

Eric Forcier

From: Mark Connolly [REDACTED]
Sent: Friday, February 11, 2011 3:22 PM
To: Eric Forcier
Subject: Financial Resources Mortgage, Inc., et al, Docket 09-127
Attachments: Assignment of Mortgage.pdf; Declaration of Trust.pdf; Lending Opportunity.pdf; Loan Master Report.pdf

From: Hildreth, Peter [mailto:phildreth@banking.state.nh.us]
Sent: Monday, November 16, 2009 12:34 PM
To: [REDACTED]@comcast.net
Subject: FW: Financial Resources Mortgage, Inc., et al, Docket 09-127

Hi Mark:

Here are sample documents. I had the non-public docs redacted of people's names (for example, the trust doc). I only did one as that was what I had. The SEC in Boston has contacted us (I actually tried to contact them and independently they had contacted Celia Leonard) and I am sending them the same documents.

I have also talked to a lawyer representing some of the investors. In some cases, these investors were part of a trust and others, it was a direct mortgage. So, there may be some of each.

Hope you have a safe flight.

Peter

Peter C. Hildreth

Banking Commissioner

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From: Kelleher, Michele
Sent: Monday, November 16, 2009 12:09 PM

To: Hildreth, Peter
Cc: Leonard, Celia
Subject: Financial Resources Mortgage, Inc., et al, Docket 09-127

As requested, attached are the scanned documents.

Michele J. Kelleher
Paralegal - Consumer Credit Division
NH Banking Department
53 Regional Drive, Suite 200
Concord NH 03301
(603)271-3561 Phone
(603)271-0750 Fax

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Lucy S. Debel

BK2590PG0721

ASSIGNMENT OF MORTGAGE

THIS ASSIGNMENT OF MORTGAGE (hereinafter referred to as the "Assignment") is made as of this 27 day of July, 2009 by Financial Resources Mortgage, Inc., whose address is 15 Northview Drive, Meredith, NH 03253 (hereinafter referred to as the "Assignor") for the benefit of ROCC 2009 Realty Trust, whose address is PO Box 7017, Gilford, NH 03247, (hereinafter referred to as the Assignee").

WITNESSETH:

WHEREAS, "Assignor" is the holder of that certain Mortgage and Collateral Assignments of Rents and Leases together with the debt and Note secured thereby, in the original principal sum of One Hundred Forty Nine Thousand Dollars (\$149,000.00) given by ~~██████████~~ as "Mortgagor" to Financial Resources Mortgage, Inc., which Mortgage is recorded at at Book 2584, Page 0320 et seq. and Collateral Assignment of Rents and Leases is recorded at Book 0584, Page 0331 in the Cheshire Registry of Deeds and said Mortgage and Collateral Assignment of Rents encumber and are a liens upon certain real property located at 347 Marlow Hill Road, Marlow, County of Cheshire, New Hampshire, 03456 and described as Exhibit "A" in the Mortgage; and,

WHEREAS, Assignor is desirous of assigning said Mortgage, together with the Note and the debt therein described, to Assignee; and

WHEREAS, "Assignee" is desirous of receiving and holding said Mortgage, together with the Note and the debt therein described, from Assignor.

NOW, THEREFORE, for and in consideration of the sum of valuable consideration paid by Assignee, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Assignor, Assignor does hereby make the following assignment:

1. Assignment. Assignor has granted, bargained, sold, assigned, conveyed and transferred, and by these presents does grant, bargain, sell, assign, convey and transfer unto Assignee, its heirs, successors and assigns, forever all of its right, title and interest in, to and under said Mortgage described above, together with the debt and Note secured thereby; together with any and all rights, interests and appurtenances thereto belonging; subject only to any right and equity of redemption of said Mortgagor, its successors or assigns in the same.

- 2. Warranties and Representations. Assignor hereby warrants and represents that it is the present holder of the above described Mortgage and that there are no other holders of said Mortgage or any interest therein or in the note and debt secured thereby.
- 3. Governing Law. This Assignment shall be governed, construed and interpreted by, through and under the laws of the State of New Hampshire.
- 4. Headings. Paragraph headings contained herein are for convenience of reference only and are not to be used in the construction or interpretation hereof.

IN WITNESS WHEREOF, Assignor has executed and delivered this Assignment to

Assignee on the date hereof.

Saul S Paul

Witness

[Signature]

 Financial Resources Mortgage, Inc.
 Assignor

STATE OF NEW HAMPSHIRE
COUNTY OF BELKNAP

On this 21 day of July, 2009, before me, the undersigned officer, personally appeared, Financial Resources Mortgage, Inc., known to me to be the persons whose names are subscribed to the within instrument, and acknowledged that the foregoing is true to the best of his/her knowledge and belief.

IN WITNESS WHEREOF, I hereunto set my hand and seal.

Saul S Paul

Notary Public/Justice of the Peace
(SEAL)

My commission expires: _____



ATTEST
EVELYN S HUBAL
 Cheshire Register of Deeds

A. Settlement Statement

U.S. Department of Housing and Urban Development

B. Type of Loan

OMB Approval No. 2502-0265 (expires 11/30/2009)

FINAL

| | | | | | |
|---|--|--|--|------------------------------|--|
| 1. <input type="checkbox"/> FHA | 2. <input type="checkbox"/> FmHA | 3. <input type="checkbox"/> Conv. Unins. | 5. File Number 66-0000000 | 7. Loan Number [REDACTED] | 8. Mortgage Insurance Case Number |
| 4. <input type="checkbox"/> VA | 5. <input type="checkbox"/> Conv. Ins. | C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for information purposes and are not included in the total. 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. | | | TitleExpress Settlement System Printed 06/25/2009 at 15:05 LP |
| D. NAME OF BORROWER: [REDACTED] ADDRESS: 347 Marlow Hill Road, Marlow, NH 03456 | | | | | |
| E. NAME OF SELLER: REFINANCE ADDRESS: | | | | | |
| F. NAME OF LENDER: Financial Resources Mortgage, Inc. ADDRESS: 15 Northview Drive, PO Box 1158, Meredith, NH 03253 | | | | | |
| G. PROPERTY ADDRESS: 347 Marlow Hill Road, Marlow, NH 03456 | | | | | |
| H. SETTLEMENT AGENT: Law Office of Gould and Burke, PLLC, Telephone: 603-279-6502 Fax: 603-279-1062 PLACE OF SETTLEMENT: P.O. Box 666, 15 Northview Drive, Meredith, New Hampshire 03253 | | | | | |
| I. SETTLEMENT DATE: 06/25/2009 DISBURSEMENT DATE: 07/07/2009 | | | | | |
| J. SUMMARY OF BORROWER'S TRANSACTION: | | | K. SUMMARY OF SELLER'S TRANSACTION: | | |
| 100. GROSS AMOUNT DUE FROM BORROWER | | | 400. GROSS AMOUNT DUE TO SELLER | | |
| 101. Contract sales price | | | 401. Contract sales price | | |
| 102. Personal Property | | | 402. Personal Property | | |
| 103. Settlement charges to borrower (line 1400) | 14,345.21 | | 403. | | |
| 104. Payoff: 2006 taxes | 2,428.58 | | 404. | | |
| Town of Marlow Tax Collector | | | | | |
| 105. Payoff Other Loans | 6,634.95 | | 405. | | |
| Payoff \$4,431.65 2007 tax | | | | | |
| to: Town of Marlow Tax Collector | | | | | |
| Payoff \$2,203.30 2008 taxes | | | | | |
| to: Town of Marlow Tax Collector | | | | | |
| Adjustments for items paid by seller in advance | | | Adjustments for items paid by seller in advance | | |
| 109. Loan in Progress | 111,600.00 | | 409. | | |
| 110. | | | 410. | | |
| 111. | | | 411. | | |
| 112. | | | 412. | | |
| 120. GROSS AMOUNT DUE FROM BORROWER | 135,008.74 | | 420. GROSS AMOUNT DUE TO SELLER | | |
| 200. AMOUNTS PAID BY OR ON BEHALF OF BORROWER | | | 500. REDUCTIONS IN AMOUNT DUE TO SELLER | | |
| 201. Deposit or earnest money | | | 501. Excess Deposit (see instructions) | | |
| 202. Principal amount of new loans | 149,000.00 | | 502. Settlement charges to seller (line 1400) | | |
| 203. Existing loan(s) taken subject to | | | 503. Existing loan(s) taken subject to | | |
| 204. | | | 504. | | |
| 205. | | | 505. | | |
| 206. | | | 506. | | |
| 207. | | | 507. | | |
| 208. | | | 508. | | |
| 209. | | | 509. | | |
| Adjustments for items unpaid by seller | | | Adjustments for items unpaid by seller | | |
| 213. | | | 513. | | |
| 214. | | | 514. | | |
| 215. | | | 515. | | |
| 216. | | | 516. | | |
| 217. | | | 517. | | |
| 218. | | | 518. | | |
| 219. | | | 519. | | |
| 220. TOTAL PAID BY/FOR BORROWER | 149,000.00 | | 520. TOTAL REDUCTION AMOUNT DUE SELLER | | |
| 300. CASH AT SETTLEMENT FROM OR TO BORROWER | | | 600. CASH AT SETTLEMENT TO OR FROM SELLER | | |
| 301. Gross amount due from borrower (line 120) | 135,008.74 | | 601. Gross amount due to seller (line 420) | | |
| 302. Less amounts paid by/for borrower (line 220) | 149,000.00 | | 602. Less reduction amount due seller (line 520) | | |
| 303. CASH TO BORROWER | 13,991.26 | | 603. CASH TO SELLER | | 0.00 |

George P. Bissett
m.l.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SETTLEMENT STATEMENT

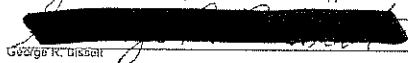
File Number: 09-C-0088

FINAL PAGE 2

TitleExpress Settlement System Printed 06/25/2009 at 15:05 LP

| L. SETTLEMENT CHARGES | | PAID FROM BORROWER'S FUNDS AT SETTLEMENT | PAID FROM SELLER'S FUNDS AT SETTLEMENT |
|---|--|---|---|
| 700. TOTAL SALES/BROKER'S COMMISSION based on price \$ = | | | |
| Division of commission (line 700) as follows: | | | |
| 701. \$ | to | | |
| 702. \$ | to | | |
| 703. Commission paid at Settlement | | | |
| 800. ITEMS PAYABLE IN CONNECTION WITH LOAN | | | |
| 801. Loan Origination Fee | 7.000 % Financial Resources Mortgage, Inc. | 10,430.00 | |
| 802. Loan Discount | % | | |
| 803. Appraisal Fee | | | |
| 804. Credit Report | | | |
| 805. Lender's Inspection Fee | | | |
| 806. Mortgage Application Fee | | | |
| 807. Assumption Fee | | | |
| 808. | | | |
| 809. | | | |
| 810. | | | |
| 811. | | | |
| 900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE | | | |
| 901. Interest From | 07/07/2009 to 08/01/2009 @\$ 53.0684 /day 25 Days | 1,326.71 | |
| 902. Mortgage Insurance Premium for | to | | |
| 903. Hazard Insurance Premium for | annual to Lalas Insurance Agency | 491.00 | |
| 904. | | | |
| 905. | | | |
| 1000. RESERVES DEPOSITED WITH LENDER FOR | | | |
| 1001. Hazard Insurance | mo. @ \$ 40.92 /mo | | |
| 1002. Mortgage Insurance | mo. @ \$ /mo | | |
| 1003. City Property Tax | mo. @ \$ /mo | | |
| 1004. County Property Tax | mo. @ \$ /mo | | |
| 1005. Annual Assessments | mo. @ \$ /mo | | |
| 1009. Aggregate Analysis Adjustment | | 0.00 | 0.00 |
| 1100. TITLE CHARGES | | | |
| 1101. Settlement or closing fee | to Law Office of Gould and Burke, PLLC | 500.00 | |
| 1102. Abstract or title search | to Crockett Titles | 100.00 | |
| 1103. Title examination | | | |
| 1104. Title insurance binder | | | |
| 1105. Document Preparation | to Law Office of Gould and Burke, PLLC | 1,000.00 | |
| 1106. Notary Fees | | | |
| 1107. Attorney's fees | | | |
| (includes above items No:) | | | |
| 1108. Title Insurance | to Old Republic National Title Insurance Comp | 273.50 | |
| (includes above items No:) | | | |
| 1109. Lender's Policy | 149,000.00 - 273.50 | | |
| 1110. Owner's Policy | | | |
| 1111. | | | |
| 1112. | | | |
| 1113. | | | |
| 1200. GOVERNMENT RECORDING AND TRANSFER CHARGES | | | |
| 1201. Recording Fees Deed \$; Mortgage \$ 84.00 ; Release \$ | | 84.00 | |
| 1202. Deed Transfer Tax | Deed \$; Mortgage \$ | | |
| 1203. State tax/stamps | Deed \$; Mortgage \$ | | |
| 1204. L-ship | to Cheshire County Registry Of Deeds | 25.00 | |
| 1205. Update/record fee | to Hagan Wegmuller | 35.00 | |
| 1300. ADDITIONAL SETTLEMENT CHARGES | | | |
| 1301. Wire Fee | to Financial Resources Mortgage, Inc. | 30.00 | |
| 1302. overnight fee | to Law Office of Gould and Burke, PLLC | 50.00 | |
| 1400. TOTAL SETTLEMENT CHARGES | (enter on lines 103, Section J and 502, Section K) | 14,345.21 | |

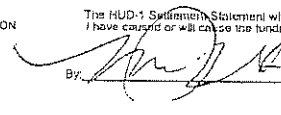
I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.


George K. Tibbet


Mary

WARNING: IT IS A CRIME TO KNOWINGLY MAKE FALSE STATEMENTS TO THE UNITED STATES ON THIS OR ANY SIMILAR FORM. PENALTIES UPON CONVICTION CAN INCLUDE A FINE AND IMPRISONMENT. FOR DETAILS SEE TITLE 18, U.S. CODE SECTION 1001 AND SECTION 1010.

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

By:  DATE: 6/25/09

COMMERCIAL CONSTRUCTION LOAN AGREEMENT

THIS AGREEMENT made this 25th day of June, 2009, by and between, [REDACTED], a single person, and [REDACTED], a single person, both having a mailing address of 347 Marlow Hill Road, Marlow, NH 03456, (hereafter referred to as the "Borrowers") jointly and severally, and FINANCIAL RESOURCES MORTGAGE, INC., a New Hampshire corporation having an address of 15 Northview Drive, Meredith, NH 03253 (hereafter referred to as the "Lender")

WITNESSETH

In consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. PURPOSE AND AMOUNT OF LOAN. Lender agrees to make a Construction Loan to Borrowers, and the Borrowers hereby agrees to borrow from Lender and repay to Lender or its assigns the principal sum of **One Hundred Forty Nine Thousand Dollars (\$149,000.00)**. The purpose of this loan is to be a bridge loan to facilitate the construction of borrower occupied residential housing on the land located at **347 Marlow Hill Road, Marlow, NH 03456, New Hampshire, 03456**, more particularly described in Exhibit "A", attached hereto. A portion of the funds advanced under this Agreement may be used by Borrower to pay administrative and other non-construction related costs incurred in this transaction. Borrower will pay all interest that accrues on the Note. Any change in the usage of funds is prohibited.
2. LOAN. The Loan is evidenced by a Promissory Note dated the date hereof, in the original principal amount of **One Hundred Forty Nine Thousand Dollars (\$149,000.00)**. Borrower shall pay Lenders in monthly installments on interest only on the total amount of funds loaned by Lenders.

The above-described obligation is hereinafter referred to as "Note and/or Loan".

3. SECURITY. The above Loan is secured as follows:
 - 3.1 The Borrower shall execute and deliver to Lender at closing a first Mortgage on the Property of the Borrower located at **347 Marlow Hill Road, Marlow, NH 03456, Cheshire, New Hampshire, 03456** and more particularly described in Exhibit A attached hereto.
 - 3.2 The Borrower shall execute and deliver to Lender at closing a Collateral Assignment of Rents and Leases on the Property of the Borrower located at **347 Marlow Hill Road, Marlow, NH 03456, Cheshire, New Hampshire, 03456** and more particularly described in Exhibit A attached hereto.
4. PROCEDURE FOR CONSTRUCTION ADVANCES. Lender shall have no obligation, either express or implied, to Borrower, or to any third parties, to verify that advances made hereunder are actually used to pay for labor or materials used in connection with the construction of the Improvements. Lender, in its sole discretion, may elect to verify that advances made hereunder are actually used for the intended purpose, but any such verification on the part of Lender shall not inure to the benefit of the Borrower or any third party. The Lender shall have the right to demand evidence from Borrower and/or its contactors or subcontractors as to then use of funds disbursed.. Borrower understands that if amounts properly owing are not actually paid, laborers or materialmen may file liens against the Property. Borrower agrees to assume all risks in the event any Contractor of Borrower fails to pay for all labor and material furnished, or otherwise fails to perform according to the specifications of Borrower's contract with its contractor or subcontractors.


m.l.

The proceeds of the Loan shall be advanced at such times as Borrower's contractor has Completed Work in accordance with submitted invoices. Borrower and/or Borrower's contractors or subcontractors shall be entitled to disbursement only upon actual completion of the construction referenced in said invoices and satisfaction of all other conditions to the final disbursement of the Loan. Lender, in its sole discretion, may make disbursement directly to Borrower, Borrower's contractor and/or subcontractors. For each draw Lender shall advance an amount to Borrower, Borrower's contractor and/or subcontractor, as the case may be, in accordance with the submitted invoice. All disbursements made shall be used to pay the cost for which they were disbursed, irrespective of whether said disbursement is made directly to Borrower, Borrower's contractor or subcontractor. Borrower understands that the draw request shall be deemed acceptance of the Work completed to date, and concurrence with the amount requested. Unless such individuals have been already paid, whether directly by Lender or by Borrower, Borrower shall use the Loan proceeds to pay all subcontractors, artisans, laborers and materialmen contributing to the Work which has been accomplished to date.

- 4.1 Borrower shall submit a written draw request for each invoice supplied by Borrower's Contractor and deliver draw and invoice to Lender or its agents at least five (5) business days prior to the date on which such advance is to be made. The draw request shall be in a form acceptable to Lender. If requested by Lender, each such request must be accompanied by additional invoices, receipts, certificates, lien waivers from all contractors, subcontractors, artisans, and materialmen identified in the draw request, and other documents. Lender shall have no obligation to make any advance if, at the time the request for such advance is made, Borrower is in default with respect to any provision of this Agreement or of any instrument referred to herein. Each draw request shall be deemed a representation and warranty by Borrower that no such default exists.
 - 4.2 The amount of each construction disbursement shall be for the items listed in the draw request, as approved by Lender, less the total of all amounts previously advanced.
 - 4.3 Lender has the right as a condition precedent to permitting draws to require an inspection of the Work by the inspector or appraiser of its choice, and to require a title search of the Property or title policy endorsement, at the expense of Borrower. Borrower will not draw any Loan proceeds until the portion of the Work for which each draw is to pay has been completed by the Borrower, and until Borrower has represented that it either has paid, or with the proceeds of the draw to be received, will pay for all labor and material contributed to the Work up to the date of payment. Borrower acknowledges and agrees with Lender that a failure by Borrower to comply with the covenants made in this paragraph, or to follow the procedures for disbursement of the Loan proceeds designated in this paragraph or any use of the Loan proceeds for a purpose different from that specified in this Agreement shall constitute a default on the Loan by Borrower, thereby enabling Lender, at its option, to accelerate maturity of the Loan and to exercise all remedies provided to it under the provisions of the Note, Security Instrument and this Agreement. 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.
 - 4.4 Upon review and acceptance of the draw request and invoice Lender shall issue a check in the amount of the requested draw to Borrower, Borrower's Contractor and/or subcontractor, as the Lender shall elect.
 - 4.5 Borrower shall on or before the 5th day of each month provide to Lender or Lender's Agent contemporaneous photographs of Borrower's job site, including but not limited to, all additional work that has been performed by Borrower or Borrower's Agent within the past thirty (30) days. It shall be Borrower's responsibility to insure delivery of photographs to Lender or Lender's Agent in a timely manner and failure of Lender or Lender's Agent, to receive said photographs prior to a request for funding, shall be at the discretion of Lender or Lender's Agent, grounds for refusal to fund until such time as said photographs have been received by Lender or Lender's Agent.
5. CONDITIONS PRECEDENT TO THE MAKING OF THE LOAN AND DISBURSEMENTS. Prior to the Lender making any disbursement, the Lender must receive all of the items set forth below.
- 5.1 Certificates of insurance or insurance binders evidencing public liability, workmen

BBB
m.l.

- compensation, builders risk, fire and extended coverage and such other insurance as Lender may require, in amounts and written by companies acceptable to it, such insurance to contain a standard mortgagee clause endorsed thereon in favor of Lender and providing that the said policies may not be canceled or materially changed without ten (10) days prior written notice to Lender; certified copies of such insurance policies shall be deposited with Lender with evidence that premiums have been paid;
- 5.2 The Borrower has executed and delivered over the Loan Documents deemed appropriate and necessary by the Lender.
- 5.3 Receipted real estate tax bills for the Property which secure the Loan for the most recent tax year;
- 5.4 Evidence that the Property is not located in an area identified by the Secretary of Housing and Urban Development as an area requiring special flood insurance or if located in such an area, evidence that appropriate flood insurance has been obtained by Borrower from a company and in a form and content satisfactory to Lender;
- 5.5 A commitment from a title insurance company approved by Lender to issue a first mortgagee's title insurance policy on the Mortgaged Property of the Borrower in the amount of **One Hundred Forty Nine Thousand Dollars (\$149,000.00)** Note with a final policy on an ALTA Mortgagee's Policy to be delivered within thirty (30) days of closing.
- 5.6 The truth and accuracy, as of the closing date, of all representations and warranties made herein by Borrower and the Guarantor and the receipt by Lender of such documents, certificates of officers of Guarantor as Lender has requested;
6. INSURANCE. The Borrower shall have and maintain at all times insurance listed below. All insurance shall be with a financially sound insurance company authorized to do business in the State of New Hampshire.
- 6.1 Hazard Insurance. The Borrower shall keep or shall cause to be kept improvements now existing or hereafter erected on the premises insured against loss by fire, hazards included within the term "extended coverage", vandalism, malicious mischief, and builder's risk and such other hazards as the Lender may require for its protection and a requirement of ten (10) days written notice to Lender prior to any cancellation. Such insurance shall be in such amounts and coverage equal to the lesser of: (a) the insurable value of the property; or (b) the maximum limit of coverage available. The insurance carriers providing the insurance shall be chosen by the Borrower subject to the Lender's approval, which approval shall not be unreasonably withheld. The insurance shall designate the Lender as payee under a Lender's Loss Payable Endorsement and not merely "loss payee" on personal property and as mortgagee on real estate.
- 6.2 General liability insurance with coverage acceptable to the Lender. Each policy of insurance shall name as the insured there under the Borrower and the Lender.
- 6.3 Application of Hazard Insurance Proceeds. Insurance proceeds shall be applied to restoration or repair of the Mortgaged Premises that are damaged, provided such restoration or repair is economically feasible and the security of this mortgage is not thereby impaired. If such restoration or repair is not economically feasible, or if the security of this mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by the mortgage, with the excess, if any, paid to the Borrower.
- In the event of the distribution of hazard insurance proceeds in lieu of restoration or repair following a loss of the Mortgaged Premises, any such proceeds payable to the Borrower are hereby assigned and shall be paid to the Lender for application to the sums secured by this mortgage with the excess, if any, paid to the Borrower.
- If the Mortgaged Premises is acquired by the Lender, all right, title and interest of the Borrower in and to any insurance policies and in and to any proceeds thereof resulting from damage to the property prior to the sale or acquisition shall pass to the Lender to the extent of the sums secured by the mortgage immediately prior to such sale or acquisition.
7. REPRESENTATIONS. In order to induce the Lender to make the Loan hereunder, Borrower represent and warrant in every item set forth below. Each representation is a joint and several warranty from the Borrower.


JPB
m.l.

- 7.1 That Borrower is not a party to any action, suit or proceeding pending, or, to the knowledge of the Borrower, threatened at law or in equity before any Court or administrative officer or agency which brings into question the validity of the transaction herein contemplated or might result in any adverse change in the business or financial condition of the Borrower.
- 7.2 That the Borrower is making this agreement and the consummation of the transaction contemplated herein will not violate any provision of law or result in a breach or constitute a default under any agreement to which Borrower is a part or result in a creation of any lien, charge or encumbrance upon any of its property or its assets, other than those created by the Loan Documents.
- 7.3 Borrower has filed all tax returns which are required to be filed and have paid or made provision for the payment of all taxes which have or may become due pursuant to said returns or pursuant to any assessments received by them. No tax liability has been asserted by the Internal Revenue Service or other taxing agency, federal, state or foreign, for taxes materially in excess of those already provided for and the Borrower knows of no basis for any such deficiency assessment.
- 7.4 Borrower is not a Treatment Storage or Disposal Facility and do not generate, transport or store any type of Hazardous Waste as defined under federal or state law or regulation, contrary to any of the said federal or state law or regulation. Borrower shall comply with all applicable federal, state and local laws, ordinances, rules, regulations and permits relating to the protection of the environment, waters and air of the State of New Hampshire and United States of America; and Borrower has no knowledge of any pending or threatened enforcement action, violation or investigation relating thereto. If at any time the Borrower becomes aware of any violation, they shall immediately notify Lender.
- 7.5 The Borrower has examined and is familiar with all of the covenants, conditions, restrictions, reservations, building laws, regulations and zoning ordinances affecting the property to the best of the Borrower knowledge and belief, the improvements and business is, in all respects, conform to and comply with the requirements of said covenants, conditions, restrictions, reservations, building laws, regulations and zoning ordinances.
- 7.6 The Borrower, if a corporation or limited liability company, is a duly organized and validly existing voluntary corporation in good standing under the laws of the State of New Hampshire and duly qualified to do business therein and in all other jurisdictions in which the nature of its property, or the character of its business, require it to be so qualified.
- 7.7 The Borrower has all requisite power and authority to enter into and to perform under the Loan Documents and has duly authorized the execution, deliver and performance of the Loan documents.
8. AFFIRMATIVE COVENANTS. Until payment in full of the Note and all of the other payments due Lender hereunder and the performance of all of the terms, conditions and provisions of this Agreement and the mortgages, Borrower shall cause the following to be done:
- 8.1 Borrower will punctually pay or cause to be paid the principal and interest to become due in respect to the Note in accordance with terms thereof.
- 8.2 Borrower will promptly pay and discharge all taxes, assessments or other governmental charges which may lawfully be levied or assessed on their income or profits or on any property, real, personal or mixed, belonging to them or upon any part thereof, and also all lawful claims for labor or material and supplies, which, if unpaid, might become a lien or charge upon any such property except that Borrower shall not be required to pay any such taxes, assessments, charges, levies or claims so long as the validity thereof shall be actively contested in good faith by proper proceedings, provided that any such tax, assessment, charge, levy or claim shall be placed in escrow during such proceedings and shall be paid forthwith upon a final adjudication and order to pay from Court of competent jurisdiction.
- 8.3 Borrower will, at all time, cause all of the property to be maintained and kept in such condition and repair that Lender's security will be adequately protected.



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- 8.4 Borrower shall deliver or cause to be delivered to the Lender a copy of the Borrower's annual financial statement within ninety days of the Borrowers fiscal year end and other financial information upon the Lender's request.
- 8.5 Additional Assurances. From time-to-time, the Borrower will execute and deliver any and all further, or other, instruments, and perform such acts, as Lender or its counsel may reasonably deem necessary or desirable to confirm and secure to Lender all rights and remedies conferred upon Lender by the terms of this Agreement and by the Note.
- 8.6 If Borrower shall at any time default in making any payment of principal of or interest on the Note, Borrower agrees that they will, to the full extent permitted by law, pay to the holder of the Note, in addition to any other amounts that may be due from Borrower to such holder, an amount equal to the costs and expenses of collection or enforcement incurred by such holder in such collection. In addition, the Lender may impose upon the Borrower a delinquency charge as set forth in the Note.
9. CLAIMS OF CONTRACTORS, SUBCONTRACTORS & MATERIALMEN. Borrower shall cause all claims for labor done and materials and services furnished in connection with the Improvements to be fully paid and discharged and shall, if requested by Lender, obtain and provide mechanic's/construction lien releases. Borrower shall be in default under this Agreement if a claim by a potential lien claimant is filed pursuant to applicable law, or, if applicable, a "stop notice" or "withhold notice" is served on Lender pursuant to applicable law, and Borrower has not taken the steps required in the succeeding subsections of this Section 6 to protect Lender against the effects of such action. Until such steps have been taken, Borrower acknowledges that Lender shall have the right, at its option, to withhold all or part of further disbursements of the Loan and of the funds in the Account provided by Borrower or to pay the amount of the claim for the account of Borrower.
- 9.1 Unless this requirement is waived by Lender, within twenty (20) days after the filing of any claim of lien, Borrower shall either cause the claim to be paid and the lien removed, or if the claim of lien is disputed or contested by Borrower, Borrower shall take whatever steps are appropriate under applicable law to remove the lien, which steps may include the following: (i) Borrower shall record or cause Contractor to record in the Office of the County Recorder in the County in which the Property is located (or in such other municipal or governmental office or court as may be appropriate or required under applicable law), a surety or other bond sufficient to release such said claim of lien; or (ii) Borrower shall commence appropriate court proceedings to cancel the lien and post whatever bonds or security and obtain whatever orders are appropriate to remove the lien as an encumbrance against the Property.
- 9.2 If applicable law grants contractors, and/or subcontractors or materialmen, the right to file a claim directly against Lender for all or a portion of the Loan Amount, commonly called a "stop notice" or "withhold notice," which notice requires Lender to withhold and not disburse to Borrower a specified amount of Loan funds, then Lender shall have the right to require Borrower to do any of the following: (i) provide any bonds permitted by applicable law which then enable Lender to disburse the funds affected by the claim, or (ii) deposit into the Borrower's Funds Account within five (5) days after demand by Lender funds sufficient to pay the amounts demanded in the claim.
- 9.3 If Borrower has deposited additional amounts to respond to the claims of any such claimant, then the amount deposited shall be disbursed in accordance with the resolution of the contest either to Borrower or the adverse claimant. Until the contested claim is resolved, the claim shall not constitute a default hereunder as long as, in Lender's sole opinion, the adverse effect of such claim as a lien upon the Property or the Loan funds, or against Lender in any way, may be held in abeyance.
- 9.4 Borrower shall diligently publish, file or record, or procure such action, to the extent and in the manner applicable law permits:
- (i) a valid notice of cessation within the applicable statutory time frame, and/or
 - (ii) a valid notice of completion of the Improvements.


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10. RIGHT OF INSPECTION. Borrower, at Lender's request shall furnish Lender with a complete duplicate set of Plans and Specifications. Lender has the right, but not the obligation, during construction of the Improvements to inspect the same and require to be repaired or replaced, at Borrower's expense, any material or workmanship that does not comply with the Plans and Specifications. Such inspections shall be deemed to be for the benefit of Lender only and shall create no liability or responsibility to Borrower; the parties expressly acknowledge that Lender has no obligation to monitor or control the work for Borrower. Lender's agreement to advance funds under this Agreement is expressly conditioned upon its continuing right to inspect the Property. Lender may inspect the Property at any reasonable time to determine the progress and quality of the Work and the condition of the Improvements, but Lender shall not be liable for the performance or default of any contractor or subcontractor, or for any failure to construct, complete, protect or insure the Improvements or materials, or for the payment of any cost or expense incurred in connection therewith, or for the performance or non-performance of any obligation of Borrower or Contractor; and nothing, including without limitation 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, on Lender's part. Irrespective of a default under the Contract by Contractor or for its failure to complete or perform all Work required of it under the Contract, Borrower shall have no right to offset, counterclaim or defense against Lender because of any claim Borrower may have against Contractor. The obligations arising under the Contract or Plans and Specifications between Contractor and Borrower are separate and independent of any obligations arising hereunder among the undersigned. Lender may perform any inspection by or through any employee, agent, or independent contractor.
11. RIGHT TO WITHHOLD ADVANCES. Lender shall have no obligation to make any advance hereunder if, at the time of the request for such advance, Borrower is in default with respect to any provisions of this Agreement or any of the instruments referred to herein. Each request for an advance hereunder shall be deemed a representation and warranty by Borrower that no default exists under the Security Instrument or under this Agreement. If at the time any such draw request is made Lender determines 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 with Lender 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.
12. COSTS TO BE PAID BY BORROWER. Borrower will reimburse 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.
13. EVENTS OF DEFAULT. Whenever and as often as any of the following events occur, any one of which will constitute a default by Borrower after the expiration of the applicable grace period in the Promissory Note and certain other documents and instruments including but not limited to this Loan Agreement (collectively, all of such documents, instruments and agreements being herein referred to as the "Loan Documents") Lender may exercise all its rights and remedies upon default as set forth herein:
- 13.1 If Borrower fails to comply with any of the terms, covenants or provisions contained in the Note, or any of the Loan Documents.

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- 13.1(a) If Borrower fails to comply with any of the terms, covenants or provisions in respect to a certain Note executed in regard to the first Mortgage
- 13.2 If a receiver or trustee of the property of Borrower whether in bankruptcy or otherwise, shall be appointed and shall not have been dismissed or discharged within sixty (60) days; if Borrower commences any proceeding under any reorganization, arrangement, readjustment of debt, dissolution, bankruptcy or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or if there is commenced against Borrower any such proceeding or if Borrower makes an assignment for the benefit of creditors; in the event of the business failure of Borrower or if Borrower should be dissolved or cease to do business, subject, in each case, to the applicable grace period in the Loan Documents;
- 13.3 If Borrower suffers the creation or existence of any lien, attachment or other encumbrance on the Property, or suffer the sale, transfer or disposition of the Property or any interest therein (whether legal or equitable), without the written consent of Lender; provided, however, that in the event of an attachment or lien junior in all respects to the mortgage and security interests granted in the Mortgage, Borrower shall not be deemed in breach of this provision if within sixty (60) days of the filing of such attachment or lien such attachment or lien is discharged;
- 13.4 If Borrower fails to pay and discharge all taxes, assessments and/or governmental charges against it or against its properties prior to the date penalties are attached thereto, subject to its right to contest the same as provided in the Loan Documents.
14. RIGHTS AND REMEDIES.
- 14.1 Upon the occurrence of any Event of Default at the election of the Lender, all of the obligations of the Borrower to the Lender under this Agreement will immediately become due and payable without further demand, notice or protest, all of which are hereby expressly waived. Thereafter, the Lender may proceed to protect and enforce its rights, at law, in equity, or otherwise, against the Borrower, and any Guarantor of the Borrower's obligations, either jointly or severally, and may proceed to liquidate and realize upon any of its security in accordance with the rights of a Mortgagee under RSA Chapter 479 or as a Secured Party under the Uniform Commercial Code, or any Loan Document, any agreement between the Borrower and the Lender relating to the Loan.
- 14.2 No failure by Lender to give notice of its election to exercise its rights hereunder or under any other agreement shall operate or be deemed a waiver thereof; nor a continuing waiver thereof nor shall a failure to give notice on one occasion preclude its right to give such notice of said default at a later time.
- 14.3 Borrower shall pay all costs, expenses, charges, including attorney's fees, incidental to or relating to the Loan and to the collection thereof and to the foreclosure of the Loan Documents, including but not limited to, title examination fees, recording and filing fees, appraisals, site inspection fees, auction fees and costs of advertising.
15. NOTICES. All notices, demands and communications provided for herein or made hereunder shall be delivered, or sent by certified mail, return receipt requested, addressed in each case as follows, until some other address shall have been designated in a written notice to the other party hereto given in like manner:

TO BORROWER:

████████████████████
 347 Marlow Hill Road
 Marlow, NH 03456

████████████████████
 347 Marlow Hill Road
 Marlow, NH 03456

TO LENDER:

Financial Resources Mortgage, Inc.
 15 Northview Drive
 Meredith, NH 03253

TO SERVICER:

Financial Resources Mortgage, Inc.
 15 Northview Drive
 Meredith, NH 03253

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and shall be deemed to have been given or made when so delivered or mailed. Notification of change shall be delivered to Lender and Borrower with ten days of any change affecting this provision.

16. ENVIRONMENTAL.

16.1. Borrower has 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 utility service to the Property.

- i. 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, which Lender may at any time be subject to arising from any interest of Lender in the Property related to the Loan.

17.1 INDEMNIFICATION. Lender and its agents and attorneys will be indemnified and held harmless by Borrower or any other interested parties 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 usage of the loan proceeds, including without limitation those arising out of the negligence of Lender.

18. GOVERNING LAW: Conflicts Between Documents. This Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire. If there is a conflict between the terms of the various loan documents, the following order of priority shall control: (a) Note; (b) this Agreement; and (c) Security Instrument.

19. ASSIGNMENT. Borrower agrees that, without the written consent of Lender, Borrower will not assign this Agreement or any interest therein, or assign or issue an order to 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. This Agreement shall be binding upon Borrower and Lender, and their respective heirs, devisees, successors, representatives and assigns.

20. SURVIVAL OF REPRESENTATIONS, WARRANTIES, AND OBLIGATIONS. All representations and warranties contained herein shall survive the execution and delivery of this Agreement and of the Note and the Mortgage.

21. CONSTRUCTION AND AMENDMENT. This Loan Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith. This Agreement may not be changed, amended or terminated orally but only by agreement in writing and signed by the party against whom enforcement of any change, amendment or termination is sought.

22. SUCCESSORS AND ASSIGNS. All covenants, agreements, representations and warranties made herein or in certificates delivered in connection herewith shall, whether so expressed or not, bind and inure to the benefit of the successors and assigns of the Borrower and the Guarantor and Lender.

23. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.


24. WAIVER: REMEDIES CUMULATIVE. No exercise, partial exercise, failure or delay on the part of the Lender in exercising any power or right hereunder, or under the Note, Mortgage or Security Agreement or the Loan Documents, shall operate as a waiver of the power or right, except as specifically provided herein. No remedy conferred herein or in the Note, Mortgage or Security Agreement or the Loan Documents is intended to be exclusive, to any other remedy, and each and every other remedy given hereunder or now hereafter existing at law or in equity or by statute or otherwise, may be sought by the enforcing party.

25. ENFORCEABILITY. In the event that any provision of this Agreement or any other instrument executed at closing or the application thereof to any person or circumstances shall be declared unenforceable by a Court of competent jurisdiction, the remainder of such agreement shall nevertheless remain in full force and effect, and to this end, the provisions of all covenants, conditions, and agreements described herein are deemed separate.

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WITNESS our hands the date first above written.

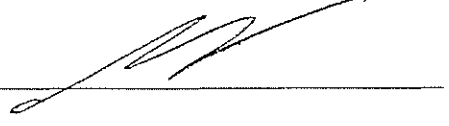
BORROWER(S):





FINANCIAL RESOURCES MORTGAGE, INC.

SECURED PARTY:

By: 

Its: _____

Exhibit A.
Property Description
347 Marlow Hill Road, Marlow, NH 03456, Cheshire, New Hampshire, 03456

A certain tract of land situated in Marlow, in the County of Cheshire and State of New Hampshire, bounded and described as follows:

Beginning at an iron pin in the ground in the northerly sideline of Honey Road (formerly erroneously referred to as Gustin Pond Road); thence

North 60° East along the northerly sideline of said Honey Road three hundred (300) feet, more or less; thence

North 82° East also along the northerly sideline of said Honey Road two hundred (200) feet, more or less; thence

North 57° East also along said Honey Road six hundred seventy (670) feet, more or less; to the curve between said Honey Road and Marlow Hill Road (formerly known as Old County Road, so-called); thence

Around the aforesaid curve one hundred forty-five (145) feet, more or less; thence

North 53° West along the southerly sideline of said Marlow Hill Road one thousand fifty-five (1055) feet, more or less, to an iron pin in the ground in the southerly sideline of said Marlow Hill Road; thence

South 10° West following the course of a stone wall and along land now or formerly of Thomas Foote one thousand three hundred ten (1310) feet, more or less, to the place of beginning.

Subject to the easement conveyed to New England Telephone and Telegraph Co. and New Hampshire Electric Cooperative, Inc. by deed dated March 8, 1977, and recorded in Vol. 926, Page 167 of the Cheshire County Registry of Deeds.

Meaning and intending hereby to describe and convey same premises conveyed to [REDACTED] as joint tenants with rights of survivorship by Warranty Deed of Carol L. Surprenant dated July 24th, 2003 and recorded at the Cheshire County Registry of Deeds in Book 2041, Page 0687.


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**PROMISSORY NOTE
COMMERCIAL CONSTRUCTION LOAN**

\$149,000.00

Meredith, New Hampshire
June 25, 2009

FOR VALUE RECEIVED, the undersigned, [REDACTED] a single person, and [REDACTED] a single person, and both having a mailing address of 347 Marlow Hill Road, Marlow, NH 03456, (hereinafter "Maker"), jointly and severally, promise to pay to FINANCIAL RESOURCES MORTGAGE, INC., with a mailing address of PO Box 1633, 15 Northview Drive, Meredith, NH 03253, (hereinafter "Holder") or order, the sum of One Hundred Forty Nine Thousand Dollars (\$149,000.00) together with interest during the term of this Note at a fixed rate of Thirteen (13%) interest per annum.

Absent demand, the term of this Note is Twelve Months from the date of the Note. Until maturity the Maker shall pay interest only in Twelve (12) consecutive monthly payments of \$1,614.17 each. The first monthly payment is due September 1, 2009 and the final payment plus all principal, accrued interest and charges is due August 1, 2010. All payments made under the Note shall be applied first to charges and/or fees, if any, then to accrued interest at the rate stated above, then to principal.

In addition, Holder may impose upon the Borrower a delinquency charge at the rate of Five percent (5%) on each installment of principal and/or interest not paid on or before fifteen (15) calendar days after such installment is due.

MAKER'S PAYMENTS BEFORE THEY ARE DUE- The Maker has the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment". When Maker makes a prepayment, Maker will tell the Holder in a letter that Maker is doing so. A prepayment of all of the unpaid principal is known as a "full prepayment". A prepayment of only part of the unpaid principal is known as a "partial prepayment".

The Maker may make a full prepayment or partial prepayments. The Holder will use all of my prepayments to reduce the amount of principal that the Maker owes under this Note. If the Maker makes a partial prepayment, there will be no delays in the due dates or changes in the amounts of my monthly payments unless the Holder agrees in writing to those delays or changes. The Maker may make a full prepayment at any time. If the Maker chooses to make a partial prepayment, the Holder may require the Maker to make the prepayment on the same day that one of the monthly payments is due. The Holder may also require that the amount of the partial prepayment be equal to the amount of principal that would have been part of the next one or more monthly payments. Any prepayments made shall not be subject to any prepayment charge.

All parties, whether makers, endorsers, guarantors or otherwise hereby waive demand, notice and protest and assent to an extension or postponement of the time of payment or other indulgence.

Upon default of the payment of interest and principal due under this note, or the occurrence of any event of default under a certain Mortgage and Loan Documents of near or even date from Maker to Holder, if said payment is not made or default cured within ten (10) days of the due date, or upon default in the performance of any of the terms and conditions of this Note, if such default is not cured within thirty (30) days of written notice, the entire unpaid

balance of principal and interest shall, at the option of the Holder, become due and payable at once without demand or notice.

No act of delay or omission or commission of Holder, including specifically any failure to exercise any right, remedy or recourse, shall be deemed a waiver or release of same, such waiver or release to be effective only if set forth in a written document executed by Holder and then only to the extent specifically recited therein. A waiver or release with reference to one event shall not be construed as continuing, as a bar to, or as a waiver or release of, any subsequent right, remedy or recourse as to any subsequent event.

The acceptance by the Holder hereof of any payment after any default hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any rights of the Holder hereof under this Note.

All of the rights and remedies of the Holder hereof, whether evidenced hereby or by any other agreement, instrument, or paper, shall be cumulative and may be exercised singularly or concurrently, and the Holder shall have no duty as to the collection or protection of any collateral held by it or the income thereon, nor as to the preservation of any rights pertaining thereto.

This Note is fully negotiable and upon negotiation shall be enforceable by the Holder in accordance with its terms.

This Note shall be governed exclusively by the laws of the State of New Hampshire. Maker hereby agrees that any action hereon or related hereto may be maintained in a Court of competent jurisdiction located in that state, and consent to the jurisdiction of any such Court for all purposes connected herewith.

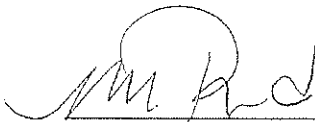
In the event of a default on this Note, the Holder thereof shall be entitled in addition to all other amounts due the costs of collection, including reasonable attorneys' fees, and any other expense necessary to protect the interest of the Holder of this Note and any real estate securing this note, and such amounts shall be payable according to the terms of this Note.


Any notice required to be given under this Note shall be given in writing and sent by certified mail postage prepaid, to the last known address of the party to receive the notice or at such other address as may be agreed upon between the parties in writing.

Pursuant to New Hampshire Revised Statutes Annotated §361-C:2, in the event that Borrower shall prevail in (a) any action, suit or proceeding, brought by Lender, or (b) an action brought by Borrower, reasonable attorneys' fees shall be awarded to Borrower. Further, if Borrower shall successfully assert a partial defense or off-set, recoupment or counterclaim to an action brought by Lender, a court may withhold from Lender the entire amount or such portion of its attorneys' fees as the Court shall consider equitable.


This Promissory Note may be amended, extended or modified only by a writing signed by Holder and Maker. This Promissory Note is secured by a first mortgage of near or even date on a parcel of property located at 347 Marlow Hill Road, Marlow, NH 03456, Cheshire, New Hampshire, 03456 .


WITNESS my hand and seal, this 25th day of June, 2009.

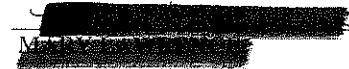


Witness


Witness







M

Cecilia J. Doherty



BH 2584 PG 0320

MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT

THIS MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT, is dated this 25th day of June, 2009, [REDACTED], a single person, AND [REDACTED] A SINGLE PERSON, as joint tenants with rights of survivorship, both with a mailing address of 347 Marlow Hill Road, Marlow, NH 03256 (referred to herein as the "Mortgagor" and/or "Borrower"), jointly and severally, for consideration paid, grants to FINANCIAL RESOURCES MORTGAGE, INC., having an address of PO Box 1158, 15 Northview Drive, Meredith, NH 03253 (referred to herein as the "Lender" and or "Mortgagee"), with MORTGAGE COVENANTS, to secure:

PRELIMINARY STATEMENT

Borrower has borrowed from Lender One Hundred Forty Nine Thousand Dollars (\$149,000.00) (the "Loan"), and is delivering to Lender a Promissory Note dated the date hereof, in the original principal amount of One Hundred Forty Nine Thousand Dollars (\$149,000.00) bearing interest at the rate set forth therein, payable to Lender or order. The Promissory Note, together with any and all extensions, renewals, substitutions, modifications or replacements thereof, is hereinafter called the "Note". Borrower has also executed and delivered to LENDER certain other documents and instruments relating to the Loan including but not limited to a Loan Agreement and a Collateral Assignment of Rents and Leases (collectively, all of such documents, instruments and agreements being herein referred to as the "Loan Documents"). This Mortgage secures the Note and the Loan Documents.

ARTICLE I Granting Clause

In order to secure the payment of the Note and the performance of this Mortgage, the Note and the Loan Documents, Borrower hereby GRANTS, with MORTGAGE COVENANTS, to Lender and its successors and assigns, all of Borrower's interest in the following described property:

- (a) Certain tract or parcel of land, with buildings and improvements, whether now existing or hereafter constructed or located thereon (the "Improvements"), located at 347 Marlow Hill Road, Marlow, NH 03456, County of Cheshire, New Hampshire, 03456, (hereinafter sometimes referred to as the "Land"), which properties are more particularly described in Exhibit A attached hereto (the Land and the Improvements, together with any of the property described in the following clauses of the Granting Clause constituting real property, collectively, the "Property or "Mortgage Property"). The term "Premises" or "Mortgaged Premises" is defined as "Property" or "Mortgaged Property";
- (b) All easements, covenants, agreements and rights that are appurtenant to or benefit the Property;

[Signature]
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- (c) All fixtures, machinery and all other tangible personal property intended for use in the building and other Improvements on the Property whether now or hereafter owned by the Borrower and now affixed or to be affixed or now or hereafter located upon the Property including without limitation all furnaces, ranges, heaters, plumbing goods, gas and electric fixtures, screens, screen doors, shades, storm doors and windows, awnings, oil burners and tanks and other equipment, ventilating and air conditioning apparatus and equipment, alarm systems, sprinkler and fire extinguishing systems and other fixtures attached to the Property;
- (d) All rents, profits, proceeds and products of and from the Property and all Leases (as defined below) of the Property or portions thereof, now or hereafter existing, as the same may be extended or renewed, all guarantees and security relating thereto and the right upon default to collect and receive all rents, income, and other sums payable or receivable there under as rent or otherwise, such as rent, additional rent, damages, insurance payments, Real Property taxes, insurance proceeds, condemnation awards, and payments with respect to options contained herein, and the right to bring proceedings for the enforcement of any Lease and to do anything which any Lessor is or may become entitled to do there under, but this Mortgage shall not impair any obligation of Borrower under any Lease nor shall such obligation be imposed upon Lender;
- (e) All contracts and agreements, licenses, permits and approvals, and warranties and representations, relating to the use, operation, management, construction, repair or service of the Mortgaged Property;
- (f) All funds held by Lender as Real Property tax or insurance escrow payments;
- (g) All insurance proceeds relating to all or any portion of the foregoing collateral described in (a) through (f) above, all proceeds received from the sale, exchange, collection or other disposition of any of the foregoing collateral described in (a) through (f) above, and all awards, damages, proceeds and refunds from any state, local, federal or other taking of, and all municipal tax abatements relating to, all or any portion of the collateral described in clauses (a) through (f) above.
- (h) The payment of such costs or expenses as the Mortgagee may incur in the collection, or in protection, preservation, repossession or foreclosure upon the Mortgaged Premises upon default of any of the Loan Documents, including but not limited to attorney fees, appraiser fees, auctioneer fees, publication and advertising cost incurred whether of not such fees and costs, when added to the then outstanding balance due under the Loan Documents, equals a sum greater than the amount set forth above.

Borrower hereby grants to Lender a first security interest in all the fixtures, equipment, general intangibles and personal Property described in clauses (a) through (g) above (collectively, the "Mortgage Property"), and agrees that Lender shall have with respect thereto (in addition to its other rights and remedies), all rights and remedies of a secured party under the UCC. This instrument is intended to take effect as a security agreement under the UCC and is to be filed in the real estate records in lieu of a financing statement as a fixture filing pursuant to the UCC.

TO HAVE AND TO HOLD the Mortgaged Property, now owned or hereafter acquired, unto Lender, its successors and assigns, subject to the provisions of this Mortgage.

This Mortgage is upon the STATUTORY CONDITIONS and upon the further condition, that all covenants and agreements on the part of the Mortgagor herein contained or herein referred to shall be fully kept and performed, for any breach of which the Mortgagee shall have the STATUTORY POWER OF SALE. In addition to these statutory powers, the Mortgagee shall

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have all of the powers, rights, remedies and privileges set forth in this Mortgage or any other Loan Document.

ARTICLE 2

Representations, Warranties and Covenants of Borrower

In addition to the Mortgage COVENANTS, the Mortgagor further represents, warrants, covenants and agrees with the Mortgagee, its successors and assigns, as follows:

Section 2.1. Title. The Mortgagor, for itself and its successors and assigns, does hereby covenant, grant and agree to and with the Mortgagee and its successors and assigns, that until the delivery hereof it is the lawful owner of the Premises seized and possessed thereof in its own right in fee simple, has full power and lawful authority to grant and convey the same in manner aforesaid, that the Premises are free and clear from any encumbrance whatsoever, except as otherwise recited in Exhibit A, that they and their successors shall warrant and defend the same to the Mortgagee and its successors and assigns against the lawful claims and demands of any person or persons whatsoever and that it will not cause or permit any lien to arise against the Premises which is superior to the lien of this Mortgage.

Section 2.2. Condition of Property. The Property is, and shall remain, in good repair, well maintained and in good working order. Borrower will make all necessary repairs, replacements, additions and Improvements that may be required to keep the Property in good repair and Borrower will occupy the Property or use its best efforts to cause the Property to be occupied at all times. Borrower shall not cause or permit to be suffered any waste, destruction or loss to the Property or any part thereof.

Section 2.3. After-Acquired Property. The interest of Borrower in all extensions, improvements, alterations and replacements of, and all additions and appurtenances to, the Mortgaged Property, hereafter acquired by Borrower, without any further grant by Borrower, shall immediately become part of the Mortgaged Property and be subject to this lien with the same effect as though now owned by Borrower and specifically described in the Granting Clause, (excepting purchase money security interests).

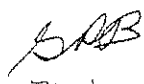
Section 2.4. Insurance. The Borrower shall have and maintain at all times insurance as set forth in the Loan Agreement.

If the Mortgaged Premises is acquired by the Lender, all right, title and interest of the Borrower in and to any insurance policies and in and to any proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to the Lender to the extent of the sums secured by the Mortgage immediately prior to such sale or acquisition.

Section 2.5. Liens, Taxes and Other Payments. Borrower will cause to be done everything necessary to preserve the lien hereof without expense to Lender, including paying and discharging all claims and demands of mechanics, laborers, material men and others which, if unpaid, might create a lien on the Mortgaged Property, and paying when due all real and personal Property taxes, assessments, charges, franchises, income, unemployment, old age benefits, withholding, sales, and other taxes assessed against the Mortgaged Property or Borrower, and all insurance premiums related to the Mortgaged Property. Upon the request of Lender, Borrower shall deliver to Lender evidence of the payment by Borrower of all such items.

Section 2.6. Condemnation and Casualty.

- (a) Borrower irrevocably assigns to Lender all awards, compensation or payments to which Borrower may become entitled by reason of its interest in the Mortgaged Property if title



to the Property or any part thereof is taken in any eminent domain proceeding or other proceeding instituted by any person having the power of eminent domain. Borrower shall promptly give Lender notice of any proposed taking of all or any portion of the Property, Borrower shall cooperate with Lender in the negotiation of any proceeding and the amount of any awards, compensation or payments and shall take any action relating thereto requested by Lender. Borrower will permit Lender, at Lender's option, to reasonably conduct the adjustment of each such award, compensation or payment without the participation of Borrower. Borrower appoints Lender as Borrower's attorney-in-fact to obtain, adjust and settle, each such claim for award, compensation or payment and to endorse in favor of Lender all drafts and other instruments with respect thereto. This appointment, coupled with an interest, is irrevocable until this Mortgage is terminated by written instrument executed by an authorized officer of Lender.

- (b) If title to all or any portion of the Property is taken in any eminent domain or other proceeding, the Net Proceeds attributable to the Property shall be paid to Lender. In its sole discretion, Lender may elect to: (i) apply the Net Proceeds upon the indebtedness then matured or unmatured (ii) use the Net Proceeds to fulfill any of the covenants contained herein as the Mortgagee may determine; (iii) use the Net Proceeds to replace or restore the Property to a condition satisfactory to the Mortgagee; or (iv) release the Net Proceeds to the Mortgagor; (d) Under no circumstances shall Lender become obligated to take any action to restore the Mortgaged Property or any portion thereof. Lender shall not be obligated to see to the proper application of any funds held and released for reconstruction or restoration.

Section 2.7. Assignment of Leases.

- (a) As further and additional security for the performance of the terms and conditions of this Mortgage, Borrower hereby assigns, transfers and sets over to Lender all leases, subleases, licenses, tenancies and occupancies of the Property, or portions thereof, whether pursuant to a written or oral agreement, now or hereafter existing, as the same may be extended or renewed (collectively, "Leases"), and all rents, royalties, issues, profits, revenues, income and other benefits to which Borrower may now or hereafter be entitled to from the Mortgaged Property (collectively, the "Rents").
- (b) Borrower shall comply with the provisions of the Assignment of Leases relating to the execution and modification of Leases and the collection and disbursement of Rents.

Section 2.8. Compliance with Laws and Contracts:

- (a) Borrower will comply with or cause to be complied with all (i) laws, statutes, ordinances, regulations, orders, rules, decrees and similar requirements of federal, state, municipal and any other governmental authorities which are applicable to Borrower or to the Mortgaged Property.
- (b) Borrower covenants and warrants that it will comply with and conform to, and will require any and all lessees and other users and occupants of the Property.

Section 2.9 Hazardous Substances

For the purposes of this paragraph, the terms "hazardous waste", "hazardous substance", "disposal", "release", and "threatened release" shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 (ASARA@), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., Title X of the New Hampshire Revised Statutes Annotated, or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. These terms shall include, without limitation, whether or not included in such definitions as may appear in any such statutes, rules or regulations, any and all petroleum products and derivatives there from,

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asbestos, regardless of whether or not encapsulated and whether or not friable, and any other chemicals that may now or hereafter be judged to constitute a danger to the environment or human beings (the "Environmental Laws").

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. 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. Borrower shall promptly give Lender written notice of 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. If Borrower learns, or is notified by any governmental or regulatory authority, 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.

- a. Warranties and Representations of the Mortgagor(s). The Mortgagor(s) hereby warrant(s) and represent(s) that (a) the Mortgagor(s) has/have never released, generated, or disposed of any Hazardous Materials on the Mortgaged Property, (b) the Mortgagor(s) is/are not aware of the existence, generation, release or threat of release of any Hazardous Materials on the Mortgaged Property or on any properties adjacent to the Mortgaged Property, and (c) the Mortgagor (s) has/have not received any notice, order, claim or demand from any governmental authority or any other person or source with respect to the existence, generation, release or threat of release of any Hazardous Materials relating to the Mortgaged Property or to any adjacent Property.
- b. Covenants of the Mortgagor(s). The Mortgagor(s) shall not release, generate, or dispose of any Hazardous Material on the Mortgaged Property or on any properties adjacent to the Mortgaged Property. In the event that any Hazardous Materials are found on the Mortgaged Property, the Mortgagor(s) shall immediately notify the Mortgagee or the same and, in addition to giving this notice, immediately contain and remove the materials in compliance with all applicable State and Federal Hazardous Waste laws.
- c. Duty of the Mortgagor(s) to Indemnify and Hold the Mortgagee Harmless. The Mortgagor(s) agree(s) to indemnify and hold the Mortgagee harmless from and against any and all claims, liabilities, costs and expenses incurred by the Mortgagee, including attorney fees and costs of litigation arising from the release, existence or removal of, any Hazardous Materials on the Mortgaged Property or adjacent Property. This indemnification shall survive both repayment of any debt that this Mortgage may secure and cancellation or discharge of this Mortgage. The duties of the Mortgagor(s) under this subparagraph shall be enforceable whether the Hazardous Materials are now present on the Mortgaged Property or shall be found upon or under the Property at some later time.
- d. Mortgagee's Right to Undertake an Environmental Site Assessment. The Mortgagee, at its election and in its sole discretion, and without notice, may at any time and from time to time, if it has reason to suspect that Hazardous Materials might be located on the Mortgaged Property, whether or not a default shall exist under this or any other Loan document, cause one or more environmental site assessments of the Mortgaged Property to be undertaken. Environmental site assessments may include a detailed visual inspection of the Mortgaged Property, including, without limitation, all storage areas, storage tanks, drains, dry wells, and leaching areas, as well as the taking of soil samples, surface water samples, and ground water samples, and such other investigation or analysis as the Mortgagee may consider necessary or appropriate for a complete assessment of the compliance of the Mortgaged Property, and the use and operation thereof, with all State and Federal Hazardous Waste laws.

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- e. Mortgagee's Right to Cure any Failure to Comply with Hazardous Waste Law. The Mortgagee, at its election and in its sole discretion and without notice may (but under no circumstances shall be obligated to) cure any failure on the part of the Mortgagor(s) or any occupant of the Mortgaged Property in order to comply with any State or Federal Hazardous Waste law, including, without limitation, the following: (a) Arrange for the cleanup or containment of Hazardous Materials found in, on or near the Mortgaged Property and pay for any such cleanup and containment costs and costs associated therewith; (b) Pay on behalf of the Mortgagor(s) or any occupant of the Mortgaged Property, any fines or penalties imposed on the Mortgagor (s) or any occupant by any Federal, State or Local governmental agency or authority in connection with such Hazardous Materials; (c) Make any other payment or perform any other act which may prevent a release of Hazardous Materials, facilitate the cleanup thereof, and/or prevent a lien from attaching to the Mortgaged Property. Any partial exercise by the Mortgagee of the remedies set forth in this paragraph, or any partial undertaking on the part of the Mortgagee to cure the failure of the Mortgagor(s) or any occupant of the Mortgaged Property to comply with the Hazardous Waste laws, shall not obligate the Mortgagee to complete the actions taken or require the Mortgagee to expend further sums to cure any Mortgagor's or any such occupant's noncompliance. Neither shall exercise of any such remedies operate to place upon the Mortgagee any responsibility for the operation, control, care management or repair of the Mortgaged Property, or make the Mortgagee the "owner" or "operator" of the Mortgaged Property or a "responsible party" within the meaning of any State or Federal Hazardous Waste Law. Any amounts paid or costs incurred by the Mortgagee as a result of any of the foregoing, together with interest thereon from the date of payment at the highest rate set forth in any debt instrument as may be among the Loan documents, shall be immediately due and payable by the Mortgagor(s) to the Mortgagee, and until paid shall be added to and become a part of the obligations secured hereby, and the same may be collected as part of said obligations in any suit brought upon any of the Loan documents. The Mortgagee, by making any such payment or incurring any such costs, shall be subrogated to any rights of the Mortgagor(s) or any occupant of the Mortgaged Property to seek reimbursement from any third parties, including, without limitation a predecessor-in-interest of the Mortgagor(s) or a predecessor to the occupant's use of the Mortgaged Property, who may be a "responsible Party" under any applicable Hazardous Waste law.
- f. Survival of this Paragraph. The Mortgagor(s) expressly understand(s) and agree(s) that this paragraph entitled "Hazardous Substances" shall survive the payment of any debt secured by this Mortgage, and the satisfaction and re-conveyance or assignment of the lien of this Mortgage, and shall not be affected by the Mortgagee's acquisition of any interest in the Mortgaged Property, whether by foreclosure or otherwise. The failure of the Mortgagor(s) to perform any obligation or duty under this paragraph entitled "Hazardous Substances", or the Mortgagee's discovery that any warranty, covenant or representation contained herein is, was or has become untrue, shall by itself be an event of default and shall by itself result in any remedy, including foreclosure, that the Mortgagee may choose to exercise.

Section 2.10. Sale or Other Transfer. Borrower will not directly or indirectly, voluntarily or involuntarily, convey, transfer, assign or otherwise dispose of any interest in the Mortgaged Property. If all or any part of the Mortgaged Property or any interest therein is sold or transferred by the Borrower without the Mortgagee's prior written consent the Mortgagee may at its option declare all sums secured by this Mortgage to be immediately due and payable

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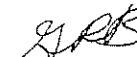
Section 2.11. Performance of Note, Mortgage and Other Documents. Borrower will perform, observe and comply with all provisions of the Note, this Mortgage, the Loan Documents, and every other document or instrument securing, evidencing or executed in connection with the Loan (collectively, the "Loan Documents"), and will promptly pay principal, interest and all other sums which become due in connection with the Loan Documents in accordance with their terms.

Section 2.12. Further Assurances. Borrower will, at its expense, cause to be done, executed, acknowledged and delivered such further acts, instruments and assurances as may be required by Lender for the better granting of the Mortgaged Property hereby granted or intended to be granted, or which Borrower may become bound to grant to Lender, or for carrying out the intentions of this Mortgage.

ARTICLE 3
Events of Default and Remedies

Section 3.1. Events of Default. If any one or more Events of Default shall occur under the Note or the Loan Documents, then at any time following the occurrence of such Event(s) of Default:

- a. At the option of Lender and without the requirement of notice to Borrower unless specifically required elsewhere, the entire unpaid principal amount of the Note, accrued but unpaid interest thereon and all other amounts owing pursuant to the Loan Documents shall become due and payable immediately.
- b. Lender personally, or by its agents or attorneys, may enter the Property, take possession thereof and exclude Borrower, its agents and servants there from; and may use, lease, operate, manage, and control the Mortgaged Property and conduct the business of Borrower, may maintain and restore the Mortgaged Property, may insure and reinsure the same and may make all necessary or proper repairs, replacements and any useful additions and Improvements thereto, all as Lender may deem advisable. Whether or not Lender shall have entered or taken possession of the Property, Lender shall be entitled to collect and receive all rents, profits and other income of the Mortgaged Property. Borrower shall pay to Lender the expenses of conducting the business of the Property and of all maintenance, replacements, additions and Improvements and taxes, assessments, insurance and prior or other charges upon the Mortgaged Property, as well as reasonable compensation for the services of attorneys (including compensation and expenses in connection with any appeal), servants and agents engaged and employed by Lender, and all such amounts shall be secured by this Mortgage.
- c. Lender may, with or without entry or taking possession, personally or by its agents or attorneys, sell all or any of the Mortgaged Property, as an entirety or in parcels, and all interest therein, including any right of redemption, at one or more private or public sales and at such times and places and upon such terms as Lender may specify in the notice of sale to be given to Borrower or as may be required by law. Lender may conduct any number of such sales from time to time. The power of sale shall not be exhausted by any one or more such sales, but shall continue unimpaired until all of the Mortgaged Property shall have been sold or the Note and all indebtedness of Borrower secured hereby paid. Lender shall also have the STATUTORY POWER OF SALE.
- d. Lender may take all steps it deems necessary to protect and enforce its rights and remedies provided hereby or by applicable law, whether by action or proceeding in equity or at law (for complete or partial foreclosure of this Mortgage or for the specific performance of any provision of the Note or this Mortgage or in aid of the performance of any power herein granted or for the enforcement of any other appropriate legal or


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equitable remedy).

- e. Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code as now in effect in the State of New Hampshire and such further remedies as may from time to time hereafter be provided in New Hampshire for a secured party.

Section 3.2. Application of Proceeds. The proceeds of any sale made by virtue of this Article, and any other sums that may be held by Lender as part of the Mortgaged Property, shall be applied pursuant to the terms of the Note.

Section 3.3. Purchase by Lender. Upon any sale made under this Article (whether under any power of sale herein granted or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale), Lender may bid for and acquire the Mortgaged Property or any part thereof and pay the purchase price by crediting the indebtedness of Borrower hereby secured with the Net Proceeds of sale after deduction of all costs, expenses and other charges to be paid from the sale proceeds as provided for in this Mortgage (the "Sale Net Proceeds"). The person making the sale shall accept the settlement without requiring production of the Note, and the indebtedness secured by this Mortgage shall be deemed credited with the Sale Net Proceeds. Lender, upon acquiring the Mortgaged Property or any part thereof, shall be entitled to hold, deal with and sell the same in any manner permitted by law.

Section 3.4. Remedies Cumulative. No remedy herein shall be exclusive of any other remedy, and each remedy shall be cumulative and in addition to every other remedy given hereunder or existing at law or in equity, every power and remedy given by this Mortgage to Lender may be exercised from time to time and as often as may be deemed necessary by Lender. Lender's delay or failure to exercise any of its rights or powers contained herein or in the Note, upon any Event of Default, shall not impair such rights or powers or be construed as a waiver of such Event of Default or an acquiescence therein.

Section 3.5. Waiver of Rights. Borrower waives all right to have the Mortgaged Property marshaled upon any sale hereunder or foreclosure hereof. Borrower waives notice of non-payment, demand, presentment, protest and all forms of demand and notice with respect to its obligations under the Note and this Mortgage and with respect to the Mortgaged Property.

Section 3.6. Performance by Lender. If Borrower shall not cause to be performed any obligation contained in the Loan Documents as and when such performance is required, taking into account any applicable grace or opportunity to cure period (except in the case of an emergency where action is required to protect or preserve the Mortgaged Property, when no grace or opportunity to cure period will apply), Lender may perform and make advances to perform said obligations. All sums so advanced shall be added to the principal due on the Note and shall be secured by the lien hereof. Borrower will repay on demand all sums so advanced with interest at the rate charged under the Note from the dates of the advances.

Section 3.7. Tax Escrow. In the event of default and/or the failure of the Mortgagor to make the payments required by Section 2.5 herein, the Mortgagor shall, upon written request therefore by the Mortgagee, which request may be withdrawn and remade from time to time at the discretion of Mortgagee, pay to the Mortgagee on a monthly basis as hereafter set forth a sum equal to the municipal and other governmental real estate taxes, personal Property taxes, other assessments next due on the real and personal Property described in the Mortgage and all premiums next due for fire and other casualty insurance required of the Mortgagor hereunder, less all sums already paid therefore, divided by the number of months to lapse not less than one (1) month prior to the

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date when said taxes and assessments will become delinquent and when such premiums will become due.

Such sums as estimated by the Mortgagee shall be paid with monthly payments due pursuant to the terms of indebtedness secured by the Mortgage and such sums shall be held by the Mortgagee to pay said taxes, assessments and premiums before the same become delinquent. The Mortgagor agrees that should there be insufficient funds so deposited with the Mortgagee for said taxes, assessments and premiums when due, the Mortgagor will upon demand by the Mortgagee promptly pay to the Mortgagee amounts necessary to make such payments in full; any surplus funds may be applied toward the payment of the indebtedness secured by the Mortgage or credited toward future such taxes, assessments and premiums. If the Mortgagee shall have commenced foreclosure proceedings, the Mortgagee may apply such funds toward the payment of the Mortgage indebtedness without causing thereby a waiver of any rights, statutory or otherwise, and specifically such application shall not constitute a waiver of the right of foreclosure hereunder. The Mortgagor hereby assigns to the Mortgagee all the foregoing sums so held hereunder for such purposes.

ARTICLE 4 General Provisions

Section 4.1 Satisfaction. If the Note shall have become due and payable (by lapse of time or acceleration), and Borrower shall have paid the full amount thereof and all other sums secured hereby, then, at the expense of Borrower, Lender shall execute and deliver to Borrower such instruments as shall be required to discharge this lien.

Section 4.2. Illegal Provision; Conflicts. If any provision contained herein or in the Note or any other Loan Document shall be held invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Mortgage shall be construed as if such provision had not been contained herein. If the terms of this Mortgage shall conflict with the provisions of any other Loan Document, the conflict shall be resolved by adhering to those provisions most favorable to the Lender.

Section 4.3. Modification; Waiver. This Mortgage may not be modified except by a written instrument executed by Borrower and Lender. No requirement contained in this Mortgage may be waived unless such waiver is contained in writing signed by Lender, nor shall any waiver be deemed a waiver of any subsequent default of Borrower.

Section 4.4. Counterparts. This Mortgage may be executed in any number of counterparts and each shall be deemed to be an original. All such counterparts shall constitute but one and the same instrument.

Section 4.5. Successors and Assigns. All provisions of this Mortgage shall be binding upon Borrower and its successors and assigns and shall inure to the benefit of Lender and its successors and assigns. This provision shall not in any way be deemed a waiver by Lender of any Event of Default provided for in this Mortgage. Lender may assign all or any portion of this Loan or participate all or any portion of the Loan.

Section 4.6. Headings. The headings have been inserted for convenient reference and shall not define, limit or expand the express provisions of this Mortgage.

Section 4.7. Governing Law. This Mortgage shall be governed by the laws of State of New Hampshire.


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IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed under seal and delivered as of the date first above written.

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

STATE OF NEW HAMPSHIRE
COUNTY OF BELKNAP

On this 25th day of June, 2009, before me, the undersigned officer personally appeared, **GEORGE R. BISSETT AND MARY LAWRENCE**, known to be the persons whose names are subscribed to the foregoing instrument and acknowledged that he executed the foregoing instrument for the purposes therein contained.

[Signature]
Notary Public/Justice of the Peace
My Commission Expires:

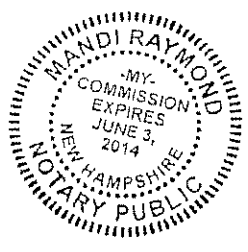


Exhibit A.
Property Description
347 Marlow Hill Road, Marlow, NH 03456, Cheshire, New Hampshire, 03456

A certain tract of land situated in Marlow, in the County of Cheshire and State of New Hampshire, bounded and described as follows:

Beginning at an iron pin in the ground in the northerly sideline of Honey Road (formerly erroneously referred to as Gustin Pond Road); thence

North 60° East along the northerly sideline of said Honey Road three hundred (300) feet, more or less; thence

North 82° East also along the northerly sideline of said Honey Road two hundred (200) feet, more or less; thence

North 57° East also along said Honey Road six hundred seventy (670) feet, more or less; to the curve between said Honey Road and Marlow Hill Road (formerly known as Old County Road, so-called); thence


Around the aforesaid curve one hundred forty-five (145) feet, more or less; thence

North 53° West along the southerly sideline of said Marlow Hill Road one thousand fifty-five (1055) feet, more or less, to an iron pin in the ground in the southerly sideline of said Marlow Hill Road; thence

South 10° West following the course of a stone wall and along land now or formerly of Thomas Foote one thousand three hundred ten (1310) feet, more or less, to the place of beginning.

Subject to the easement conveyed to New England Telephone and Telegraph Co. and New Hampshire Electric Cooperative, Inc. by deed dated March 8, 1977, and recorded in Vol. 926, Page 167 of the Cheshire County Registry of Deeds.

Meaning and intending hereby to describe and convey same premises conveyed to [REDACTED] [REDACTED] as joint tenants with rights of survivorship by Warranty Deed of Carol L. Surprenant dated July 24th, 2003 and recorded at the Cheshire County Registry of Deeds in Book 2041, Page 0687.


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ATTEST
EVELYN S HUBAL
Cheshire Register of Deeds

Emily S. Deibel

DK 2584 PG 0331

COLLATERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 25th day of June, 2009 (hereafter referred to as the "Agreement"), by and between [REDACTED] SEBETT, a single person, and [REDACTED], a single person, both with a mailing address of 347 Marlow Hill Road Marlow, NH 03456 (hereafter referred to as "Assignor") jointly and severally, and to FINANCIAL RESOURCES MORTGAGE, INC., having an address at 15 Northview Drive, Meredith, NH 03253, (hereinafter referred to as "Secured Party" and/or "Assignee");

WITNESSETH

WHEREAS, Secured Party has extended financing to the Assignor in the sum of One Hundred Forty Nine Thousand Dollars as evidenced by a Promissory Note (the "Note") dated June 25th, 2009, in the original principal amount One Hundred Forty Nine Thousand Dollars bearing interest at the rate set forth therein payable to Lender or order;

WHEREAS, pursuant to a Loan Agreement, Assignor has executed and delivered a real estate Mortgage (hereinafter the "Mortgage") upon certain premises located at 347 Marlow Hill Road, Marlow, NH 03456, County of Cheshire, New Hampshire, 03456, and more particularly described in "Exhibit A", attached hereto (hereinafter the "Premises") (collectively, the Note, the Mortgage and Loan Agreement and other documents delivered therewith or related thereto are referred to herein as the "Loan Documents");

WHEREAS, the Premises may in the future be subject to leases, subleases, concessions, licenses or other use agreements with third parties (hereinafter the "Lease" or "Leases"); and

WHEREAS, as partial security for the Assignor's payment and performance under the Loan Agreement and the Note, the Assignor has agreed to assign all the Assignor's rights, title and interest in the Leases;

NOW THEREFORE, in order to induce Assignee to make the loans and secure the Notes, the parties stipulate and agree as follows, to wit;

1. ASSIGNMENT

In consideration of the acceptance by the Assignee of Assignor's Note in the principal amount of One Hundred Forty Nine Thousand Dollars the Assignor hereby does ASSIGN, TRANSFER AND SET OVER unto the Assignee, the entirety of the Assignor's rights, title and interest in and to any and all Leases, whether heretofore executed or hereafter executed related to the Premises, for the purposes of securing the payment of the Note, the same payable or to be payable to Secured Party, including principal and interest and any and all other sums as may become due either there under or under the Mortgage and Documents.

In addition, the Assignor assigns to the Assignee all rents (and payments in lieu of rents),

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In addition, the Assignor assigns to the Assignee all rents (and payments in lieu of rents), additional rents, income, profit, payments and real property tax payment, at any time payable under any and all existing Leases and future Leases.

2. WARRANTIES AND REPRESENTATIONS.

Assignor hereby warrants and represents to Secured Party that, as of the date hereof and until the Notes has been paid in full:


- A. Assignor will be the sole, legal and beneficial owner of the Leases and such Leases have not been, and will not be, mortgaged, pledged, assigned, or in any manner encumbered or hypothecated except as set forth in this Agreement;
- B. Each Lease, if any, is and will be valid and enforceable in accordance with its terms;
- C. No Lease has now or will be entered into for less than the full fair rental value thereof, in cash, as from time to time dictated by Assignor's rental schedules, nor will the Assignor allow prepayment of said rental, except with the written agreement of the Secured Party.

3. INTERPRETATION.

This Assignment shall constitute a present and absolute assignment to Assignee as of the date hereof. However, except as otherwise provided in the Loan Documents, so long as there is no Default (as defined in Paragraph 4 below) by Assignor in the performance of any term, undertaking, condition, representation, warranty, obligation, covenant or agreement contained in this Assignment, the Loan Documents or the Leases, as the same are to be performed by Assignor, Assignor shall have the right to collect at the time of, but not prior to, the date provided for payment, all rents, income and profits arising under the Leases and to retain and use the same in accordance with the terms and provisions of the Loan Documents.

4. DEFAULTS AND REMEDIES.

- A. Definition. "Default" shall mean (i) the existence of any Event of Default, as defined in the Loan Documents, or (ii) a breach of any covenant, agreement, term, condition, obligation, representation, warranty or undertaking of Assignor contained in this Assignment and the continuance of such breach without cure for thirty (30) days after notice unless specified otherwise in the Loan Documents.
- B. Remedies. In addition to any and all remedies contained in the Loan Documents, in the event of a Default, Assignee shall have the rights and remedies set forth below and may exercise such rights and remedies prior to, simultaneously with or subsequent to the exercise of any rights and remedies under any of the other Loan Documents either in person or by its agent; with or without bringing any action or proceeding or having a receiver appointed by a court; without regard to the adequacy of the security for the obligations referred to in this Assignment and the Loan Documents; [without notice to or demand on Assignor]; and without releasing Assignor from any obligations under this Assignment and the Loan Documents; and at Assignor's sole cost and expense to:
 - (i) receive all rents, income, payments and other amounts arising or accruing under the Leases or from the Property; and
 - (ii) collect, sue for, settle, compromise or releases for all of the rents and other payments that may become due under the Leases and pursue all remedies for the enforcement of the Leases and Assignor's rights in and under the Leases as Assignor might have pursued but for this Assignment; and
 - (iii) take possession of the Property, and have, hold, manage, lease and operate the same on such terms and for such period of time as Assignee may deem proper and, either with or without taking possession of the Property, in its own name, make from time to time, all alterations, renovations, repairs or replacements thereto or thereof as may seem proper to Assignee.
- C. Notice. Tenants are hereby irrevocably authorized and notified to rely upon and comply with (and shall be fully protected in so doing) any notice or demand by Assignee for the payment to Assignee of any rental or other sums which may be, or hereafter become, due under the Leases, or for the performance of any of the tenants' undertakings under the Leases, and tenants shall have no right or duty to inquire as to whether any Default has actually occurred or is then existing.


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D. Proceeds. Assignee shall have the right to apply all amounts received by it pursuant to this Paragraph 4 or any other provision of this Assignment to the payment of any of the following in such amounts and in such order as Assignee shall deem appropriate:

- (i) the obligations under this Assignment and the Loan Documents, together with all costs and attorneys' fees;
- (ii) all expenses of leasing, operating, maintaining and managing the Property, including without limit, the salaries, fees, commissions and wages of a managing agent and such other employees, agents or independent contractors as Assignee deems necessary or desirable; all taxes, charges, claims, assessments, water rents, sewer rents, any other liens, and premiums for all insurance as Assignee deems necessary or desirable; the cost of all alterations, renovations, repairs or replacements; and all expenses incident to taking and retaining possession of the Property.

5. EXCULPATION AND INDEMNIFICATION.

This Assignment shall not cause Assignee to be (i) a mortgagee in possession; (ii) responsible or liable for the control, care, management or repair of the Property or for performing any of the terms, agreements, undertakings, obligation, representations, warranties, covenants and conditions of the Leases; or (iii) responsible or liable for any waste committed on the Property by the tenants or any other parties, for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee, invitee or other person. Assignor hereby indemnifies and holds Assignee harmless from and against any and all such liability, loss, damage, cost or expense (including attorneys' fees) which Assignee might incur or suffer under the Leases or by reason of this Assignment, and of and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking on Assignee's part to perform or discharge any of the terms, undertakings, obligations, representations, warranties, conditions, covenants or agreements contained in any of the Leases. Should Assignee incur or suffer any liability, loss, damage, cost or expense (including attorneys' fees) under the Leases or by reason of this Assignment, or in the defense of any such claims or demands, the amount of such liability, loss, damage, cost, expense and attorneys' fees shall be considered an obligation to the Assignee and Assignor shall pay the same to Assignee upon demand by Assignee. Upon the failure of Assignor to so pay Assignee, all sums owing under this Assignment and the Loan Documents shall be immediately due and payable, at the option of Assignee.

6. SUBSEQUENT ASSURANCES.

Assignor hereby agrees with the Secured Party that any and all subsequently executed Leases will, ipso facto, become subject to the provisions hereof without the necessity of any further action on the part of the Assignor or Secured Party, but the Assignor will promptly upon request by Secured Party, execute and deliver to Secured Party such further assignments thereof as Secured Party may request.

7. ADDITIONAL SECURITY.

Secured Party may take or release additional security, and may release any party primarily or secondarily liable for the repayment of the Note, may grant extensions, renewals or indulgences with respect to the Note and may apply any other security therefore held by it to the satisfaction of the Note, without prejudice to any of its rights hereunder.

8. FORECLOSURE.

Upon issuance of one or more deeds pursuant to any judicial or non judicial foreclosure of the Mortgage or one or more deeds in lieu of foreclosure, all right, title and interest of Assignor in and to the Leases shall, by virtue of this Assignment, vest in and become the absolute property of

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M.L.

the grantee or grantees of such deed or deeds without any further act or assignment of Assignor. Assignor hereby irrevocably appoints Assignee, and its successors and assigns, as its attorney-in-fact, to: (i) execute all instruments of assignment or further assurances in favor of such grantees of such deed or deeds, as may be necessary or desirable for such purposes; and (ii) after a Default under this Assignment, take any other action specified in paragraphs 4 A. through D., inclusive, hereof; provided, however, that Assignee as such attorney-in-fact shall only be accountable for such funds as are actually received by Assignee. Nothing contained in this Assignment shall prevent Assignee at Assignee's sole discretion from terminating any subordinate Lease through such foreclosure. Nothing contained in this Assignment shall in any way invalidate or impair any written non disturbance agreement that Assignee has executed with the tenant under any such subordinate Lease.

9. UNIFORM COMMERCIAL CODE

In addition to its being, but without limiting or impairing its validity as, an assignment of contract rights or lien on the estate in land, this Agreement shall also constitute a security agreement under Article Nine of the Uniform commercial code as enacted in New Hampshire creating in favor of Assignee, until the Note is fully paid and the Loan Documents are fully performed, a first and prior security interest to the Leases and all Assignor's rights thereunder. Accordingly, Assignor hereby acknowledges unto Assignee that Assignee shall have the right, in addition to any and all other rights, remedies and recourse as afforded to in hereunder, under the Note all rights and remedies afforded to secured parties by the Uniform commercial code. Assignor hereby agrees with Assignee to execute and deliver to Assignee, in form satisfactory to Assignee, such financing statements or other assurances as Assignee may reasonably require to create, perfect and preserve the security herein created and to cause such statements and assurances to be filed and/or recorded at such time and place as to accomplish the same as Assignee may reasonably request.

10. HEIRS, SUCCESSORS AND ASSIGNS.

Subject to the limitations elsewhere contained in this Assignment and the Loan Documents, the terms of this Assignment shall be binding upon and inure to the benefit of the heirs, successors and assigns of Assignor and Assignee, including without limit, any subsequent owner of the Property. There are no third party beneficiaries of this Assignment.

10. LAW.

This Assignment shall be governed by, and construed in accordance with, the laws of the State of New Hampshire.

11. WAIVER.

No exercise of any right or remedy hereunder shall preclude the exercise of any other right or remedy or the later exercise of the same right or remedy. Waivers and approvals under this Assignment shall be in writing and unless otherwise expressly stated, waivers and approvals shall apply only to the specific circumstances addressed.

12. ENTIRE AGREEMENT INCORPORATION.

This Assignment shall not be amended or modified in any way except by written instrument which is executed by all parties hereto.

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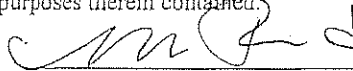
WITNESS our hands the date first above written.

ASSIGNOR(S):

[REDACTED]

STATE OF NEW HAMPSHIRE
COUNTY OF BELKNAP

On this 25th day of June, 2009, before me, the undersigned officer personally appeared **GEORGE R. BISSETT AND MARY LAWRENCE**, known to be the persons whose names are subscribed to the foregoing instrument and acknowledged that they executed the foregoing instrument for the purposes therein contained.



Notary Public/Justice of the Peace



Exhibit A.

Property Description

347 Marlow Hill Road, Marlow, NH 03456, Cheshire, New Hampshire, 03456

A certain tract of land situated in Marlow, in the County of Cheshire and State of New Hampshire, bounded and described as follows:

Beginning at an iron pin in the ground in the northerly sideline of Honey Road (formerly erroneously referred to as Gustin Pond Road); thence

North 60° East along the northerly sideline of said Honey Road three hundred (300) feet, more or less; thence

North 82° East also along the northerly sideline of said Honey Road two hundred (200) feet, more or less; thence

North 57° East also along said Honey Road six hundred seventy (670) feet, more or less; to the curve between said Honey Road and Marlow Hill Road (formerly known as Old County Road, so-called); thence

Around the aforesaid curve one hundred forty-five (145) feet, more or less; thence

North 53° West along the southerly sideline of said Marlow Hill Road one thousand fifty-five (1055) feet, more or less, to an iron pin in the ground in the southerly sideline of said Marlow Hill Road; thence

South 10° West following the course of a stone wall and along land now or formerly of Thomas Foote one thousand three hundred ten (1310) feet, more or less, to the place of beginning.

Subject to the easement conveyed to New England Telephone and Telegraph Co. and New Hampshire Electric Cooperative, Inc. by deed dated March 8, 1977, and recorded in Vol. 926, Page 167 of the Cheshire County Registry of Deeds.

Meaning and intending hereby to describe and convey same premises conveyed to [REDACTED] as joint tenants with rights of survivorship by Warranty Deed of Carol L. Surprenant dated July 24th, 2003 and recorded at the Cheshire County Registry of Deeds in Book 2041, Page 0687.

[Handwritten Signature]
m. L.

ATTEST
EVELYN S HUBAL
Cheshire Register of Deeds

DECLARATION OF TRUST
OF

I, [REDACTED] [REDACTED] duly authorized of [REDACTED]
[REDACTED] hereinafter called the "Trustee" DO HEREBY DECLARE that I and my successors in trust hereunder will hold and administer any and all property and interests in property, hereinafter called the "Trust Property", delivered or transferred to me as Trustee, and I will hold any proceeds from such property payable to me as Trustee, IN TRUST, for the sole benefit of the persons and their successors in interest, hereinafter called the "Beneficiaries", who are set forth in a separate schedule, hereinafter called the "Schedule of Beneficial Interests", signed and acknowledged by the Trustee and the Beneficiaries, in the proportions therein contained and for the purposes, in the manner, and with, and subject to the terms and provisions, hereinafter set forth.

ARTICLE I
TITLE OF TRUST: RECORDING

- A. This Declaration of Trust, hereinafter called the "Trust", shall be known as the [REDACTED] and under that name, so far as legal, convenient and practicable, shall, all business carried on by the Trustee be conducted and shall all instruments in writing by the Trustee be executed. The Trustee may be referred to as the "Trustee".
- B. This Trust may be recorded in any Registry of Deeds or other public office.

ARTICLE II
PURPOSE OF TRUST: CERTAIN COVENANTS OF THE TRUSTEE

- A. This Trust has been created to purchase, acquire, sell, develop, construct, hold, improve, manage, finance and generally invest in all kinds of real and personal property and for the purpose of sharing among the Beneficiaries, in accordance with the proportions set forth in the Schedule of Beneficial Interests, the benefits of any and all investments, distributions and/or income, gains and profits derived from the Trust Property net of Trust expenses. The Trustee shall hold the principal of this Trust and receive the distributions and income therefore for the exclusive benefit of the Beneficiaries.
- B. The Trustee do hereby covenant and agrees with the Beneficiaries that they will hold, manage and administer the Trust Property and the income, gains and profits therefrom, subject to the terms and provisions of this Trust. All property hereinafter

delivered to the Trustee and accepted by them, including any and all of the proceeds from such property shall be held, managed and administered by the Trustee in trust for the purposes and upon the terms and provisions set forth herein.

ARTICLE III
RIGHTS RESERVED BY THE BENEFICIARIES

- A. This Trust may, at any time or from time to time, be altered, amended, revoked or terminated, in whole or in part, by two-thirds of the Beneficiaries. The Trustee shall, if directed in writing by two-thirds of the Beneficiaries, transfer, convey, and pay over to all of the Beneficiaries, or as they may direct in writing, all or any portion of the Trust Property then held hereunder and, in case of any alteration or amendment of this Trust, the Trustee shall thereafter hold the Trust Property for the purposes and upon the terms and provisions as so altered or amended.
- B. Any alteration, amendment, revocation or termination of this Trust pursuant to this ARTICLE III shall become effective when an instrument, signed and acknowledged by the Trustee, is recorded in the Registry of Deeds or other public office where this Trust is recorded.
- C. Any third party dealing with the Trustee shall always be entitled to rely upon a certificate in writing, signed and acknowledged by the Trustee, as to what, if any, alteration, amendment or modification has been made to this Trust and as to who are the present Trustee.
- D. The Schedule of Beneficial Interests may be altered, amended or modified in any of its provisions by means of an instrument in writing, signed and acknowledged by all of the Beneficiaries so affected by the change and such alteration, amendment or modification shall become effective upon the signed and acknowledged written acceptance of the Trustee hereunder. The Schedule of Beneficial Interest shall not be recorded in any Registry of Deeds or other public office.
- E. If any one or more of the Beneficiaries shall die or become physically or mentally disabled, (a) the Executor, Administrator or other persons representative of a deceased Beneficiary or (b) the legal representative of a physically or mentally disabled Beneficiary, as the case may be, shall have the full power and authority to exercise the foregoing rights reserved by the Beneficiaries under this ARTICLE III.

ARTICLE IV
PROVISIONS FOR THE BENEFIT OF THE BENEFICIARIES

- A. During the term of this Trust, the Trustee shall hold, administer and distribute the Trust Property. The Trustee shall receive and collect the income and proceeds of the Trust Property and, after paying all proper and reasonable charges and expenses, he may, in his sole and absolute discretion, make distribution of part of or all of the net income, or of the principal of this Trust, to or for the benefit of the Beneficiaries, in the proportions set forth in the Schedule of Beneficial Interests, whenever the Trustee deems such distributions to be advisable, even to the extent of exhausting

the entire Trust Property if that, in his sole and absolute discretion, should be considered advisable. Unless so distributed to the Beneficiaries by the Trustee, the net income of this Trust shall be added to the principal annually. The Trustee shall also make distributions of such part or all of the net income or of the principal of this Trust, as the two-thirds of the Beneficiaries, may from time to time request in writing.

- B. The interest of any of the Beneficiaries hereunder, either as to income or principal, shall not be anticipated, attached, alienated or in any other manner assigned, transferred or pledged, or promised prior to its receipt, nor shall it be applied to or held liable for any debts or obligations of any of the Beneficiaries or be taken or reached by or be subject to any legal, equitable or other process, including any insolvency or bankruptcy proceedings, or be subject to the interference or control of creditors, spouses or others in any way or manner.
- C. Notwithstanding anything herein contained to the contrary, unless sooner terminated, as provided in ARTICLE III, this Trust shall terminate twenty (20) years after the death of the original Trustee and upon such termination, the successor Trustee shall pay over, transfer and convey the Trust Property, free and discharged of all trusts hereunder, to the Beneficiaries, in accordance with their proportionate interests as set forth in the Schedule of Beneficial Interests; provided however, that it shall be the duty of the Trustee, and his powers shall continue for that purpose, to prosecute and defend all suits and other proceedings at the time of such termination, and to transfer and convey the net proceeds of any additional Trust Property acquired thereby to the Beneficiaries and thereupon terminate this Trust, but the Trustee may always retain such part of the Trust Property as he shall deem necessary to indemnify himself against costs and expenses of such proceedings and against such judgments or decrees as have been or may be entered against him.

ARTICLE V
PROVISIONS RELATING TO THE TRUSTEE

- A. The Trustee shall signify his assent to act as Trustee by affixing his signature, duly acknowledged, to this Trust. This assent shall qualify the Trustee and shall be a condition precedent to the right to act as Trustee.
- B. The Trustee shall render an account of the administrations of this Trust, upon the request of those Beneficiaries who were eligible to receive distributions during the period covered by the account. The assent by two-thirds of the Beneficiaries who, for the period of any accounting, were entitled or eligible to receive distributions from this Trust and who were of full age and legal capacity shall, in the absence of fraud, make such account final, binding and conclusive upon all persons then having, or who may thereafter have any interest in the Trust Property. The failure of any such person to object to any such account by writing, delivered personally, or by certified mail, to the Trustee within sixty (60) days of receipt of a copy of the account, shall be deemed to be an assent by such person. The assent of the

Administrator, Executor or legally appointed representative of the estate of a deceased Beneficiary, shall be final, binding and conclusive upon all persons then having, or who may thereafter have any interest in the Trust Property.

- C. In the event that a Trustee shall resign or be removed, or in the event that any vacancy shall otherwise occur in the office of Trustee, whether by death, mental or physical incapacity or other permanent inability to act in said office, then a successor Trustee may be appointed within sixty (60) days by a writing signed by two-thirds of the Beneficiaries. Any successor Trustee hereunder shall attach his or its written acceptance, duly acknowledged, of the trusts herein created to an original copy of this Trust. The appointment of a successor Trustee shall take effect when a certificate of such appointment, signed and acknowledged by such successor Trustee, is recorded in the Registry of Deeds or other public office where this Trust is recorded. Any successor Trustee shall be vested with title to the Trust Property, without the necessity of any act of transfer or conveyance, he or it shall have all of the power, authority and discretion conferred upon the original Trustee, and he or it shall not be responsible for the acts or omissions or the accounts of any prior Trustee.
- D. Any Trustee, at anytime serving hereunder, may resign as Trustee by delivering personally, or by certified mail, to all the Beneficiaries and to every other Trustee, an instrument in writing setting forth such resignation, duly signed and acknowledged by the resigning Trustee, giving at least thirty (30) days written notice prior to the effective date of such resignation. The notice of resignation of a Trustee shall be recorded by the remaining Trustee or Trustee in the Registry of Deeds or other public office where this Trust is recorded. Any Trustee, at any time serving hereunder, may disclaim or release any power, authority, or discretion hereunder, in whole or in part, by delivering personally, or by certified mail, to all of the Beneficiaries and to every other Trustee, an instrument in writing setting forth such disclaimer or release, duly signed and acknowledged by such Trustee. Said disclaimer or release may be for such period of time as such Trustee may specify without, in any way, affecting the continuing of this Trust, or the power, authority or discretion of any other Trustee.
- E. Two-thirds of the Beneficiaries may remove any Trustee, at any time serving hereunder, by delivery personally, or by certified mail, to said Trustee an instrument in writing signed by them, providing at least thirty (30) days notice of removal. Following the delivery of the notice of removal, an instrument in writing, specifying the name of the Trustee so removed, signed and acknowledged by the remaining Trustee or Trustee, shall be recorded in the Registry of Deeds or other public office where this Trust is recorded.
- F. The resignation, removal, death or incapacity of a Trustee shall not terminate this Trust. If any Trustee shall, at any time, be temporarily mentally or physically incapacitated to perform his fiduciary duties and responsibilities, it shall be necessary for him to resign or be removed for this Trust to continue in operation, but the remaining Trustee or Trustee may fulfill all fiduciary duties and responsibilities during such temporary absence or incapacity as though the Trustee so absent or incapacitated were deceased at that time and had no successor. Any Trustee, at any

time serving hereunder, may, for the duration of any temporary absence from the United States of America on his part, or of any temporary mental or physical incapacity or for a specified period which he expects to be the duration of any such absence or incapacity, authorize the other Trustee or Trustee in a writing, duly acknowledged, to perform his fiduciary duties and responsibilities during such absence or incapacity or during such specified period, as though the Trustee so absent or incapacitated were deceased at that time and had no successor, but with power, however, to act on behalf of and in the name of the Trustee so absent or incapacitated. Such authority may be revoked in a writing, duly acknowledged, at any time.

- G. No purchaser or other person dealing with the Trustee or any Trustee purporting to act under any power or authority granted in, or given by any Trustee in purported compliance with this ARTICLE V or any part or parts of it, need to inquire into the existence of facts upon which such purported power or authority depend or into the question of whether such purported power or authority remains in effect at such time.
- H. Any act or thing done by the Trustee, or by an agent of this Trust under written authority from the Trustee, shall, as to all persons dealing with the Trustee, be conclusively deemed to be within the purposes of this Trust and within the powers of the Trustee. No purchaser, lender, individual, firm, corporation, association, partnership, trust or any other legal entity, or any officer or agent thereof, dealing with the Trustee, shall be bound to make any inquiry concerning the validity of any sale, mortgage, pledge, guaranty, loan or purchase purporting to be made by the Trustee or be liable for the application of any money paid or loaned.
- I. A written certificate, duly acknowledged by anyone who appears from the original Trust or any amendment thereof to be Trustee, as to any facts relative to this Trust, or as to who are the Beneficiaries hereunder, may always be relied upon and shall always be conclusive evidence in favor of any purchaser, lender, individual, firm, corporation, association, partnership, trust or any other legal entity, or any officer, or agent thereof, and any other person dealing in good faith with the Trustee in reliance upon such statement.
- J. No Trustee, at anytime serving hereunder, shall be required to give any bond or other security for the faithful performance of such Trustee's duties in any jurisdiction whatsoever or, if any such bond shall be required, no surety shall be required thereon. No Trustee shall be liable or responsible in any way for any act or default of any other Trustee or for any loss or expense from or occasioned by anything done or neglected to be done by any other Trustee.
- K. The Trustee shall keep proper books, accounts and records of this Trust at all times. The fiscal year of this Trust shall be the calendar year and the Trustee shall prepare and file all federal and state income tax returns in accordance with such fiscal year. The Trustee shall maintain a mailing address for this trust at [REDACTED] but additional mailing addresses may be maintained at locations as may, from time to time, be designated by the Trustee.

ARTICLE VI
TRUSTEE'S POWERS

The Trustee shall have all powers conveyed to Trustee under the Uniform Trustee' Powers Act - State of New Hampshire RSA 564-A.

- A. It is the intention of the Beneficiaries to give the Trustee wide discretion in matters of management of the Trust Property and the foregoing enumeration of powers is not intended to exclude other powers reasonably incidental to such management.
- B. All powers and authorities granted to the Trustee and all acts performed by him in accordance with such powers and authorities, shall be exercised by the Trustee in his sole and absolute judgment and discretion.
- C. In any case in which the Trustee is required to divide or distribute the Trust Property in parts or portions, the Trustee is authorized and empowered, in their sole and absolute discretion, to make such divisions of distributions in cash or in kind, or partly in each.
- D. The Trustee shall be entitled to receive reasonable-compensation for his services. He shall be entitled to be reimbursed out of the Trust Property and, until being reimbursed, shall have a lien on such Trust Property for all costs, expenses and liabilities he may suffer or incur by reason of his fiduciary duties and responsibilities hereunder. No Trustee shall ever be personally liable or responsible for any act or omission or for any involuntary losses or for any loss or damage except as caused by his own individual bad faith or actual fraud. The Trustee may, from time to time, consult with and employ counsel with respect to the management and operation of this Trust and with respect to the exercise of powers given to the Trustee, and he may act on the advice of such counsel without incurring liability on account of any such action. No Trustee shall be liable for, nor shall he be obliged to inquire into, the acts, defaults or omissions of any other Trustee or any prior Trustee hereunder.
- E. Any Trustee, at any time serving hereunder, may authorize, in writing, duly acknowledged and delivered to all other Trustee, any other Trustee or Trustee to act in his place, as Trustee, in the exercise of the powers, authorities and discretions granted herein, and said deputed authority shall continue for the period specified in said writing, but may be revoked at anytime by a writing, duly acknowledged. No purchaser or other person dealing with the Trustee, purporting to act under said deputation in writing, shall be required to inquire into the propriety of the grant thereof or into the question of whether said deputation is still validly in effect. Any Trustee may give, from time to time, as occasion and convenience may require, a duly executed revocable power of attorney to any other Trustee or Trustee to act in his place and to execute in his name, as Trustee, any instrument, document, or deed of conveyance which the Trustee is authorized by this Trust or by law to execute.
- F. Where more than one Trustee shall serve this Trust, then, in the exercise of any and all powers and on all matters and questions under this Trust, the assent of two of the Trustee shall be required. Any act required to be performed by the Trustee may be

performed on their behalf by one Trustee, if he is authorized to perform such act by a writing, signed and duly acknowledged by two of the other Trustee. Any such writing shall be valid and effective, whether or not recorded in any Registry of Deeds or other public office. All checks must be signed by one of the Trustee.

- G. No person or corporation dealing with the Trustee shall, in any manner, be affected by an alteration, amendment or modification of this Trust without actual or constructive knowledge of the same, and shall always be entitled to rely upon a written certificate, signed and acknowledged by the Trustee (a) as to what, if any, alteration, amendment or modification has been made to this trust, (b) as to who is the present Trustee or Trustees, and (c) as to any action taken by the Trustee or any other fact affecting this Trust or the Trust Property. Such certificate may be recorded in any Registry of Deeds or other public office.
- H. The Trustee may, from time to time, adopt and use a form of seal for this Trust.

ARTICLE VII

LIMITED LIABILITY OF TRUSTEE AND BENEFICIARIES

- A. No Trustee shall ever be personally liable for any obligation or liability of this Trust. Each Trustee shall be entitled to reimbursement out of the Trust Property for obligations incurred on behalf of this Trust. Any purchaser, lender, individual, firm, corporation, association, partnership, trust or any other legal entity, or any officer or agent thereof, contracting with the Trustee shall look only to the Trust Property for payment under said contract or for payment of any claim debt, mortgage, damage, judgment or decree, or for any money that otherwise may become due and payable by reason of any failure to pay on the part of the Trustee and no Trustee shall be personally liable therefore.
- B. This Trust is intended to create a trust and not a partnership. The Trustee shall have no power to act as agent for the Beneficiaries, in their individual capacities as such and shall not bind them. None of the Beneficiaries shall be personally liable for any obligation or liability incurred by this Trust or by the Trustee on behalf of this Trust.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

- A. This Trust has been created and is executed in the State of New Hampshire. All questions concerning the meaning, interpretation and intention of the terms and provisions of this Trust, its validity, construction, effect and administration, and all questions relating to the performance of the Trustee, shall be governed by, interpreted, judged and resolved in accordance with the laws of the State of New Hampshire, except with respect to such parts of the Trust Property as are required by law to be governed by the laws of some other jurisdiction, in which case the laws of such other jurisdiction shall govern. If any term, condition right, power, privilege or other provision of this Trust, or the administration of any provision, is

adjudicated invalid by court of competent jurisdiction, or should otherwise be deemed unenforceable or invalid, for any reason whatsoever, the remaining provisions of this Trust shall not be affected in any way and shall continue to be fully effective.

- B. Any controversy arising under this Trust may be submitted to any court of competent jurisdiction within the State of New Hampshire and the final adjudication thereof shall be conclusive as to all parties.
- C. The word "Trustee" as used herein, shall be construed to mean the Trustee or any Trustee, corporate or otherwise, at any time acting hereunder, including any successor or additional Trustee. The words "two-thirds of the Beneficiaries" as herein used shall be construed to mean two-thirds of the total beneficial interest of all the Beneficiaries under this Trust.
- D. The words "Trust Property", as used herein shall be construed to mean all property, real and personal, at anytime held by the Trustee hereunder, including any property that may hereafter be conveyed or delivered to him.
- E. Masculine, feminine and neuter pronouns and the words "Trust", "Trustee" and "Trustee" shall include all other genders, and singular shall include the plural, and vice versa, whenever the context and facts require such construction.
- F. Any notices required to be given in writing to the Trustee shall be delivered to him personally, or by certified mail, at the address of this Trust, as set forth in ARTICLE V. Any notices required to be given in writing to the Beneficiaries shall be delivered to each of them personally, or by certified mail, at their respective residence addresses, as they shall appear on the books and records of this Trust.
- G. This Trust may be executed in any number of counterpart copies, each of which shall be deemed to be an original for all purposes.

IN WITNESS WHEREOF, I, [REDACTED] [REDACTED] duly authorized of [REDACTED] [REDACTED] have hereunto set my hand and seal as Trustee hereunder, this 6th day of ~~April~~^{June} 2009, and I do hereby acknowledged receipt of the [REDACTED]. I accept and agree to carry out all of the terms and provisions hereof.

WITNESS the execution hereof under seal this 6th day of ~~April~~^{June} 2009.

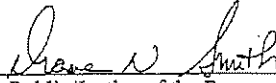
Monica R. Fournier
Witness

[REDACTED]
[REDACTED] duly authorized of [REDACTED]

THE STATE OF NEW HAMPSHIRE
BELKNAP, SS.

On this ^{June} 6th day of April 2009 before me, the undersigned officer, personally appeared, [REDACTED] [REDACTED] duly authorized of [REDACTED] known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained as his voluntary free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Notary Public/Justice of the Peace

My commission expires: _____



SCHEDULE OF TRUST BENEFICIARIES
OF

[REDACTED]

The following named persons are the beneficiaries of [REDACTED] and as such are entitled to the earnings, avails and proceeds of the trust property according to the respective interests herein set forth:

| Name | Address | Interest |
|------------|------------|------------|
| [REDACTED] | [REDACTED] | [REDACTED] |

WITNESS the execution hereof under seal this ^{June} 6th day of April 2009

Bonnie R. Fournier
Witness

[REDACTED]

THE STATE OF NEW HAMPSHIRE
BELKNAP, SS.

On this ^{June} 6th day of April 2009 before me, the undersigned officer, personally appeared [REDACTED] known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained as his voluntary free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

[Signature]
Notary Public/Justice of the Peace.
(SEAL)



SCHEDULE OF TRUST BENEFICIARIES
OF

The following named persons are the beneficiaries of [REDACTED], and as such are entitled to the earnings, avails and proceeds of the trust property according to the respective interests herein set forth:

| Name | Address | Interest |
|------------|------------|------------|
| [REDACTED] | [REDACTED] | [REDACTED] |

WITNESS the execution hereof under seal this 16th day of June 2009.

Bernice R. Fournier
Witness

[REDACTED]

THE STATE OF NEW HAMPSHIRE
BELKNAP, SS.

On this 16th day of June 2009 before me, the undersigned officer, personally appeared, [REDACTED] known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained as his voluntary free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Diane N. Smith
Notary Public/Justice of the Peace
(SEAL)



SCHEDULE OF TRUST BENEFICIARIES
OF

The following named persons are the beneficiaries of [REDACTED], and as such are entitled to the earnings, avails and proceeds of the trust property according to the respective interests herein set forth:

| Name | Address | Interest |
|------------|------------|------------|
| [REDACTED] | [REDACTED] | [REDACTED] |

WITNESS the execution hereof under seal this 6th day of ~~April~~ ^{June} 2009

Victoria A. Fowler
Witness

THE STATE OF NEW HAMPSHIRE
BELKNAP, SS.

On this 6th day of ~~April~~ ^{June} 2009 before me, the undersigned officer, personally appeared, [REDACTED] Trustee of [REDACTED], known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained as his voluntary free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Diane W. Smith
Notary Public/Justice of the Peace
(SEAL)



SCHEDULE OF TRUST BENEFICIARIES
OF

[REDACTED]

The following named persons are the beneficiaries of [REDACTED] and as such are entitled to the earnings, avails and proceeds of the trust property according to the respective interests herein set forth:

| Name | Address | Interest |
|------------|------------|------------|
| [REDACTED] | [REDACTED] | [REDACTED] |

WITNESS the execution hereof under seal this ^{June} 6th day of ~~April~~ 2009.

[Signature]
Witness

[Signature]
Dodge Financial, Inc., Trustee

THE STATE OF NEW HAMPSHIRE
BELKNAP, SS.

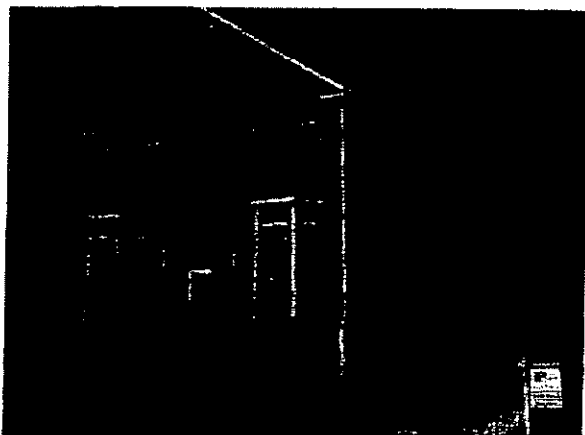
On this ^{June} 6th day of ~~April~~ 2009 before me, the undersigned officer, personally appeared, [REDACTED] Trustee of [REDACTED] known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained as his voluntary free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

[Signature]
Notary Public/Justice of the Peace
(SEAL)



FINANCIAL RESOURCES MORTGAGE, INC.
15 Northview Dr. • P.O. Box 1158 • Meredith, NH 03253
Phone (603) 279-1133 • Fax (603) 279-5912 • sfarah@frmortgageinc.com



MINIMUM INVESTMENT - \$50,000

**\$400,000 OFF THE TABLE,
\$500,000 STILL AVAILABLE**

LENDING OPPORTUNITY

Jacksonville, N. Carolina— Investment Property

Loan Amount: \$900,000 1st Position (33% LTV)

Recommended Terms: 14%, 24 month balloon

Secured by: Appraised Value 'as-is' \$2,760,000

Borrower/Owner: James

James is looking for a loan against this 42 unit residential development in Jacksonville, North Carolina, which he currently owns free and clear. He purchased this 14.83 parcel as raw land for \$800,000 in 2006 and has since invested approximately \$1,720,000 of his own money into permitting, engineering, infrastructure and the construction of the first 4 units. His total investment to date is in excess of \$2,520,000. The completed units were recently appraised at \$215,000 with each vacant lot being valued at \$50,000, giving a total value 'as is' of \$2,760,000.

This 42 unit residential development will consist of 21 duplex style buildings and 42 boat docks on the New River. Each unit will be 1,970 square feet in size and will have 3 bedrooms and 3 bathrooms. Additional features include a private boat dock and a 2 car carport underneath the home. James currently has one unit under contract for \$240,000; the closing is subject to the borrower obtaining financing for the purchase.

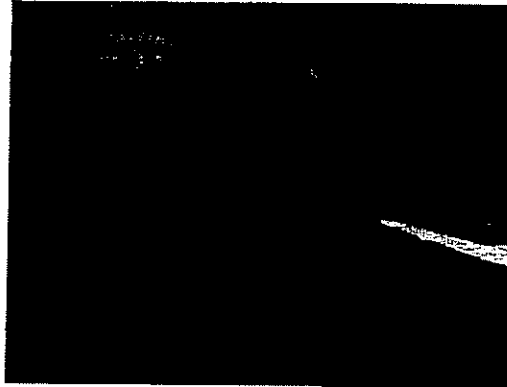
The City of Jacksonville is located in Onslow County, North Carolina. The city has a large military presence and is home to the United States Marine Corps' Camp Lejeune and Marine Corp's Air Station New River. Jacksonville is located in the Inner Banks region of North Carolina and is approximately 45 minutes from the Port City of Wilmington and a short drive to the state's Outer Banks. Due to its year round climate the city has become the preferred home to many retirees.

James is currently self-employed as a real estate developer. He has been in this line of work for over 15 years and has completed many residential and commercial development projects in the past. At present he has good credit with a mid FICO score of 665 and has a net worth in excess of \$20,000,000. Approximately half of the net proceeds from this loan will be invested into further developing this project and the remainder will be cash out for other investments. James already has these completed units listed plans to pay off this loan when the homes sell. In addition he has another commercial property under agreement.

James is looking for a loan for a period of 24 months. There is a 12 month interest reserve to ensure there is no problem with payments.

Please call Scott Farah if you have any questions and/or would like a complete package.

Subject Rear & Street View



| FEATURE | SUBJECT | COMPARABLE SALE # 1 | COMPARABLE SALE # 2 | COMPARABLE SALE # 3 | | | | | |
|------------------------------------|---------------------------------------|---|--|--|-----------------|-----------------------|-----------------|-----------------------|-----------------|
| Address | 69 Court St Jacksonville, NC 28540 | 307 W Railroad St Jacksonville, NC 28540 | 306 Mill Ave Jacksonville, NC 28540 | 150 Conover St Jacksonville, NC 28540 | | | | | |
| Proximity to Subject | | 0.35 miles N | 0.38 miles N | 0.64 miles SW | | | | | |
| Sale Price | | \$ 273,000 | \$ 295,000 | \$ 141,000 | | | | | |
| Sale Price/GLA | \$ /sq.ft. | \$ 131.86 /sq.ft. | \$ 118.33 /sq.ft. | \$ 112.17 /sq.ft. | | | | | |
| Data Source(s) | Public Records | MLS | MLS | MLS | | | | | |
| Verification Source(s) | Site Inspection | Site Inspection | Site Inspection | Site Inspection | | | | | |
| VALUE ADJUSTMENTS | DESCRIPTION | DESCRIPTION | +(-) \$ Adjust. | DESCRIPTION | +(-) \$ Adjust. | | | | |
| Sales or Financing Concessions | N/A | No Concessions Per MLS | No Concessions Per MLS | Seller Concessions Per MLS | -3,600 | | | | |
| Date of Sale/Time | | 8/27/2008 | 8/28/2008 | 4/7/2008 | | | | | |
| Rights Appraised | Fee Simple | Fee Simple | Fee Simple | Fee Simple | | | | | |
| Location | Suburban/Average | Suburban/Average | Suburban/Average | Suburban/Inferior | +15,000 | | | | |
| Site | 22 Acres +/- | 12 Acres +/- | 11 Acres +/- | 17 Acres +/- | | | | | |
| View | Average | Average | Average | Average | | | | | |
| Design (Style) | 1 1/2 Duplex (2-Story) | 2-Story | 2-Story | 2-Story | -7,000 | | | | |
| Quality of Construction | Siding/Average | Siding/Good | Siding/Good | Siding/Average | | | | | |
| Age | 1 | 2 | 2 | 1 | | | | | |
| Condition | Good | Good | Good | Good | | | | | |
| Above Grade | Total | Bkms | Bkms | Total | Bkms | Bkms | | | |
| Room Count | 5 | 3 | 3/0 | 7 | 3 | 2/1 | | | |
| Gross Living Area | 1,970 sq.ft. | 2,070 sq.ft. | -6,000 | 2,493 sq.ft. | -1,500 | 5 | 3 | 2/1 | +1,500 |
| Basement & Finished | None | None | None | None | None | None | None | None | None |
| Rooming/Bedroom | None | None | None | None | None | None | None | None | None |
| Functional Utility | Average | Average | Average | Average | Average | Average | Average | Average | Average |
| Heating/Cooling | FWA/Central Air | FWA/Central Air | FWA/Central Air | FWA/Central Air | FWA/Central Air | FWA/Central Air | FWA/Central Air | FWA/Central Air | FWA/Central Air |
| Energy Efficient Items | Typical | Typical | Typical | Typical | Typical | Typical | Typical | Typical | Typical |
| Garage/Carport | 2-Car Carport/Boat Slip | None | +10,000 | None | -10,000 | None | +10,000 | None | +10,000 |
| Porch/Patio/Deck | Porch/Deck | Porch | | Porch | | Porch/Patio/Fireplace | | Porch/Patio/Fireplace | |
| | None | Fireplace | -1,500 | Fireplace | -1,500 | None | | None | |
| | None | None | | None | | None | | None | |
| | None | None | | None | | None | | None | |
| | None | None | | None | | None | | None | |
| Days On Market | 216 | 60 | | 91 | | 171 | | | |
| Net Adjustment (Total) | | | -40,000 | | -74,380 | | | | 68,780 |
| Adjusted Sale Price of Comparables | | \$ 233,000 | | \$ 220,620 | | \$ 199,780 | | | |

Indicated Value by: Sales Comparison Approach \$ 215,000 Cost Approach (if developed) \$ Not Developed Income Approach (if developed) \$ Not Developed

Final Reconciliation The sales comparison approach, in the appraiser's opinion, is considered to be the only approach necessary in determining an estimate of market value for the subject property. It is the most reliable indicator of market value and was the only approach computed. The cost approach and the income approach were not developed.

This appraisal is made "as is", subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair. This report is subject to the survey of the described property out of the larger 14.83 acres tract and to the completion of the construction of the planned boat slips.

This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 215,000, as of 7/30/2009, which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

COMPANY:
 Flanclal Resources National
 15 Northview Dr.
 Meredith NH 03253
 (603) 279-1133

LOAN MASTER REPORT

347 Marlow Hill Road
 Marlow NH 03456

Borrower Type: Primary
 E-mail Address: HTML
 E-mail Format: HTML
 Delivery Options: Print

Phone Home: [REDACTED]
 Phone Work: [REDACTED]
 Phone Cell: [REDACTED]
 Phone Fax: [REDACTED]

PRIMARY BORROWER & CO-BORROWERS INFORMATION

| | |
|---------------|---|
| REPORT DATE: | 11/04/2009 |
| ACCOUNT NO: | [REDACTED] |
| ACCOUNT TYPE: | PRIMARY BORROWER |
| PROPERTY: | PRIMARY PROPERTY |
| ADDRESS: | 347 Marlow Hill Road Marlow NH 03456 |

ASSIGNMENT OF LOAN FUNDING

| Lender Account | Lender Name | Pct. Owned | Principal Balance | Retiler Payment | Borrower Servicing Fee % of Prin. Plus Amt. | Vendor Servicing Fee Minimum Plus Amt. | Vendor Account | Residual Error |
|----------------|-------------|------------|-------------------|-----------------|---|--|----------------|-------------------------------------|
| [REDACTED] | [REDACTED] | 18.107% | \$24,000.00 | \$260.00 | 0.009% | \$0.00 | \$0.00 | <input type="checkbox"/> |
| [REDACTED] | [REDACTED] | 18.779% | \$25,000.00 | \$270.83 | 0.009% | \$0.00 | \$0.00 | <input checked="" type="checkbox"/> |
| [REDACTED] | [REDACTED] | 33.557% | \$50,000.00 | \$541.87 | 0.009% | \$0.00 | \$0.00 | <input type="checkbox"/> |
| [REDACTED] | [REDACTED] | 33.557% | \$50,000.00 | \$541.87 | 0.009% | \$0.00 | \$0.00 | <input type="checkbox"/> |
| [REDACTED] | [REDACTED] | 100.000% | \$149,000.00 | \$1,614.17 | | | | <input type="checkbox"/> |

ACCOUNT ACTIVITY

| Transaction Date | Payment Date | Description | Transaction Amount | Interest | Principal | Disbursement Code | Other | Trust | Principal Balance |
|------------------|--------------|---------------------|--------------------|------------|---------------|-------------------|--------|-------|-------------------|
| | | Balance Forward | | | | | | | \$0.00 |
| 07/07/2009 | 08/01/2009 | Funds Advanced | -\$149,000.00 | \$1,614.17 | -\$148,000.00 | | | | \$149,000.00 |
| 07/28/2009 | | Payment - Thank You | \$1,614.17 | | | | | | \$148,000.00 |
| 07/28/2009 | | Payment - Other | \$0.00 | \$1,328.71 | | | | | \$149,000.00 |
| 08/28/2009 | 1/01/2009 | Payment - Thank You | \$1,614.17 | | | | | | \$149,000.00 |
| 11/04/2009 | 1/01/2009 | Payment - Thank You | \$1,614.17 | | | | | | \$149,000.00 |
| | | | \$6,199.22 | | -\$149,000.00 | | \$0.00 | | \$0.00 |
| | | | | | | | | | -\$1,328.71 |

TRUST ACCOUNT ACTIVITY

| Transaction Date | Check or Reference | Description / Memo | Amount Paid | Amount Received | Day | Balance |
|------------------|--------------------|------------------------------------|-------------|-----------------|-----|--------------|
| | | From Whom Received or To Whom Paid | | | | \$0.00 |
| 07/07/2009 | | Balance Forward | | | R | \$0.00 |
| 07/07/2009 | 535 | Total loan | | | R | \$23,054.79 |
| 07/07/2009 | 580 | First disbursement | | | R | \$13,018.50 |
| 07/28/2009 | PER DIEM | Closing costs | | | R | \$112,928.71 |
| 08/28/2009 | | Borrower Payment | \$1,328.71 | | R | \$111,800.00 |
| 08/28/2009 | 1256 | House deposit | \$8,892.00 | | R | \$104,710.00 |
| 10/23/2009 | 1287 | deposit for excavation | \$2,000.00 | | R | \$102,710.00 |
| 10/27/2009 | 51023555968 | Delivery of house | \$82,010.00 | | R | \$40,700.00 |
| 11/04/2009 | 1275 | 10/29/09: Inspection Fee | \$400.00 | | R | \$40,300.00 |
| 11/04/2009 | 1280 | Start Foundation | \$4,100.00 | | R | \$36,200.00 |

LOAN MASTER REPORT

TRUST ACCOUNT ACTIVITY

| Transaction Date | Check or Reference | From Whom Received or To Whom Paid | Description / Memo | Cl | Amount Paid Out | Amount Received | Daily Balance |
|------------------|--------------------|------------------------------------|-----------------------|----|-----------------|-----------------|---------------|
| 11/04/2009 | 777 | Borrower payment disbursement | November 2009 Payment | R | \$114,417.14 | \$149,000.00 | \$34,582.86 |