiums increase, the total monthly payment will increase. If the annual taxes and/or insurance premiums decrease, the total monthly payment may decrease.



DATE: 12-02-2025  
LOAN NO: 35133052  
BORROWER(S): LC 2121 LLC, A Florida Limited Liability Company  
PROPERTY ADDRESS: 2121 NW 64th Street, Miami, FL 33147

### AUTOMATIC PAYMENT AUTHORIZATION AGREEMENT ACH DEBITS - Recurring Authorization

I UNDERSTAND THAT MY LOAN REQUIRES AUTOMATIC PAYMENTS. I hereby authorize Kiavi Funding, Inc. and its authorized representatives, service providers, agents, assigns and successors ("Kiavi"), to initiate a **RECURRING** charge/debit entry to my account at the US depository financial institution named below, and to debit the same to such account on a monthly basis **on my payment due date as specified in my loan documents which is the first day of each month.**

BANK NAME: JPMORGAN CHASE BANK, NA AMOUNT OF DEBIT: \$1,584.13  
CITY: TAMPA STATE: FL CHECKING X or SAVINGS \_\_\_\_\_  
ROUTING #: 322271627 ACCOUNT #: 255208739

By signing below, I represent and warrant to Kiavi that the bank account identified in this form (the "Bank Account") is used primarily for business purposes, and not for personal, family or household use.

In the event that the first day of the month is a non-business day, the debit will be processed on the following business day. I agree that Kiavi may withdraw from the Bank Account any and all payments required under my Loan Documents (and amendments thereto), including principal and interest payments (including default interest, if applicable) and late fees. These amounts may change under the terms of my Loan Documents. I authorize and request Kiavi to change the amount of my automatic payments to the amount due as a result of these changes. To the extent applicable, I acknowledge and agree that Kiavi may credit my Bank Account with Construction Advance funds (or any other funds Kiavi may credit me) from time to time.

If I intend to pay off my loan, change financial institutions, change account numbers, I may initiate a stop payment on a single draft, provided I notify my depository financial institution. I understand I must contact my depository financial institution regarding its stop payment procedures. **I acknowledge that failure to pay using a recurring ACH debit from a business purpose account (e.g. making payments by check) constitutes an Event of Default under the terms of my Loan Documents.** I have the right to have an incorrect deduction amount corrected by the depository financial institution. I understand I must contact my depository financial institution regarding its error resolution procedures.

I agree to be bound by the National Automated Clearing House Association Rules governing the ACH network in connection with the transfers made under this authorization.

I acknowledge that Kiavi may cancel the recurring ACH debit at any time. If cancelled, I will receive notification in writing and will then be responsible for making alternative payment arrangements.

*By signing below, I represent and warrant that I am either the account holder or authorized to and do agree on behalf of the account holder to be bound by the terms of this authorization and accept the conditions stated above.*

Borrower(s): LC 2121 LLC, A Florida Limited Liability Company

N/A

Phone

By: Elchanan Kagan, Manager

Phone

Loan Number: 35133052

**SIGNATURE AFFIDAVIT AND AKA STATEMENT**  
**SIGNATURE AFFIDAVIT**

I, Elchanan Kagan, certify that this is my true and correct signature:

Elchanan Kagan

  
Sample Signature

**AKA STATEMENT**

I further certify that I am also known as:

ELI E KAGAN

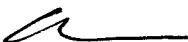
Name Variation (Print)



Sample Signature (Variation)

ELCHANAN E KAGAN

Name Variation (Print)



Sample Signature (Variation)

ELI KAGAN

Name Variation (Print)



Sample Signature (Variation)

KAGAN E ELCHANAN

Name Variation (Print)



Sample Signature (Variation)

ELY KAGAN

Name Variation (Print)



Sample Signature (Variation)

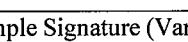
KAGAN ELI

Name Variation (Print)



Sample Signature (Variation)

Name Variation (Print)

  
Sample Signature (Variation)

# Project Information & Scope of Work

## Project Management

<b>Project Manager</b>	Myself (Hiring Subcontractors)	<b>General Contractor</b>	Matthew Conte
<b>Comments</b>			<b>Contractor Phone Number</b> (305) 219-9464
<b>Loan Number</b>	35133052	<b>License Number</b>	Florida
<b>Property Address</b>	2121 NW 64TH ST, Miami, FL, 33147, USA	<b>License State or City</b>	CGC1504895

## Scope of Work Information

### Narrative Description

The renovation at 2121 NW 64th Street in Miami-Dade includes demolition of the existing subfloor system along with full kitchen demolition, followed by framing a new wall and building a closet to create an additional bedroom. Damaged sheetrock is being repaired with insulation addressed where needed, and the full interior will receive new paint. New subflooring, underlayment, and vinyl flooring are being installed throughout the home. The kitchen is being fully updated with new wood cabinets, quartz countertops, a new sink, and new appliances. One bathroom is being completed with new fixtures including a vanity, mirror, shower, and hardware. Additional work includes repairing the plumbing system, installing new light fixtures, switches, and outlets, and installing a new AC system. Exterior improvements include fixing the patio railings in the front and back along with light planting and landscape gardening.

Additional Details		Above Ground Structure		Current	Rehabbed
Occupied Status	No	Sq. Footage	828	828	
Sq. Footage Increase	No	Property Type	Single Family Residence	Single Family Residence	
Quality of Finishes	Custom/High	Bedrooms	2	3	
Has Fire Damage Repair	No	Full Bathrooms	1	1	
		Half Bathrooms	0	0	
Below Ground Structure		Current	Rehabbed	ADU Structure	
Sq. Footage	0	0		Sq. Footage	0
Bedrooms	0	0		Bedrooms	0
Full Bathrooms	0	0		Full Bathrooms	0
Half Bathrooms	0	0		Half Bathrooms	0

Budget	Amount
<b>01 Plans / Permits</b>	
Building Permit and other permits	\$2,200
<b>02 Demolition</b>	
Removal of subfloor including joist, plywood and tile floors. Kitchen demolition	\$4,000
<b>03 Foundation</b>	
	\$0
<b>04 Roof / Gutters</b>	
	\$0
<b>05 Exterior / Siding</b>	
	\$0
<b>06 Windows</b>	
Repair windows as needed	\$2,000
<b>07 Garage / Driveway</b>	
	\$0
<b>08 Framing</b>	
One Open Wall and Closet. Install new subflooring, repair joists as needed.	\$3,500
<b>09 Finish Carpentry</b>	
Replace all doors / trims and baseboards	\$2,200
<b>10 Sheetrock / Insulation</b>	
Repair sheetrock as needed	\$1,200
<b>11 Interior Paint</b>	
New paint throughout the interior	\$3,500
<b>12 Flooring</b>	
Install new underlayment and new vinyl flooring throughout.	\$4,500
<b>13 Kitchen</b>	
New quartz countertops, new wood cabinetry, new sink installation.	\$11,000

Budget	Amount
<b>14 Bathrooms</b> Completion of 1 bathroom. All new including vanities, mirror, shower, hardware etc.	\$10,000
<b>15 Plumbing Work</b> Repair plumbing system	\$2,000
<b>16 Electrical Work</b> All new light fixtures and switches / outlets	\$2,200
<b>17 HVAC Work</b> Install new AC system	\$3,000
<b>18 Appliances</b> New appliances for one kitchen.	\$2,500
<b>19 Yard / Landscaping</b> Fix Patio Railings in the front and back, Light planting, Landscape gardening	\$2,500
<b>20 Basement Finishes</b>	\$0
<b>21 Other</b>	\$0
<b>22 Other</b>	\$0
Contingency	\$2,815
<b>Total Construction Cost</b>	<b>\$59,115</b>

This Scope of Work reflects all my anticipated project costs to the best of my knowledge. I have reviewed and agree with all the line items, line item descriptions and costs contained within this Scope of Work proposal. I understand that this is a reimbursement loan and funds will only be disbursed for installed materials and completed labor. I understand that all Change Orders must be reviewed and approved prior to work, and that Change Orders can be denied.

Borrower Signature

Date



Date: 12-02-2025  
Loan No. 35133052  
Borrower: LC 2121 LLC, A Florida Limited Liability Company

Property Address: 2121 NW 64th Street, Miami, FL 33147

Welcome to the Kiavi family! We are pleased to be able to work with you on your loan. This letter will provide you some key contact information should you need to reach us regarding your loan.

Kiavi Funding, Inc. will among other things, receive and process your monthly mortgage payments, answer any questions you may have about billing, and handle the paperwork when you're ready to pay off your loan.

Please feel free to call the numbers below should you have any questions.

YOUR LENDER'S SERVICING CENTER:	
<p><b>Kiavi Funding, Inc.</b> Attn: Payment Processing 2 Allegheny Center, Nova Tower 2, Suite 200 Pittsburgh, PA, 15212</p>	
<p><b>To Request a Payoff Statement (please allow 72 hours):</b> phone: 1-844-415-4663 hit 5 then 1 email: <a href="mailto:payoff@kiavi.com">payoff@kiavi.com</a></p>	

Sincerely,

The Kiavi Funding, Inc. Family!



## Kiavi Bridge Plus & Bridge Standard Draw Process

# Quick Start Guide

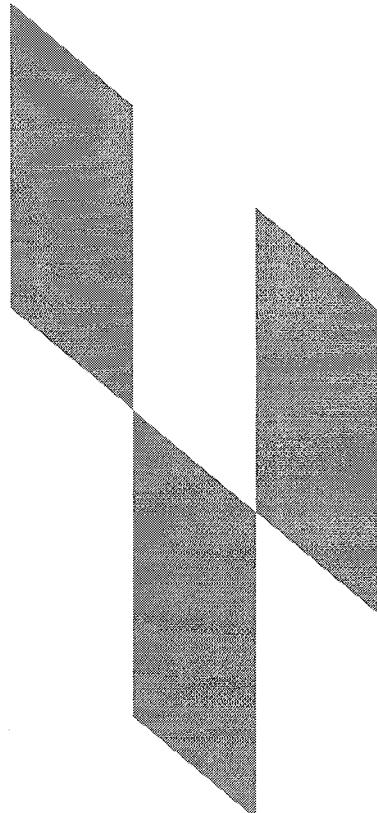
We've put together some information regarding how to acquire rehab funds for your flipping project.

---

## 01 Request your draw

Send an email request including the property address and loan number to [draws@kiavi.com](mailto:draws@kiavi.com).

A Draw Analyst will be assigned to your request and reach out via email to guide you through the draw process.



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## 02 Submit your documentation

On every draw, you will need to submit:

- A Draw Request form (your Draw Analyst will provide the template on Draw 1). You can submit your Draw Request Form via email or through the dashboard. Ask your Draw Analyst which method they prefer.
- Invoices
- Lien waivers

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## 03 Schedule your inspection

Once you submit a completed Draw Request Form, the Draw Analyst will order the inspection report. A third party inspector will be assigned and reach out to you to schedule the inspection site walk.

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## 04 Receive draw funds

After your inspection, and once your file has been reviewed by the Draw Analyst, draw funds will be disbursed.



## Kiavi Bridge Plus & Bridge Standard Draw Process

### Additional Draw Information

#### Your Draw

- ✓ Maximum number of draws allowed per project: 20.
- ✓ Draw disbursals are subject to a 90% holdback cap prior to the final draw.
- ✓ The Kiavi draw process is a reimbursement process for work that has been completed, installed, and paid for.

#### Documentation

- ✓ The Draw Request Form should reflect your total reimbursement request for the current draw.
- ✓ Paid Invoices should total or exceed the draw amount requested.
- ✓ Signed Lien Waivers should correspond with the submitted invoices.
- ✓ Additional documentation may be requested at the Draw Analyst's discretion including (but not limited to) material receipts, cancelled checks, plans/permits, etc.

#### Inspection

- ✓ An inspection report is required for every draw.
- ✓ Inspectors will review every line item on the SOW (not just the requested line items).
- ✓ If the inspector is not given full access to the property, a re-inspection may be necessary and additional fees may apply.

#### Disbursal

- ✓ Funds are disbursed directly to the borrower's bank account only.
- ✓ A \$189 - \$199 draw fee will be deducted from your disbursal amount on every draw.

#### Disbursement Issues

Monthly interest payments must be current for all loans before a draw can be disbursed. Delinquent and/or Mature loans will halt the draw process.

Any involuntary liens or voluntary liens senior to Kiavi must be removed prior to the disbursal of any draw funds. This violation of the loan note will be reported and could result in greater action against the loan.

#### Need to make changes?

To request a change, submit a completed Change Order Request Form to:

[changeorders@kiavi.com](mailto:changeorders@kiavi.com). Any changes to the Scope of Work must be reviewed and approved by the Feasibility Department prior to implementation. Failure to have Scope of Work changes approved prior to implementation could limit the amount of holdback funds available for disbursal. Any draw request from the Contingency line item over \$1,000 will require a change order to move those funds to a more descriptive line item.

**Contact your [draws@kiavi.com](mailto:draws@kiavi.com) with any additional questions regarding our draw process.**