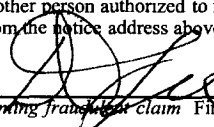


UNITED STATES BANKRUPTCY COURT for the Northern District of Georgia		PROOF OF CLAIM
Name of Debtor Cornerstone Ministries Investments, Inc		Case Number 08-20355
<small>NOTE This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503</small>		
Name of Creditor (the person or other entity to whom the debtor owes money or property) Bernard Global Loan Investors, Ltd		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim Court Claim Number _____ <small>(If known)</small> Filed on _____
Name and address where notices should be sent Frank W DeBorde, Morris Manning & Martin, LLP 1600 Atlanta Financial Center, 3343 Peachtree Road, NE Atlanta Georgia 30326-1044		
Telephone number (404) 233-7000		
Name and address where payment should be sent (if different from above)		
Telephone number		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars <input type="checkbox"/> Check this box if you are the debtor or trustee in this case
1 Amount of Claim as of Date Case Filed \$ <u>18,384,444.90</u> If all or part of your claim is secured complete item 4 below however if all of your claim is unsecured do not complete item 4 If all or part of your claim is entitled to priority complete item 5 <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges		5 Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a) If any portion of your claim falls in one of the following categories, check the box and state the amount Specify the priority of the claim <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B) <input type="checkbox"/> Wages salaries or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business whichever is earlier 11 U.S.C. § 507(a)(4) <input type="checkbox"/> Contributions to an employee benefit plan 11 U.S.C. § 507(a)(5) <input type="checkbox"/> Up to \$2,425* of deposits toward purchase lease or rental of property or services for personal family or household use 11 U.S.C. § 507(a)(7) <input type="checkbox"/> Taxes or penalties owed to governmental units 11 U.S.C. § 507(a)(8) <input type="checkbox"/> Other Specify applicable paragraph of 11 U.S.C. § 507(a)()
2 Basis for Claim <u>Money loaned</u> <small>(See instruction #2 on reverse side)</small>		Amount entitled to priority \$ _____ <small>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment</small>
3 Last four digits of any number by which creditor identifies debtor _____ 3a Debtor may have scheduled account as _____ <small>(See instruction #3a on reverse side)</small>		
4 Secured Claim (See instruction #4 on reverse side) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information Nature of property or right of setoff <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe _____ Value of Property \$ _____ Annual Interest Rate % _____ Amount of arrearage and other charges as of time case filed included in secured claim, if any \$ _____ Basis for perfection _____ Amount of Secured Claim \$ _____ Amount Unsecured \$ _____		
6 Credits The amount of all payments on this claim has been credited for the purpose of making this proof of claim 7 Documents Attach redacted copies of any documents that support the claim such as promissory notes purchase orders invoices itemized statements of running accounts contracts judgments mortgages and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of 'redacted' on reverse side) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING If the documents are not available please explain _____		
Date <u>10/22/06</u>	Signature The person filing this claim must sign it. Sign and print name and title if any of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney if any. 	

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years or both 18 U.S.C. §§ 152 and 357



Cornerstone

01814

FILED**OCT 24 2008****BMC GROUP**

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances such as bankruptcy cases not filed voluntarily by the debtor there may be exceptions to these general rules.

Items to be completed in Proof of Claim form**Court, Name of Debtor, and Case Number**

Fill in the federal judicial district where the bankruptcy case was filed (for example Central District of California) the bankruptcy debtor's name and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court all of this information is located at the top of the notice.

Creditor's Name and Address

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1 Amount of Claim as of Date Case Filed

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2 Basis for Claim

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.

3 Last Four Digits of Any Number by Which Creditor Identifies Debtor

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a Debtor May Have Scheduled Account As

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4 Secured Claim

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS below.) State the type and the value of property that secures the claim; attach copies of lien.

documentation and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5 Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a)

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6 Credits

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7 Documents

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). Do not send original documents; as attachments may be destroyed after scanning.

Date and Signature

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS**Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing.

Claim

A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101(5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted certain information. A creditor should redact and use only the last four digits of any social security, individual's tax identification, or financial account number, all but the initials of a minor's name, and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION**Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system (www.pacer.psc.uscourts.gov) for a small fee to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. §101 *et seq.*) and any applicable orders of the bankruptcy court.

EXHIBIT A

As of September 30, 2008, Cornerstone Ministries Investments, Inc ("Debtor") owes Bernard Global Loan Investors, Ltd , as successor in interest to Bernard National Senior Funding, Ltd ("Claimant") at least \$18,384,444 90 (the "Claim")

On or about August 31, 2006, CMI executed that certain Promissory Note in favor of Claimant in the original principal amount of \$40,000,000 00 (A true and correct copy of the Promissory Note is attached as Exhibit 1) Also on August 31, 2006, CMI Asset Pool I, LLC ("CAP") executed a Revolving Loan Agreement (the "Loan Agreement") providing for a revolving loan of up to \$40,000,000 00 from Claimant to CAP (A true and correct copy of the Loan Agreement is attached as Exhibit 2) In connection with the Loan Agreement and Promissory Note, on August 31, 2006, Debtor executed that certain Guaranty of Recourse Carveouts in favor of Claimant (the "Guaranty"), which serves to guarantee the payment of all debt owed to Claimant by CAP (A true and correct copy of the Guaranty is attached as Exhibit 3)

The Loan Agreement provides that "Borrower and Guarantor shall, jointly and severally, be personally liable for payment and performance of the Obligations in the event [that] Borrower or Guarantor shall file or institute any petition, case or proceeding under the Bankruptcy Code " (*Id* , § 10 6(A)) Thus, pursuant to the Guaranty, Debtor is liable to Claimant for the amount owed by CAP to Claimant (*See generally*, Guaranty)

As of September 30, 2008, the total amount due under the Loan Documents is \$18,384,444 90, which consists of principal in the amount of \$17,145,716 84, accrued interest in the amount of \$1,197,885 58, fees in the amount of \$584 98, and attorneys' fees of at least \$40,257 50 as of September 30, 2008 (*See Exhibit 4*)

EXHIBIT 1

PROMISSORY NOTE

\$40,000,000 00

August 31, 2006

FOR VALUE RECEIVED, CMI ASSET POOL I, LLC, a Delaware limited liability company, as Borrower ("Borrower"), promises to pay to the order of BERNARD NATIONAL SENIOR FUNDING, LTD, a Cayman Islands company (together with its successors and assigns, hereinafter referred to as "Holder"), having an address at 745 Fifth Avenue, 18th Floor, New York, New York 10151, or at such other place as Holder may from time to time designate in writing, in lawful money of the United States of America, the principal sum of FORTY MILLION and No/100 DOLLARS (\$40,000,000 00) or such other sum as may be the total amount outstanding pursuant to this Note (the "Loan"), payable at such rates and at such times as are provided in the "Loan Agreement" (as hereinafter defined)

Payments of both principal and interest are to be made in lawful money of the United States of America and in immediately available funds

This Promissory Note (this "Note") evidences certain Indebtedness incurred under, and is subject to the terms and provisions of, that certain Revolving Loan Agreement of even date herewith, by and between the Borrower and the Holder (herein, as the same may be further amended, modified or supplemented from time to time, called the "Loan Agreement") The Loan Agreement, to which reference is hereby made, sets forth said terms and provisions, including those under which this Note may or must be paid prior to its due date or may have its due date accelerated or extended The Loan Agreement also contains provisions for the payment of the Late Charge and interest at the Overdue Rate, all as more specifically set forth therein Repayment of the Indebtedness evidenced by this Note is secured by the Loan Documents referred to in the Loan Agreement, and reference is made thereto for a statement of terms and provisions *Terms used but not otherwise defined herein are used herein as defined in the Loan Agreement*

This Note may only be prepaid in accordance with the terms of Section 2.7 of the Loan Agreement

EXCEPT AS OTHERWISE EXPRESSLY PERMITTED IN THIS NOTE OR SECTION 2.7 OF THE LOAN AGREEMENT, BORROWER HEREBY EXPRESSLY (i) WAIVES ANY RIGHTS IT MAY HAVE UNDER LAW TO PREPAY THIS NOTE, IN WHOLE OR IN PART, WITHOUT PENALTY, UPON ACCELERATION OF THE MATURITY DATE, AND (ii) AGREES THAT IF, FOR ANY REASON, A PREPAYMENT OF ALL OR ANY PORTION OF THE PRINCIPAL AMOUNT OF THIS NOTE IS MADE, INCLUDING, WITHOUT LIMITATION, UPON OR FOLLOWING ANY ACCELERATION OF THE MATURITY DATE BY HOLDER ON ACCOUNT OF ANY DEFAULT BY BORROWER, INCLUDING, WITHOUT LIMITATION, ANY TRANSFER, DISPOSITION, OR FURTHER ENCUMBRANCE PROHIBITED OR RESTRICTED BY THE LOAN AGREEMENT, THEN BORROWER SHALL BE OBLIGATED TO PAY CONCURRENTLY WITH SUCH PREPAYMENT, THE PREPAYMENT FEE AS REQUIRED UNDER SECTION 2.7 OF THE LOAN AGREEMENT. BORROWER HEREBY DECLARES THAT (1) EACH OF THE MATTERS SET FORTH IN THIS PARAGRAPH IS TRUE AND CORRECT, (2) HOLDER'S AGREEMENT TO MAKE THE LOAN EVIDENCED BY THIS NOTE AT THE INTEREST RATES SET FORTH IN THE LOAN AGREEMENT AND FOR THE TERM SET FORTH IN THIS NOTE CONSTITUTES ADEQUATE CONSIDERATION FOR THIS WAIVER AND AGREEMENT, AND HAS BEEN GIVEN INDIVIDUAL WEIGHT BY BORROWER AND HOLDER, (3) IT IS A SOPHISTICATED AND KNOWLEDGEABLE REAL ESTATE INVESTOR WITH COMPETENT AND INDEPENDENT LEGAL COUNSEL, AND (4) IT FULLY UNDERSTANDS THE EFFECT OF THIS WAIVER AND AGREEMENT.

The remedies of Holder, as provided in this Note, the Loan Agreement and the other Loan Documents, shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Holder, and may be exercised as often as occasion therefor shall occur, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof. In any action, sale of collateral, or other proceedings to enforce this Note, the Loan Agreement or any other Loan Document, Holder need not file or produce the original of this Note, but only need file or produce a photocopy of this Note certified by Holder to be a true and correct copy of this Note.

In the event of any dispute, action or lawsuit regarding the terms hereof, subject to the provisions of the Loan Agreement, the prevailing party will have the right to recover from the other party all court costs and reasonable attorneys' fees and disbursements incurred with respect thereto, in addition to all other applicable damages and costs.

EXCEPT AS EXPRESSLY PROVIDED IN THIS NOTE OR THE OTHER LOAN DOCUMENTS, BORROWER AND ANY GUARANTOR OF THIS NOTE WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, DILIGENCE, PRESENTMENT FOR PAYMENT, DEMAND, NOTICE OF DEMAND, NOTICE OF PROTEST, NOTICE OF NONPAYMENT OR DISHONOR, NOTICE OF INTENTION TO ACCELERATE, NOTICE OF ACCELERATION, PROTEST AND NOTICE OF PROTEST OF THIS NOTE, AND ALL OTHER NOTICES IN CONNECTION WITH THE DELIVERY, ACCEPTANCE, PERFORMANCE, DEFAULT, OR ENFORCEMENT OF THE PAYMENT OF THIS NOTE BORROWER FURTHER WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ALL VALUATION AND APPRAISEMENT PRIVILEGES, CLAIMS OF LACK OF DILIGENCE OR DELAYS IN COLLECTION OR ENFORCEMENT OF THIS NOTE, THE RELEASE OF ANY PARTY LIABLE, THE RELEASE OF ANY SECURITY FOR THE DEBT, THE TAKING OF ANY ADDITIONAL SECURITY AND ANY OTHER INDULGENCE OR FORBEARANCE

Holder shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Holder, and then only to the extent specifically set forth in the writing. The acceptance by Holder of any payment hereunder which is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any remedy or remedies granted to Holder by the Loan Documents or at law or in equity at that time or at any subsequent time or nullify any prior exercise of any such right without the express consent of Holder, except as and to the extent otherwise provided by law. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.

PURSUANT TO SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BORROWER AND ANY GUARANTOR OF THIS NOTE AGREE THAT THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE UNITED STATES OF AMERICA AND THE LAWS OF THE STATE OF NEW YORK. IN ACCORDANCE WITH SECTION 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BORROWER AGREES THAT ANY ACTION TO ENFORCE THE TERMS OF THIS NOTE MAY BE COMMENCED IN ANY COURT LOCATED IN THE STATE OF NEW YORK. BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE, AND BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING.

Whenever used, the singular number shall include the plural, the plural shall include the singular, and the words "Holder" and "Borrower" shall be deemed to include their respective heirs, executors, successors and assigns.

All notices which Holder or Borrower may be required or permitted to give hereunder shall be made in the same manner as set forth in Section 13.3 of the Loan Agreement

In the event any one or more of the provisions hereof shall be invalid, illegal or unenforceable in any respect, the validity of the remaining provisions hereof shall be in no way affected, prejudiced or disturbed thereby

Borrower acknowledges that Holder may, in its sole discretion and in accordance with the terms of the Loan Agreement, sell all or any part of its interest in the Loan as evidenced by this Note, including, without limitation, for purposes of effecting a Securitization. Any such sale may be at a discount or premium, subject to a brokerage fee or involve a servicing agreement (provided, however, that Borrower shall not be responsible for the payment of any fees associated with such sale). In the event that all or any part of Holder's interest in the Loan is sold, Holder shall promptly provide Borrower with the name and address of the buyer of such interest.

Notwithstanding anything to the contrary contained in this Note or any other Loan Documents, to the fullest extent permitted by applicable law, the Holder's rights hereunder shall be reinstated and revived, and the enforceability of this Note and the other Loan Documents shall continue, with respect to any amount at any time paid on account of the Loan which thereafter shall be required to be restored by Holder pursuant to a court order or judgment (whether or not final or non-appealable), as though such amount had not been paid. The rights of Holder created or granted herein and the enforceability of the Loan Documents at all times shall, to the fullest extent permitted by applicable law, remain effective to cover the full amount of the Loan even though the Loan, including any part thereof or any other security or guaranty therefor, may be or hereafter may become invalid or otherwise unenforceable as against any other party and whether or not any other party shall have any personal liability with respect thereto.

BORROWER AND HOLDER MUTUALLY, EXPRESSLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY FOR ANY PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS NOTE, OR ANY OTHER LOAN DOCUMENT, IN THE INTEREST OF AVOIDING DELAYS AND EXPENSES ASSOCIATED WITH JURY TRIALS

Borrower and Holder, by acceptance of this Note, hereby agree that the Loan Documents supersede any prior oral or written agreements of the parties, without limiting the generality of the foregoing, in the event of conflict between the terms of this Note and the terms of the Loan Agreement, the terms of the Loan Agreement shall prevail.

Time is of the essence for the performance of each and every covenant of the parties hereunder or under the other Loan Documents. No excuse, delay, act of God, or other reason, whether or not within the control of Borrower or Holder (as the case may be), shall operate to defer, reduce or waive Borrower's or Holder's (as the case may be) performance of any such covenant or obligation.

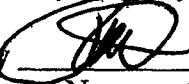
This Note shall be subject to the limitation of liability set forth in Section 10.7 of the Loan Agreement, the terms of which are incorporated herein by reference.

(SIGNATURES ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, Borrower, intending to be legally bound hereby, has duly executed this Note the day and year first above written

BORROWER

CMI ASSET POOL I, LLC, a Delaware limited liability company

By 

Name Jack Wehrmiller

Title President

EXHIBIT 2

REVOLVING LOAN AGREEMENT

by and between

CMI ASSET POOL I, LLC

as Borrower

and

BERNARD NATIONAL SENIOR FUNDING, LTD

as Lender,

Dated as of August 31, 2006

THIS REVOLVING LOAN AGREEMENT (this "Agreement"), is dated as of August 31, 2006, by and between CMI ASSET POOL I, LLC, a Delaware limited liability company ("Borrower"), and BERNARD NATIONAL SENIOR FUNDING, LTD, a Cayman Islands company (together with its successors and assigns, hereinafter referred to as "Lender")

RECITALS

WHEREAS, Borrower and Lender desire to enter into this Agreement to describe the terms and conditions upon which Lender agrees to make, and Borrower agrees to, borrow a revolving loan of up to \$40,000,000 for the purpose of financing certain of Borrower's existing Eligible Assets, as hereinafter defined, and to finance certain additional Eligible Assets from time to time, all in accordance with the terms and conditions set forth herein,

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender hereby agree as follows

ARTICLE I DEFINITIONS

Section 1.1 Certain Defined Terms As used in this Agreement, the following terms shall have the following meanings

Accounting Period means the period commencing on the first day of each calendar month (or, in the case of the initial Accounting Period, the Closing Date), to the last day of each calendar month

Advance and *Advances* means disbursements of the Loan other than the Initial Disbursement

Advance Request means a notice substantially in the form of Exhibit A-1 annexed hereto delivered by Borrower to Lender pursuant to Section 2.2(a)(1) with respect to a proposed Advance

Adverse Claim means any claim of ownership interest or any mortgage, deed of trust, deed to secure debt, trust deed, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other) or other security agreement of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement and any financing lease having substantially the same economic effect as any of the foregoing

Affiliate as applied to any Person, means any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, that Person For purposes of this definition "control" (including the correlative meanings the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of voting securities, by contract or otherwise, provided, that Lender and its respective Affiliates shall not be considered an Affiliate of Borrower

Aggregate Principal Outstanding means, at any time, the sum of the Outstanding Principal Amount of the Loan less the aggregate amount of Collections received and applied to reduce such Aggregate Principal Outstanding pursuant to Section 6, provided that the Aggregate Principal Outstanding shall be restored in the amount of any Collections so received and applied if at any time the distribution of any such Collections is rescinded or must otherwise be returned for any reason

Agreement means this Revolving Credit Agreement, together with its exhibits, schedules and other attachments, as the same may be amended, modified or supplemented from time to time

Alternate Rate means, in the event the LIBOR Rate is no longer published, as of any date of determination, in *The Wall Street Journal* or charging of Interest that is calculated based upon the LIBOR Rate would violate applicable law or regulation, the "prime rate" (or "base rate") reported in the Money Rates column or section of *The Wall Street Journal* published on the second full Business Day preceding the first day of the applicable Interest Period as having been the rate in effect for corporate Advances at large U S money center commercial banks (whether or not such rate has actually been charged by any such bank) or, if *The Wall Street Journal* ceases publication of such "prime rate" or "base rate," the annual rate of interest announced by JP Morgan Chase Bank, NA (or another financial institution with a main or branch office in New York City, New York, selected, from time to time, by Lender in its reasonable discretion) from time to time as its "prime rate" or "base rate" in effect at its principal office in New York, New York at 5 00 p m , New York City time (in either case, the "Prime Rate"), for such date minus 2 0%

Applicable Margin means 3 5%

Applicable Rate means, the Base Rate or the Overdue Rate as is deemed to be in effect pursuant to the terms of this Agreement, at which Interest accrues on the Aggregate Principal Outstanding

Bankruptcy Code means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute

Base Rate means a rate per annum equal to the greater of (a) 8 5% per annum, or (b) a variable rate per annum equal to the sum of (x) the LIBOR Rate, or the Alternate Rate, as the case may be, plus (y) the Applicable Margin increasing or decreasing with each increase or decrease in the LIBOR Rate, or the Alternate Rate, as the case may be (as and when the LIBOR Rate or the Alternate Rate change as described in this Agreement)

Borrower Obligations means all obligations of every nature of Borrower from time to time owed to Lender under any Loan Document, whether for the Aggregate Principal Outstanding, interest, fees, expenses, indemnification or otherwise

Borrower's Account means deposit account no 64 1303 4224 maintained with Depository Bank

Business Day means any day, other than a Saturday or a Sunday, on which banks are open for business in New York, New York and on which dealings in U S dollars are carried out on the London interbank market

Capital Lease, as applied to any Person, means any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of that Person

Capital Lease Obligations means, for any Person, all obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) Property to the extent such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP, and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP

Carveout Guaranty means that certain Guaranty of Recourse Carveouts of the Guarantor in favor of Lender of even date herewith

Cash Management Agreement shall mean the Cash Management Agreement dated the date hereof among Borrower, Lender and the Depository Bank

Change of Control means following the Closing Date, (a) the sale, transfer, or other disposition of all or substantially all of Borrower's assets, (b) the consummation of a merger or consolidation of Borrower with or into another entity or any other corporate reorganization, if 30% or more of the combined voting power of the continuing or surviving entity's stock outstanding immediately after such merger, consolidation or such other reorganization is owned, directly or indirectly, by Persons who were not stockholders of Borrower immediately prior to such merger, consolidation or other reorganization or Persons who were not stockholders of Borrower immediately prior to such merger, consolidation or event have the power to select a majority of the Board of Directors or analogous body of Borrower, or (c) a majority of the members of the board of directors or analogous body of Borrower changes during any twelve (12) month period, provided, however, the resignation, termination or replacement of a director or trustee with a Person supported by a majority of the trustees or directors of Borrower immediately prior to the resignation, termination or replacement in question shall not be counted for purposes of this part (c)

Charge-Off or Charge-Off Loan Facility Collateral Asset means a Loan Facility Collateral Asset (i) which has been identified by Borrower as uncollectible, (ii) which, in accordance with GAAP, should be written off Borrower's books as uncollectible, (iii) which is a Defaulted Loan Facility Collateral Asset, (iv) for which any obligations thereunder have been charged by Borrower against any reserves, holdbacks, or discounts or otherwise accounted for as a loss by Borrower in accordance with Borrower's practices as in effect on the date hereof or (v) with respect to which Borrower has commenced a foreclosure action or other lawsuit against the Obligor

Charge-Off Losses means, as of the end of any Accounting Period, with respect to the aggregation of all Loan Facility Collateral Assets as of such date, the quotient of (i) (A) the

principal balance of all Defaulted Loan Facility Collateral Assets which become Defaulted Loan Facility Collateral Assets during Accounting Period minus (B) amounts deposited in the Collection Account from Net Recoveries on Defaulted Loan Facility Collateral Assets (which became Defaulted Loan Facility Collateral Assets during a prior Accounting Period) and allocated to principal divided by (11) the principal balance of all Loan Facility Collateral Assets which are not Defaulted Loan Facility Collateral Assets, which quotient shall be expressed as a percentage, and calculated in accordance with GAAP

Closing Certificate means a certificate executed by Borrower certifying that (i) the representations and warranties of Borrower in the Loan Documents are true and correct on and as of the Funding Date in question (after giving effect to the applicable funding of the Advances and related assignment of Loan Facility Collateral Assets), (ii) all conditions to the funding of the Advances have been satisfied, and (iii) the original Underlying Loan Facility Collateral Documents and other Underlying Loan Facility Collateral Deliveries deposited with Lender have been executed and delivered by the applicable party thereto and, are substantially in (x) the form of the applicable document attached hereto as Exhibit B, or (y) the same form as the draft documents delivered to Lender with the relevant document approval request, or, in the event of any modification of the Underlying Loan Facility Collateral Documents, in the same form as comparisons of the same to the forms delivered to Lender and previously approved by Lender

Closing Date means the date hereof

Code means The Internal Revenue Code of 1986, as amended, as now and hereafter in effect, or any successor statute

Collateral Assignments means each Collateral Assignment of Underlying Loan Documents and Security Agreement substantially in the form of Exhibit B attached hereto (with such modifications as Lender may reasonably request) that may be entered into by Borrower in favor of Lender, securing any Borrower Obligations, and each agreement, instrument or document confirming, supplementing, amending or modifying any of the foregoing

Collection Account means the segregated account in Borrower's name, in which Lender has a first priority, perfected security interest, maintained by Borrower in the name of Lender as secured party at Depository Bank, or such other bank approved by Lender for the purpose of receiving and concentrating Collections and such accounts as may be added thereto or deleted therefrom. As of the Closing Date, the Collection Account is maintained at Depository Bank and is designated as Account Number 82-9033-01-8

Collections means, with respect to any Loan Facility Collateral Asset or Underlying Loan Facility Collateral Security, all cash collections and other cash proceeds of such Loan Facility Collateral Asset or Underlying Loan Facility Collateral Security, including, without limitation, all Scheduled Payments, Finance Charges, full or partial prepayments, liquidation proceeds, insurance proceeds, refunds, late charges, fees (including "insufficient funds" and returned check fees and extension fees) or other cash proceeds of Underlying Loan Facility Collateral Security with respect to such Loan Facility Collateral Asset, and any amount deemed to have been received by or on behalf of Borrower with respect to such Loan Facility

Collateral Asset, including, without limitation, cash collections or proceeds received whenever any Loan Facility Collateral Asset or Underlying Loan Facility Collateral Security is sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary

Contingent Obligation as applied to any Person, means any direct or indirect liability, contingent or otherwise, of that Person (i) with respect to any Indebtedness, lease, dividend or other obligation of another if the primary purpose or intent thereof by the Person incurring the Contingent Obligation is to provide assurance to the obligee of such obligation of another that such obligation of another will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such obligation will be protected (in whole or in part) against loss in respect thereof, (ii) with respect to any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings, or (iii) under interest rate swap, cap or collar agreements and currency swap or cap agreements or any other similar agreements. Contingent Obligations shall include, without limitation, (a) the direct or indirect guaranty, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another, (b) the obligation to make take-or-pay or similar payments if required regardless of non-performance by any other party or parties to an agreement, and (c) any liability of such Person for the obligation of another through any agreement (contingent or otherwise) (X) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of Advances, advances, stock purchases, capital contributions or otherwise) or (Y) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (X) or (Y) of this sentence, the primary purpose or intent thereof is as described in the preceding sentence. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported or, if less, the amount to which such Contingent Obligation is specifically limited. Lender shall have no obligation to make any Advance in respect of Borrower's Contingent Obligations.

Contractual Obligation as applied to any Person, means any provision of any Securities issued by that Person or of any material indenture, mortgage, deed of trust, deed to secure debt, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

Custodian means US Bank, NA a national banking association, or such other person or entity reasonably acceptable to Lender to act as the "Custodian" hereunder.

Default means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

Defaulted Loan Facility Collateral Asset means a Loan Facility Collateral Asset (i) for which all, or any part, of any scheduled payment is due and unpaid more than thirty (30) days after the due date for such scheduled payment, (ii) which has been settled for less than its principal balance, (iii) with respect to which proceeds have been received which in Lender's

judgment, constitute the final amounts recoverable in respect of such Loan Facility Collateral Asset, (iv) which is a Charge-Off Loan Facility Collateral Asset (or should be a Charge-Off Loan Facility Collateral Asset) in accordance with the Loan Origination Guidelines, (v) the Obligor of which is a party to a proceeding under the Bankruptcy Code or similar debtor relief law (other than as a creditor or claimant), (vi) with regard to which a material non-monetary default has occurred under the relevant Underlying Loan Facility Collateral Documents which has not been cured within the applicable grace period set forth in the applicable Underlying Loan Facility Collateral Documents or (vii) the scheduled maturity date of which has been accelerated

Depository Bank shall mean Regions Bank, an Alabama banking corporation, whose address is 417 North 20th Street, Suite 1420, Birmingham, Alabama 35203, or such other bank approved by Lender

DOL means the United States Department of Labor and any successor department or agency

Eligible Asset means, at any time, any indebtedness owed by an Obligor to Borrower and secured by a first priority mortgage or deed of trust (or first and second priority) on the applicable Mortgaged Property and all collateral security related to the foregoing, and the applicable Mortgaged Property is any of the following (i) land development, (ii) senior housing facilities (excluding skilled nursing facilities), (iii) churches, and (iv) multifamily and residential properties that is listed on a List of Loan Collateral Assets delivered to Lender and which has been approved by Lender, in Lender's sole discretion, and which, in Lender's sole discretion, also satisfies each of the following requirements

(a) The Obligor of which meets the criteria for eligibility as a borrower pursuant to the Loan Origination Guidelines, as in effect at the time such Eligible Asset originated, or is otherwise accepted by Lender in its sole and absolute discretion

(b) The Obligor of which is not an Affiliate of any of the parties hereto

(c) The Obligor of which is not the Obligor of any Eligible Asset that has at any time been a Defaulted Loan Facility Collateral Asset

(d) The Eligible Asset is not, and has not at any time been, a Defaulted Loan Facility Collateral Asset

(e) The Eligible Asset is evidenced by an "instrument" within the meaning of the UCC of all applicable jurisdictions

(f) The Eligible Asset is denominated and payable only in United States Dollars in the United States

(g) The Eligible Asset arises under Underlying Loan Facility Collateral Documents in substantially the forms set forth on Exhibit B annexed hereto, the applicable Underlying Loan Facility Collateral Documents and assignments thereof to Lender (or in blank) evidencing or securing the applicable Eligible Asset are substantially in the form of the documents provided to Lender pursuant to Schedule 2.2-1 or in the alternative, Borrower has

provided Lender with machine-generated comparisons of such documents against the draft documents provided to Lender, with such changes reasonably approved by Lender, such Underlying Loan Facility Collateral Documents and such Eligible Asset and the related Underlying Loan Facility Collateral Deliveries are in full force and effect and constitute the legal, valid and binding obligations of the Obligor enforceable against such Obligor in accordance with their respective terms subject to no offset, counterclaim or other defense, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditor's rights generally or by equitable principles relating to enforceability

(h) The Eligible Asset arises under the Underlying Loan Facility Collateral Documents which (i) do not require the Obligor under such Underlying Loan Facility Collateral Documents to consent to the transfer, sale or assignment of the rights and duties of Borrower under such Underlying Loan Facility Collateral Documents and (ii) does not contain a confidentiality provision that purports to restrict the ability of Lender or its successors or assigns to exercise rights under this Agreement or the other Loan Documents, including, without limitation, their right to review such Underlying Loan Facility Collateral Documents

(i) The Eligible Asset is legally and beneficially owned by Borrower, free and clear of any Adverse Claim, except as created or permitted hereunder, and any assignment of such Eligible Asset by Borrower or its transferees is not prohibited by the applicable Underlying Loan Facility Collateral Documents or any Underlying Loan Facility Collateral Security with respect thereto

(j) The Eligible Asset together with the Underlying Loan Facility Collateral Documents related thereto, do not contravene any laws, rules or regulations applicable thereto (including, without limitation, laws, rules and regulations relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices, privacy, usury and other consumer laws) and with respect to which no Underlying Loan Facility Collateral Documents related thereto are in violation of any such law, rule or regulation

(k) The Eligible Asset was generated in the ordinary course of Borrower's or Guarantor's respective business

(l) The Eligible Asset arises under Underlying Loan Facility Collateral Documents the terms of which call for monthly accrual of interest and a term of no more than twenty (20) years Each payment is due on the same day of the month

(m) Lender has a first perfected security interest in the Eligible Asset and all Underlying Loan Facility Collateral Security

(n) Lender has not notified Borrower in writing that it has determined, in its good faith discretion, that such Eligible Asset or class of Eligible Assets is not acceptable as an Eligible Asset because such Eligible Asset poses a material risk of uncollectibility

(o) The Underlying Loan Facility Collateral Documents contain the original signature of the respective Obligor

(p) No provision of the Underlying Loan Facility Collateral Documents has been waived, extended, altered or modified in any material respect except in accordance with the Loan Origination Guidelines, or, if criteria for such waiver, extension, alteration or modification is not contained in the Loan Origination Guidelines, with the prior consent of Lender

(q) All Scheduled Payments made on the Underlying Loan Facility Collateral Documents have been applied in accordance with the Underlying Loan Facility Collateral Documents and by applicable law. Any payments in respect of interest and principal in excess of the Scheduled Payments due at the time of such payment were applied to the final maturing Scheduled Payments (thereby reducing the Outstanding Principal Balance thereof) and not the Scheduled Payments next due

(r) On the date of the Underlying Loan Facility Collateral Documents, the Obligor had the capacity to contract and was Solvent. Borrower is not aware of facts, arising after the date of the Eligible Asset, which indicate Obligor did not have the capacity or which indicate a materially adverse change since the date of the Underlying Loan Facility Collateral Documents in the Obligor's financial condition or the value of the Underlying Loan Facility Collateral Security

(s) Borrower has not commenced a foreclosure action or other lawsuit against the Obligor, nor has Borrower designated the Underlying Loan Facility Collateral Documents for such action

(t) The Eligible Asset is to be collected and otherwise serviced by Borrower

(u) The obligation of the original Obligor has not been released or assumed by another Person unless the release or assumption was properly documented (or, in the case of an assumption, occurred by operation of law) and Lender consents in writing to it

(v) The Underlying Loan Facility Collateral Documents have not been, nor are they designated to be, terminated, satisfied, canceled, subordinated or rescinded in whole or in part, nor has any Underlying Loan Facility Collateral Security been released, or designated for release, from the security interest granted by the Underlying Loan Facility Collateral Documents, unless, and only to the extent, consented to by Lender

(w) No claims of rescission, setoff, counterclaim, defense or other dispute have been asserted with respect to the Underlying Loan Facility Collateral Documents. Neither Borrower nor any Affiliate of Borrower has made any agreement with Obligor to reduce the amount owed under the Underlying Loan Facility Collateral Documents. Except as expressly set forth in the Underlying Facility Collateral Documents, neither Borrower nor any such Affiliate are required to perform any additional service for, or perform or incur any additional obligation to, Obligor in order for Borrower to enforce the Underlying Loan Facility Collateral Documents

(x) Except for payment defaults cured within ten (10) days expressly disclosed, in writing, to Lender, no default, breach, violation or event permitting acceleration under the terms of the Underlying Loan Facility Collateral Documents has occurred

(y) Lender has received (i) the original Underlying Loan Facility Collateral Documents, bearing the original signature of Obligor, including any modifications or supplements thereto, and (ii) to the extent not subsumed in (i), the Underlying Loan Facility Collateral Deliveries

(z) Borrower has executed and delivered to Lender a Collateral Assignment and such other documents and instruments as Lender may request, pursuant to which Lender has been granted a first priority security interest in the Eligible Asset that has been fully perfected to the satisfaction of Lender (and which Eligible Asset is subject to no other liens other than Permitted Liens) For avoidance of doubt, the Eligible Assets identified on Schedule 1.1 have been approved by Lender to be financed by the Initial Disbursement on the Closing Date and constitute "Loan Facility Collateral Assets "

Eligible Investments means (i) marketable securities issued or directly and unconditionally guaranteed by the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof, (ii) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having the highest rating obtainable from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc , (iii) commercial paper maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from Standard & Poor's Ratings Group or at least P-1 from Moody's Investors Service, Inc , (iv) certificates of deposit or bankers' acceptances maturing within one year from the date of acquisition thereof issued by any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia having unimpaired capital and surplus of not less than \$250,000,000 (each such commercial bank herein called an "Eligible Bank"), (v) Eurodollar time deposits having a maturity of less than one year purchased directly from any Eligible Bank (whether such deposit is with such Eligible Bank or any other Eligible Bank), (vi) money market funds having the highest rating obtainable from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc , and (vii) debt securities issued by real estate investment trusts held as a temporary qualifying investments for real estate investment trusts under the Code, provided, however, the investments described in part (vii) of this definition of Eligible Investments shall not be deemed Eligible Investments for purposes of investments of funds in the Collection Account

Environmental Indemnity Agreement means the Environmental Indemnity Agreement, dated of even date herewith, executed by Borrower and Guarantor in favor of Lender, together with all amendments, modifications, renewals, substitutions and extensions thereto

Environmental Laws means all statutes, ordinances, orders, rules, regulations, plans, policies or decrees and the like relating to (i) environmental matters, including, without limitation, those relating to fines, injunctions, penalties, damages, contribution, cost recovery compensation, losses or injuries resulting from the Release or threatened Release of Hazardous Materials, (ii) the generation, use, storage, transportation or disposal of Hazardous Materials, or

(iii) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare, in any manner applicable to Borrower or any of its properties

ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto

ERISA Affiliate means, as applied to any Person, (i) any corporation which is a member of a controlled group of corporations within the meaning of Section 414(b) of the Internal Revenue Code of which that Person is a member, (ii) any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Internal Revenue Code of which that Person is a member, and (iii) any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Internal Revenue Code of which that Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above is a member. Any former ERISA Affiliate of Borrower shall continue to be considered an ERISA Affiliate of Borrower within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of Borrower and with respect to liabilities arising after such period for which Borrower could be liable under the Internal Revenue Code or ERISA

Event of Default means an event described in Section 8.1

Facility LTV Ratio means as of any date of determination, and for all Mortgaged Properties, as a portfolio, the ratio (expressed as a percentage) of (x) the Aggregate Principal Outstanding, to (y) the aggregate Market Value of all of the Mortgaged Properties constituting the underlying collateral security with respect to each Loan Facility Collateral Assets

Finance Charges means, with respect to a Loan Facility Collateral Asset, any finance, interest, late or similar charges owing by an Obligor pursuant to the applicable Underlying Loan Facility Collateral Documents

Fiscal Quarter means a fiscal quarter of any Fiscal Year

Fiscal Year means the fiscal year of Borrower ending on December 31 of each calendar year

Funding Date means, with respect to each Advance, the Business Day on which such Advance is made

GAAP means generally accepted accounting principles set forth in opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, in each case as the same are applicable to the circumstances as of the date of determination

Governmental Authority means the United States of America, any state or other political subdivision thereof and any other foreign or domestic court, tribunal or entity of any

nature exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government

Governmental Authorization means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority

Gross Negligence means willful misconduct, recklessness or the absence of the slightest care or the complete disregard of consequences. Gross Negligence does not mean the absence of ordinary care or diligence, or an inadvertent act or an inadvertent failure to act. To the extent the term "gross negligence" is used with respect to Lender or any other indemnitee in any of the Loan Documents, it shall have the meaning set forth herein.

Guarantor means Cornerstone Ministries Investments, Inc., a Georgia corporation

Hazardous Materials means any chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority, or which may or could pose a hazard to the health and safety of the owners, occupants or any Persons in the vicinity of the Properties

Indebtedness means, with respect to any Person on a consolidated basis (a) obligations created, issued or incurred by such Person for borrowed money (whether by Advance, the issuance and sale of debt securities or the sale of Property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such Property from such Person), (b) obligations of such Person to pay the deferred purchase or acquisition price of Property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business, so long as such trade accounts payable are payable within ninety (90) days of the date the respective goods are delivered or the respective services are rendered, (c) indebtedness of others secured by a lien on the Property of such Person, whether or not the respective Indebtedness so secured has been assumed by such Person, (d) obligations (contingent or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of such Person, (e) Capital Lease Obligations of such Person, (f) obligations of such Person under repurchase agreements, sale/buy-back agreements or like arrangements, (g) indebtedness of others subject to a guaranty by such Person, and (h) indebtedness of general partnerships of which such Person is a general partner

Indemnified Amount has the meaning assigned to that term in Section 10.1

Indemnified Party has the meaning assigned to that term in Section 10.1

Independent Director means (x) in the case of a Single Member Bankruptcy Remote LLC, a natural person selected by Borrower and reasonably satisfactory to Lender who shall not have been at the time of such individual's appointment as an Independent Director of the Single Member Bankruptcy Remote LLC, does not thereafter become while serving as an Independent Director (except pursuant to an express provision in the Single Member Bankruptcy Remote LLC's limited liability company agreement providing for the Independent Director to become a Special Member (defined below) upon the Guarantor of such Single Member

Bankruptcy Remote LLC ceasing to be a member in such Single Member Bankruptcy Remote LLC) and shall not have been at any time during the preceding five (5) years (i) a shareholder/partner/member of, or an officer or employee of, Borrower or any of its shareholders, subsidiaries or Affiliates, (ii) a director (other than as an Independent Director or similar capacity of any Person that does not own any direct or indirect equity interest in Borrower) of any shareholder, subsidiary or Affiliate of Borrower, (iii) a customer of, or supplier to, Borrower or any of its shareholders, subsidiaries or Affiliates, (iv) a Person who controls any such shareholder, supplier or customer, or (v) a member of the immediate family of any such shareholder/ director/partner/member, officer, employee, supplier or customer or of any manager of Borrower (other than as an Independent Director or similar capacity of any Person that does not own any direct or indirect equity interest in Borrower), and (y) in the case of a corporation, an individual selected by Borrower and reasonably satisfactory to Lender who shall not have been at the time of such individual's appointment as a director, does not thereafter become while serving as an Independent Director and shall not have been at any time during the preceding five (5) years (i) a shareholder/partner/member of, or an officer, employee, consultant, agent or advisor of, Borrower or any of its shareholders, subsidiaries, members or Affiliates, (ii) a director (other than as an Independent Director or similar capacity of any Person that does not own any direct or indirect interest in Borrower or Borrower's general partner or managing member) of any shareholder, subsidiary, member, or Affiliate of Borrower other than Borrower's general partner or managing member, (iii) a customer of, or supplier to, Borrower or any of its shareholders, subsidiaries or Affiliates that derives more than ten percent (10%) of its purchases or income from its activities with Borrower or any Affiliate of Borrower, (iv) a Person who controls any such shareholder, supplier or customer, or (v) a member of the immediate family (including a grandchild or sibling) of any such shareholder/director/partner/member, officer, employee, supplier or customer or of any other director of Borrower's general partner or managing member (other than as an Independent Director or similar capacity of any Person that does not own any direct or indirect interest in Borrower or Borrower's general partner or managing member)

Initial Disbursement means an amount equal to Twenty Million and No/100ths Dollars (\$20,000,000 00), or so much thereof as Borrower shall request in writing, to be advanced on the Closing Date, provided that the amount thereof shall not be in excess of the amounts permitted pursuant to the financial restrictions hereunder

Interest means, with respect to any Interest Period or other applicable period, the aggregate of the following

$$\text{AR} \times \text{PO} \times \frac{\text{AD}}{360}$$

Where AR = the Applicable Rate for such Interest Period,

 PO = the Aggregate Principal Outstanding for such Interest Period (pro-rated for any Interest Period during which the Aggregate Principal Outstanding changes), and

 AD = the actual number of days elapsed during such Interest Period (applied proportionally for changes in the Aggregate Principal

Outstanding during any Interest Period),

provided, however, that no provision of this Agreement shall require the payment or permit the collection of Interest in excess of the maximum permitted by applicable law, and provided further, that Interest shall not be considered paid by any payment if at any time such payment is rescinded or must be returned for any reason

Interest Payment Date means the first day of each calendar month, commencing with the first such date after the first Funding Date, provided that if such first day is not a Business Day, the Interest Payment Date for such month shall be the next succeeding Business Day

Interest Period means with respect to any Advance, initially a period of days commencing on the date of such Advance to and excluding the next succeeding Interest Payment Date, and, with respect to each continuation thereof, a period of days commencing on the Interest Payment Date on which such continuation began to and excluding the next succeeding Interest Payment Date. No Interest Period shall extend beyond the Termination Date

Investment means any direct or indirect purchase or other acquisition by Borrower of, or of a beneficial interest in, any stock or other Securities of any other Person or any direct or indirect loan, advance or capital contribution by Borrower to any other Person, including all indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary course of business. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment

Late Charge is defined in Section 2.4(c)

LIBOR Rate means the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) equal to the London Interbank Offered Rate (LIBOR) with a one-month maturity as reported in the Money Rates column or section of The Wall Street Journal published on the second Business Day preceding the first day of the relevant Interest Period (or other relevant period)

List of Loan Collateral Assets means the list delivered to Lender by Borrower with each Eligible Asset which (i) identifies each Eligible Asset being delivered by account number, the name of the Obligor and the Outstanding Principal Balance and (ii) identifies all Underlying Loan Facility Collateral Security with respect to each Eligible Asset

Loan means the loan from Lender to Borrower, evidenced by the Note, in a principal amount not to exceed the Maximum Facility Amount

Loan Account Collateral has the meaning set forth in Section 6.4

Loan Facility Collateral Assets means, at any time, (a) each Eligible Asset, including, without limitation, each Eligible Asset identified on any List of Loan Collateral Assets delivered by Borrower to Lender and, for each such Eligible Asset, the note representing such

Eligible Asset and the related Underlying Loan Facility Collateral Deliveries, (b) all Underlying Loan Facility Collateral Security with respect to each such Eligible Asset, (c) each Collection with respect to each Eligible Asset or its Underlying Loan Facility Collateral Security and (d) all proceeds, products or any other distributions of, from or in respect of any of the foregoing, including, without limitation, whatever is receivable or received when any of the foregoing is sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary

Loan Documents means this Agreement, the Note, the Collateral Assignment, the Environmental Indemnity, the Carveout Guaranty, the Pledge and Security Agreement, the Cash Management Agreement and all other agreements, instruments, documents, UCC financing statements or certificates necessary to effectuate the transactions contemplated herein and therein

Loan Origination Guidelines means Borrower's Loan origination policies and practices relating to Eligible Assets existing on the date hereof and set forth in Schedule 1 1(a) annexed hereto, as modified from time to time by Borrower's Board of Directors

Lockout Expiration Date means August 31, 2008

Market Value shall mean, as of any date of determination by Lender, shall mean, in respect of an Eligible Asset, the value of the underlying Mortgaged Property, as determined by an MAI appraiser licensed in the state in which the Mortgaged Property is located, or other source of valuation for any underlying Mortgaged Property approved by Lender, as determined in good faith by Lender Lender's determination of Market Value shall be conclusive upon the parties absent manifest error on the part of Lender

Material Adverse Change means an event or condition the occurrence of which has had, or could reasonably be expected to have (i) a material adverse effect upon the business, operations, properties, assets, condition (financial or otherwise) or prospects of Borrower or the value or collectibility of any of the Loan Facility Collateral Assets or (ii) a material adverse effect on the ability of Borrower to pay or perform any Borrower Obligation or any other obligations under any of the Loan Documents, or on the rights and remedies of Lender under any Loan Document with respect to the Loan Facility Collateral Assets or otherwise

Maturity Date means August 31, 2009

Maximum Advance Rate means 50%

Maximum Facility Amount means \$20,000,000 00, provided, however, that upon written request of Borrower and Guarantor, and provided that the applicable conditions precedent set forth herein have been satisfied, in Lender's sole discretion, the Maximum Facility Amount may increase to the total principal amount set forth in any Advance Request, not to exceed \$40,000,000 00 The amount and effective date of any such increase(s) in the Maximum Facility Amount shall be set forth in an instrument executed by Borrower, Lender and Guarantor

Maximum LTV means a Facility LTV of 37 5%

Mortgaged Property means, with respect to any Eligible Asset, a fee or leasehold interest in real property, together with the improvements located thereon, that constitutes collateral security for an Eligible Asset

Multiemployer Plan means any Employee Benefit Plan which is a “multiemployer plan” as defined in Section 3(37) of ERISA

Net Cash Proceeds means, with respect to any transaction or event, an amount equal to the cash proceeds received by Borrower from or in respect of such transaction or event (including cash proceeds of any non-cash proceeds of such transaction), less any out-of-pocket costs, expenses or taxes reasonably incurred by Borrower in connection therewith

Net Recoveries means, with respect to a Defaulted Loan Facility Collateral Asset, the monies collected from whatever source, during any Accounting Period following the Accounting Period in which such Eligible Asset became a Defaulted Loan Facility Collateral Asset, net of the reasonable costs of liquidation plus any amounts required by law to be remitted to the respective Obligor

Note shall mean the promissory note, dated as of the date hereof, executed and delivered by Borrower evidencing the Loan to be made by Lender to Borrower hereunder and any promissory note delivered in substitution or exchange therefor, in each case as the same shall be amended, modified, restated and supplemented and in effect from time to time

Obligor means, with respect to any Eligible Asset, the Person or Persons obligated to make payments pursuant to the Underlying Loan Facility Collateral Documents or any guaranty relating to such Eligible Asset

Obligor Affiliate means each Affiliate of the Obligor granting a security interest in all or part of the Underlying Loan Facility Collateral Security and/or providing a guaranty

Officers' Certificate means, as applied to any corporation, a certificate executed on behalf of such corporation by its chairman of the board (if an officer) or its president or one of its vice presidents and by its chief financial officer or its treasurer

Other Costs has the meaning assigned to such term in Section 10.4

Outstanding Principal Balance means the outstanding principal balance of a Loan Facility Collateral Asset

Outstanding Principal Amount of the Loan means the aggregate outstanding principal balance of the Loan

Overdue Rate means at all times (including after the occurrence of an Event of Default), a rate per annum equal to (a) the Base Rate plus (b) 5%

Person means any legal person, including any individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, joint venture,

association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof

Pledge and Security Agreement means the Pledge and Security Agreement, to be executed by Borrower in favor of Lender with respect to each Loan Facility Collateral Asset, according to which Borrower shall pledge its interests in the Loan Facility Collateral Asset to the benefit of Lender

Preliminary Due Diligence Package shall mean with respect to any proposed Eligible Asset, Borrower's standard Advance submission memorandum substantially, in the form of Schedule 1 1(c) attached hereto, accompanied by (a) a final or draft third-party appraisal of the Eligible Asset, (b) a draft or final third-party environmental site assessment report for the applicable Eligible Asset, (c) a draft or final third party real estate asset physical condition report for the applicable Eligible Asset and (d) to the extent such approvals have occurred, a copy of all Borrower and Guarantor internal approvals required for the origination of the Eligible Asset in question

Proceeding has the meaning assigned to that term in Section 5 1(b)(iv)

Property means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible

Property Type means any of the following land, senior housing facilities (excluding skilled nursing facilities), churches, and single-family or multi-family residential properties

Records means, with respect to any Loan Facility Collateral Asset, the Underlying Loan Facility Collateral Deliveries and other documents, books, records, reports, files, documents and other information (including, without limitation, computer programs, electronic data, tapes, discs, punch cards, data processing software and related property and rights) relating to such Loan Facility Collateral Asset or the related Obligor

Regulatory Change has the meaning assigned to that term in Section 10 3

Release means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Materials into the environment, or into or out of any Property

Requirements of Law means, with respect to any Person, any law, treaty, rule or regulation or determination of an arbitrator or Governmental Authority applicable to or binding upon such Person or to which such Person is subject, whether federal, state or local, regulations promulgated pursuant to any of the foregoing and all state and local counterparts of such laws

Schedule of Payments means the schedule of interest and principal payments disclosed in the applicable Underlying Loan Facility Collateral Documents

Scheduled Payment means each periodic installment payment amount disclosed in the Schedule of Payments for the applicable Loan Facility Collateral Asset

Securities means any stock, limited liability company interests, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as “securities” or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing

Securities Act means The Securities Act of 1933, as amended, as now and hereafter in effect, or any successor statute

Single Member Bankruptcy Remote LLC means a limited liability company organized under the laws of the State of Delaware which at all times since its formation and at all times thereafter (i) is wholly-owned by Guarantor, (ii) complies with the definition of Special Purpose Bankruptcy Remote Entity below, (iii) has maintained and will maintain its accounts, books and records separate from any other person except as may be consolidated pursuant to GAAP or for federal or state income tax purposes, (iv) has and will have an operating agreement which provides that the business and affairs of Borrower shall be managed by or under the direction of a board of one or more directors designated by Guarantor, and at all times there shall be at least one (1) duly appointed Independent Director on the board of directors, and the board of directors will not take any action requiring the unanimous affirmative vote of one hundred percent (100%) of the members of its board of directors unless, at the time of such action there is at least one (1) member of the board of directors who is an Independent Director, and all of the directors and the Independent Director shall have participated in such vote, (v) has and will have an operating agreement which provides that, as long as any portion of the Loan remains outstanding, (A) upon the occurrence of any event that causes Guarantor to cease to be a member of Borrower (other than (x) upon an assignment by Guarantor of all of its limited liability company interest in Borrower and the admission of the transferee, if permitted pursuant to the organizational documents of Borrower and the Loan Documents, or (y) the resignation of Guarantor and the admission of an additional member of Borrower, if permitted pursuant to the organizational documents of Borrower and the Loan Documents), the person acting as an Independent Director of Borrower shall, without any action of any Person and simultaneously with Guarantor ceasing to be a member of Borrower, automatically be admitted as the Guarantor of Borrower (the “Special Member”) and shall preserve and continue the existence of Borrower without dissolution, (B) no Special Member may resign or transfer its rights as Special Member unless (x) a successor Special Member has been admitted to Borrower as a Special Member, and (y) such successor Special Member has also accepted its appointment as an Independent Director and (C) except as expressly permitted pursuant to the terms of this Agreement, Guarantor may not resign and no additional member shall be admitted to Borrower, (vi) has and will have an operating agreement which provides that, as long as any portion of the Loan remains outstanding, (A) Borrower shall be dissolved, and its affairs shall be wound up only upon the first to occur of the following (x) the termination of the legal existence of the last remaining member of Borrower or the occurrence of any other event which terminates the continued membership of the last remaining member of Borrower in Borrower unless the business of Borrower is continued in a manner permitted by its operating agreement or the Delaware Limited Liability Company Act (the “Act”) or (y) the entry of a decree of judicial dissolution under Section 18-802 of the Act, (B) upon the occurrence of any event that causes the last remaining member of

Borrower to cease to be a member of Borrower or that causes Guarantor to cease to be a member of Borrower (other than (x) upon an assignment by Guarantor of all of its limited liability company interest in Borrower and the admission of the transferee, if permitted pursuant to the organizational documents of Borrower and the Loan Documents, or (y) the resignation of Guarantor and the admission of an additional member of Borrower, if permitted pursuant to the organizational documents of Borrower and the Loan Documents), to the fullest extent permitted by law, the personal representative of such member shall be authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in Borrower, agree in writing to continue the existence of Borrower and to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of Borrower, effective as of the occurrence of the event that terminated the continued membership of such member in Borrower, (C) the bankruptcy of Guarantor or a Special Member shall not cause such member or Special Member, respectively, to cease to be a member of Borrower and upon the occurrence of such an event, the business of Borrower shall continue without dissolution, (D) in the event of dissolution of Borrower, Borrower shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of Borrower in an orderly manner), and the assets of Borrower shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act, and (E) to the fullest extent permitted by law, each of Guarantor and the Special Member shall irrevocably waive any right or power that it might have to cause Borrower or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of Borrower, to compel any sale of all or any portion of the assets of Borrower pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of Borrower

Solvent means, with respect to any Person, that as of the date of determination both (a) (i) the then fair saleable value of the property of such Person is (y) greater than the total amount of liabilities (including contingent liabilities) of such Person and (z) not less than the amount that will be required to pay the probable liabilities on such Person's then existing debts as they become absolute and matured considering all financing alternatives and potential asset sales reasonably available to such Person, (ii) such Person's capital is not unreasonably small in relation to its business or any contemplated or undertaken transaction, and (iii) such Person does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due, and (b) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability

Special Purpose Bankruptcy Remote Entity means (x) a limited liability company that is a Single Member Bankruptcy Remote LLC or (y) a corporation, limited partnership or limited liability company which at all times since its formation (or, in the case of the Borrower, the date hereof) and at all times thereafter

(1) was and will be organized solely for, and has not and will not engage in any business unrelated to, originating and servicing Eligible Assets,

(2) has not had and will not have any assets other than those related to the Eligible Assets or its partnership or member interest in the limited partnership or limited liability company that owns the Property, as applicable, and cash and other liquid assets as reasonably necessary for its working capital needs,

(3) has not engaged, sought or consented to and will not engage in, seek or consent to (a) any dissolution, winding up, liquidation, consolidation, merger, or asset sale (except as expressly permitted by this Agreement), (b) any transfer of partnership or membership interests or the like (except as expressly permitted by this Agreement), or (c) any amendment of its limited partnership agreement, articles of incorporation, articles of organization, certificate of formation or operating agreement (as applicable), except as required to reflect (i) any transfer of membership interests expressly permitted by this Agreement or (ii) adjustments in members' interest in the limited liability company to reflect capital contributions or advances to the limited liability company,

(4) if such entity is a limited partnership, has and will have, as its only general partners, Special Purpose Bankruptcy Remote Entities that are corporations,

(5) if such entity is a corporation, has and will have at least one Independent Director, and has not caused or allowed and will not cause or allow the board of directors of such entity to take any action requiring the unanimous affirmative vote of one hundred percent (100%) of the members of its board of directors unless all of the directors and all Independent Directors shall have participated in such vote,

(6) has not, and without the unanimous consent of all of its partners, directors or members (or with respect to the Borrower, its managers, (including all Independent Directors)), as applicable, will not, with respect to itself or to any other entity in which it has a direct or indirect legal or beneficial ownership interest (A) file a bankruptcy, insolvency or reorganization petition or otherwise institute insolvency proceedings or otherwise seek any relief under any laws relating to the relief from debts or the protection of debtors generally, (B) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for such entity or for all or any portion of such entity's properties, (C) make any assignment for the benefit of such entity's creditors or (D) take any action that might cause such entity to become insolvent,

(7) has remained and will remain Solvent and has maintained and will maintain adequate capital in light of its contemplated business operations, provided that this representation is made only as of the date hereof,

(8) has not failed and will not fail to correct any known misunderstanding regarding the separate identity of such entity,

(9) has maintained and will maintain its accounts, books and records separate from any other Person and will file its own tax returns, provided that any entity that is a "disregarded entity" for federal income taxation purposes shall not be required to file a separate tax return,

(10) has maintained and will maintain its books, records, resolutions and agreements as official records,

(11) has not commingled and will not commingle its funds or assets with those of any other Person,

(12i) has held and will hold its assets in its own name,

(13) has conducted and will conduct its business in its name,

(14) has maintained and will maintain its financial statements, accounting records and other entity documents separate from any other Person, except as the same may be consolidated pursuant to GAAP or for federal or state income tax purposes,

(15) has paid and will pay its own liabilities, including the salaries of its own employees, out of its own funds and assets,

(16) has observed and will observe all partnership, corporate or limited liability company formalities, as applicable,

(17) has maintained and will maintain an arm's-length relationship with its Affiliates,

(18) has and will have no indebtedness other than the Loan and unsecured trade payables in the ordinary course of business which are paid within thirty (30) days of the date incurred,

(19) has not and will not assume or guarantee or become obligated for the debts of any other Person or hold out its credit as being available to satisfy the obligations of any other Person except for the Loan,

(20) has not and will not acquire obligations or securities of its partners, members or shareholders,

(21) has allocated and will allocate fairly and reasonably shared expenses, including shared office space, and uses separate invoices and checks,

(22) except in connection with the Loan, has not pledged and will not pledge its assets for the benefit of any other Person,

(23) has held itself out and identified itself and will hold itself out and identify itself as a separate and distinct entity under its own name and not as a division or part of any other Person,

(24) has maintained and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person,

(25) has not made and will not make loans to any Person, except mortgage loans that are Eligible Assets when originated or acquired,

(26) has not identified and will not identify its partners, members or shareholders, or any Affiliate of any of them, as a division or part of it,

(27) except as expressly disclosed in writing to Lender, has not entered into or been a party to, and will not enter into or be a party to, any transaction with its partners, members, shareholders or Affiliates except in the ordinary course of its business and on terms which are intrinsically fair and are no less favorable to it than would be obtained in a comparable arm's-length transaction with an unrelated third party,

(28) has and will have no obligation to indemnify its partners, officers, directors or members (other than the Independent Director), as the case may be, or has such an obligation that is fully subordinated to the Loan and will not constitute a claim against it if cash flow in excess of the amount required to pay the Loan is insufficient to pay such obligation, and

(29) will consider the interests of its creditors in connection with all corporate, partnership or limited liability actions, as applicable

Tax or Taxes means all taxes, charges, fees, levies or other assessments including, without limitation, income, gross receipts, profits, withholding, excise, property, sales, use, occupation and franchise taxes (including, in each such case, any interest, penalties or additions attributable to or imposed on or with respect to any such taxes, charges, fees or other assessments) imposed by the United States, any state or political subdivision thereof, any foreign government or any other jurisdiction or taxing authority

Termination Date means the earliest to occur of (a) the date of the occurrence of an Default described in Section 8 1, or (b) the Maturity Date

Treasury Rate means the annualized yield on securities issued by the United States Treasury having a maturity corresponding to the remaining term to the originally scheduled Maturity Date, as quoted in Federal Reserve Statistical Release [H 15(519)] under the heading "U S Government Securities – Treasury Constant Maturities" for the Treasury Rate Determination Date (as defined below), converted to a monthly equivalent yield. If yields for such securities of such maturity are not shown in such publication, then the Treasury Rate shall be determined by Lender by linear interpolation between the yields of securities of the next longer and next shorter maturities. If said Federal Reserve Statistical Release or any other information necessary for determination of the Treasury Rate in accordance with the foregoing is no longer published or is otherwise unavailable, then the Treasury Rate shall be reasonably determined by Lender based on comparable data

UCC means, with respect to any state, the Uniform Commercial Code as from time to time in effect in such state or, if no state is specified, in the State of New York

Underlying Loan Facility Collateral Deliveries means (i) the original with respect to each Eligible Asset and its Underlying Loan Facility Collateral Security and (ii) each other document, agreement or instrument listed in Schedule 1 1(d)

Underlying Loan Facility Collateral Documents means collectively the agreements and instruments evidencing a Loan Facility Collateral Asset and pursuant to which a security interest in the Underlying Loan Facility Collateral Security is granted and perfected, including, but not limited to, each promissory note, security agreement, guaranty, deed of trust, mortgage, deed to secure debt and other Advance documents, to the extent applicable

Underlying Loan Facility Collateral Security means with respect to any Loan Facility Collateral Asset

(a) (i) the Records and any other documents contained in any receivable file, and (ii) funds deposited in the Collection Account and proceeds thereof,

(b) all property from time to time, if any, purporting to secure payment of such Loan Facility Collateral Asset, whether pursuant to the Underlying Loan Facility Collateral Documents related to such Loan Facility Collateral Asset or otherwise, together with all financing statements signed by an Obligor describing any collateral securing such Loan Facility Collateral Asset,

(c) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or guaranteeing payment of such Loan Facility Collateral Asset, and

(d) all proceeds, products or any other distributions of, from or in respect of any or all of the foregoing, including, without limitation, whatever is receivable or received when any of the foregoing is sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary

Section 1 2 Interpretation

(a) In each Loan Document, unless a clear contrary intention appears

(i) the singular number includes the plural number and vice versa,

(ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by the Loan Documents, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually,

(iii) reference to any gender includes each other gender,

(iv) reference to any agreement (including any Loan Document), document or instrument means such agreement, document or instrument as amended, supplemented or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of the other Loan Documents and reference to any promissory note includes any promissory note which is an extension or renewal thereof or a substitute or replacement therefor,

(v) reference to any law means such law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any section or other provision of any law means that provision of such law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision,

(vi) reference in any Loan Document to any Article, Section, Appendix, Schedule or Exhibit means such Article or Section thereof or Appendix, Schedule or Exhibit thereto,

(vii) “hereunder,” “hereof,” “hereto” and words of similar import shall be deemed references to a Loan Document as a whole and not to any particular Article, Section or other provision hereof,

(viii) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term,

(ix) “or” is not exclusive, and

(x) relative to the determination of any period of time, “from” means “from and including” and “to” means “to but excluding ”

(b) Accounting Terms In each Loan Document, unless expressly otherwise provided, accounting terms shall be construed and interpreted, and accounting determinations and computations shall be made, in accordance with GAAP

(c) Conflict in Loan Documents If there is any conflict between any Loan Documents, such Loan Document shall be interpreted and construed, if possible, so as to avoid or minimize such conflict but, to the extent (and only to the extent) of such conflict, this Agreement shall prevail and control

(d) Legal Representation of the Parties The Loan Documents were negotiated by the parties with the benefit of legal representation and any rule of construction or interpretation otherwise requiring the Loan Document to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof

(e) Defined Terms Unless a clear contrary intention appears, terms defined herein have the respective indicated meanings when used in each Loan Document

ARTICLE II AMOUNTS AND TERMS OF THE LOAN

Section 2.1 Availability of the Loan

(a) Initial Disbursement Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of Borrower contained in this Agreement and in the other Loan Documents, Lender agrees to lend to Borrower up to the lesser

of (i) the Maximum Facility Amount, and (ii) the amount which will result is the Facility LTV Ratio not exceeding the Maximum LTV. The Initial Disbursement shall be advanced on the Closing Date.

(b) Maximum Facility Amount The Maximum Facility Amount as of the date hereof is \$20,000,000.00, provided, however, that upon written request of Borrower and Guarantor, and provided that the applicable conditions precedent set forth herein have been satisfied, in Lender's sole discretion, the Maximum Facility Amount may increase to no more than \$40,000,000.00 (exclusive of accrued and unpaid interest on the Loan.) The amount and effective date of any such increase in the Maximum Facility Amount shall be set forth in an instrument executed by Borrower, Lender and Guarantor.

(c) Note On the Closing Date, Borrower shall execute and deliver the Note.

(d) Revolving Loan Subject to the terms and conditions of this Agreement, the Loan may be borrowed, repaid and reborrowed (not more often than monthly) provided that no borrowings shall be permitted from and after February 1, 2009.

(e) Repayment of the Loan Subject to the provisions of Section 2.7, Borrower shall repay to Lender, on the Maturity Date, the Aggregate Principal Outstanding, together with all accrued interest, fees and expenses, including, without limitation, the Early Termination Fee, if applicable, pursuant to Section 2.7(d).

(f) Amount of Advances In addition to the limitation set forth in subsection (a) above, (i) after the Initial Disbursement, any Advance with respect to a single Eligible Asset shall not exceed 15% of the Maximum Facility Amount, (ii) no single Property Type may secure more than 50% of the Maximum Facility Amount, and (iii) no more than 40% of the Loan Facility Collateral Assets, by dollar value, may be located in the same state.

Section 2.2 Procedure for Approval of an Advance, Subsequent to the Initial Disbursement

(a) The procedure for approval of an Advance from after the Initial Disbursement is set forth in this Section 2.2, and, is further subject to satisfaction of the applicable conditions, set forth in Sections 4.1 and 4.2, and the conditions, processes and requirements set forth on Schedule 2.2-1. In the event Borrower shall desire that Lender shall make an Advance subsequent to the Initial Disbursement, whether or not such Advance is in connection with new Eligible Assets, the following procedures shall apply:

(i) Advance Request Borrower shall provide Lender with a request in substantially the form of Exhibit A-1 annexed hereto (an "Advance Request") of each requested Advance, specifying, among other things, the requested Advance, the requested Funding Date for such Advance (which shall not be less than ten (10) Business Days following the date of the Advance Request) and, if a new Eligible Asset is required for the making of such Advance, a Preliminary Due Diligence Package for such new Eligible Asset.

(ii) Intentionally Omitted

(iii) Lender Review and Confirmation Within five (5) business days after receipt of the Advance Request, Lender shall inform Borrower of its determination with respect to the Advance Request in accordance with the procedures set forth on Schedule 2 2-1 attached hereto, and if rejected, will inform Borrower of the reason for such rejection. In the event Lender requires more information in connection with, or further review of, any new proposed Eligible Asset, Lender shall advise Borrower of the extent of such additional information and review in such response so that Borrower may determine whether to withdraw the Advance Request or provide such additional information or authorize Lender to proceed with such additional review, at Borrower's sole cost and expense. Upon agreeing to make an Advance, Lender shall promptly deliver to Borrower a written confirmation in the form of Schedule 2 2-2 attached hereto (a "Confirmation"), which Confirmation shall be promptly executed and delivered to Lender by Borrower (and, in any event not later than the earlier of (x) the date of the requested funding of the Advance and (y) two (2) Business Days after Lender gives such Confirmation to Borrower), provided, that unless otherwise agreed by Borrower, Lender shall deliver a separate Confirmation with respect to each new Eligible Asset which is the subject of an Advance. Unless the Advance Request is (A) rescinded by Borrower, (B) rejected by Lender, or (C) approved for further documentation or review as set forth above, the Funding Date shall occur no later than the date set forth in the Confirmation, which date shall be no more than five (5) Business Days after the approval date.

(iv) Funding If Lender has approved a new Eligible Asset, a Confirmation has been jointly executed and delivered by Lender and Borrower, then, on the Funding Date, the List of Loan Collateral Assets shall be revised to include such new Eligible Asset, Borrower shall execute a Collateral Assignment and Pledge Agreement with respect to such new Eligible Asset assigning it to Lender against the additional Advance, subject to the conditions that (A) each of the conditions set forth in Section 4 2 have been satisfied, (B) Borrower shall have provided Lender the originals of the Underlying Loan Facility Collateral Documents and other Underlying Loan Facility Collateral Deliveries with respect to the Eligible Asset(s) to be assigned to Lender after making such Advance, and (C) Borrower shall have executed and delivered to Lender its Closing Certificate. Upon and subject to the terms and conditions, and in reliance on the representations and warranties, set forth herein, Lender shall deposit on the Funding Date, in immediately available funds, an amount equal to the requested Advance to Borrower's Account. Lender shall cause such deposit to be made not later than 1 00 p.m. (New York time) on the requested Funding Date provided all conditions to such funding have been timely satisfied. On the Funding Date, Borrower shall furnish Lender an updated List of Loan Collateral Assets including the Eligible Asset in question.

(v) Closing Date Funding Subject to the satisfaction of the conditions set forth in Sections 4 1 and 4 2, as applicable, the procedures set forth in clauses (i) – (iii) of this Section 2 2(c) shall not apply to the Initial Disbursement.

(b) Except as set forth in Section 2 2(a)(ii) above, each Advance Request shall be irrevocable and binding on Borrower, and Borrower shall indemnify Lender against any loss or expense incurred by Lender as a result of any failure by Borrower to accept such Advance, including, without limitation, any loss or expense incurred by Lender by reason of the liquidation or reemployment of funds acquired or requested by Lender to fund such Advance.

(c) The aggregate number of Advances shall not exceed one per month

(d) In the event that Lender disapproves (or is deemed to disapprove) any Eligible Asset in accordance with this Agreement, Borrower may nevertheless originate such Eligible Asset using its own funds

Section 2.3 Default Interest

At all times on and after the Maturity Date or the occurrence and continuation of an Event of Default, the Aggregate Principal Outstanding shall accrue Interest at the Overdue Rate

Section 2.4 Interest, Fees and Other Costs and Expenses

(a) Borrower shall pay, as and when due in accordance with this Agreement, all amounts payable as Interest and fees and costs and indemnities payable hereunder, the Aggregate Principal Outstanding, all amounts payable pursuant to Article IX hereof, if any, and all other amounts payable hereunder, if any

(b) The Loan shall, unless accruing interest at the Overdue Rate pursuant to Section 2.3, accrue Interest at the Base Rate

(c) In the event any payment of Interest or any other payment required under the Loan Documents is not paid by Borrower within five (5) days after the same is due, Borrower shall pay to Lender, a late charge ("Late Charge") equal to 5% of the overdue payment to compensate Lender for the cost and expense arising from the late payment in question

(d) On or prior to the Business Day preceding each Interest Payment Date, Lender will provide Borrower with written notice (an "Invoice") detailing Interest and any other unpaid amounts owing to Lender on the next succeeding Interest Payment Date, in accordance with the respective priorities set forth in Section 6.3. Any amounts not included in any Invoice, or paid in accordance therewith may be submitted on any subsequent Invoice

(e) If any amount hereunder shall be payable on a day that is not a Business Day, such amount shall be payable on the next succeeding Business Day. Interest shall be computed on the basis of a three hundred sixty (360) day year for the actual number of days elapsed in the period during which it accrues, excluding the date of payment. Nothing in this Agreement shall limit in any way the obligations of Borrower to pay the amounts set forth in this Section 2.4

Section 2.5 Origination Fee, Unused Line Fee

(a) (a) Borrower agrees to pay to Lender an origination fee equal to \$200,000.00, such origination fee to be payable on the Closing Date. In the event that Borrower requests Lender in writing, and Lender agrees in writing, in its sole and absolute discretion, to advance additional sums, up to \$40,000,000.00, Borrower shall pay an additional one percent (1.0%) of the additional principal amount so advanced, as an additional origination fee, such sum to be due and payable upon Lender's initial advance(s) of such additional sum(s)

(b) (b) From and following the Closing Date, Borrower shall pay Lender, a fee in an amount equal to (1) the Maximum Facility Amount less the maximum Aggregate Principal Outstanding during the preceding month, multiplied by (2) one quarter of one percent (0.25%) divided by 12. Such fee is to be paid monthly in arrears on the first Business Day of each calendar month during the first 24 calendar months following the Closing Date.

Section 2.6 Protection of Ownership Interest of Lender, Attorney-in-Fact

(a) Borrower agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents and take all action that Lender may reasonably request in order to perfect or protect the Loan Facility Collateral Assets or to enable Lender to exercise or enforce any of its rights hereunder. Without limiting the generality of the foregoing, Borrower will execute and file such financing or continuation statements or amendments thereto or assignments thereof as may be reasonably requested by Lender and (c) deliver to Lender, all Underlying Loan Facility Collateral Documents relating to the Loan Facility Collateral Assets. To the fullest extent permitted by applicable law, Lender shall be permitted (but shall not be obligated) to sign and file continuation statements and amendments thereto and assignments thereof without Borrower's signature. Carbon, photographic or other reproduction of this Agreement or any financing statement shall be sufficient as a financing statement. Borrower hereby authorizes Lender to file one or more financing statements with regard to the Loan Facility Collateral Assets.

(b) Borrower hereby irrevocably authorizes Lender, upon the occurrence and during the continuation of an Event of Default, at Borrower's expense and without any notice to Borrower, and to notify any or all Obligor(s) that Lender has an interest in the Loan Facility Collateral Assets.

(c) Borrower hereby irrevocably appoints Lender (and any Person designated by Lender for that purpose) as Borrower's true and lawful attorney-in-fact to act in Borrower's place in Borrower's or Lender's name (which appointment shall become effective upon and during the continuation of an Event of Default) to take the following actions: (i) to endorse Borrower's name on any Collection, (ii) to sign Borrower's name on any assignment or termination of a security interest on any UCC financing statement related to any Loan Facility Collateral Assets, and on any other public records regarding any Loan Facility Collateral Assets, (iii) to send requests for verification to Obligor(s), (iv) demand payment of the Loan Facility Collateral Assets, (v) enforce payment of the Loan Facility Collateral Assets and the Underlying Loan Facility Collateral Security, by legal proceedings or otherwise, (vi) exercise all of Borrower's rights and remedies with respect to the collection and enforcement of the Loan Facility Collateral Assets and the Underlying Loan Facility Collateral Security, (vii) settle, adjust, compromise, discharge, release, extend, renew or, following notice to Borrower (unless discharge or release is required pursuant to the applicable Underlying Loan Facility Collateral Documents or applicable law) discharge or release, the Loan Facility Collateral Assets, (viii) if permitted by applicable law, sell or assign the Loan Facility Collateral Assets upon such terms, for such amounts and at such time or times as Lender deems advisable, (ix) take control, in any manner, of any item of payment or proceeds with respect to the Loan Facility Collateral Assets, (x) prepare, file and sign Borrower's name on any proof of claim in bankruptcy or similar document against any Obligor or any other Person, (xi) prepare, file and sign Borrower's name

on any notice of lien, assignment or satisfaction of lien or similar document in connection with the Loan Facility Collateral Assets, (xii) do all acts and things reasonably necessary to exercise Lender's rights granted in, or referred to in, Section 8.2 of this Agreement, (xiii) endorse the name of Borrower upon any item of payment or proceeds consisting of or relating to the Loan Facility Collateral Assets and deposit the same to the account of Lender for application to the Borrower Obligations, (xiv) use the information recorded on or contained in any data processing equipment and computer hardware and software relating to the Loan Facility Collateral Assets to which Borrower has access for the purpose of administering the Loan Facility Collateral Assets, and (xv) do all things necessary to carry out and enforce this Agreement that Borrower has failed to do. Borrower ratifies and approves all acts of Lender in accordance with this Section 2.6(c) as Borrower's attorney-in-fact. Lender shall not, when acting as attorney-in-fact in accordance with this Section 2.6(c), be liable for any acts or omissions or for any error of judgment or mistake of fact or law, except for Gross Negligence, as finally determined by a court of competent jurisdiction. This power, being coupled with an interest, is irrevocable until all Borrower Obligations have been fully satisfied. Borrower shall upon request of Lender execute powers of attorney to separately evidence the foregoing powers granted to Lender. All costs, fees and expenses incurred by Lender, or for which Lender becomes obligated, in connection with exercising any of the foregoing powers shall be payable to Lender by Borrower on demand by Lender.

Section 2.7 Principal Prepayments

(a) Revolving Credit Facility The principal advanced under the Loan may be repaid and re-advanced in whole or in part at any time, subject to the requirements and limitations set forth herein, without penalty, except as set forth below.

(b) Mandatory Prepayments If at any time the Aggregate Principal Outstanding exceeds the lesser of (i) the amount which will result is the advanced Loan proceeds exceeding the Maximum Advance Rate of the amount of the Eligible Assets or (ii) the amount which will result in the Facility LTV Ratio exceeding the Maximum LTV, then promptly upon receipt by Borrower of the proceeds from refinancing or monetization of a Eligible Asset, Borrower shall prepay the Loan in an amount equal to the lesser of (i) 100% of the Net Cash Proceeds provided by the refinancing or monetization of such Eligible Asset, if applicable, (ii) the excess of Aggregate Principal Outstanding over the lesser of (x) the amount which will result is the advanced Loan proceeds exceeding the Maximum Advance Rate of the amount of the Eligible Assets or (y) the amount which will result is the Facility LTV Ratio exceeding the Maximum LTV.

(c) Voluntary Prepayment Following the Lockout Expiration Date, the Loan may be prepaid, in whole, upon not less than thirty (30) days' irrevocable prior notice to Lender. Any prepayments on the principal balance of the Loan evidenced by the Note whether voluntary or involuntary, shall be accompanied by payment of interest accrued to the date of prepayment. Any prepayments made pursuant to the foregoing shall be made on a Payment Date, provided, however, Borrower may elect to make any such prepayments on a Business Day which is not a Payment Date if, in addition to all interest which has accrued to and including the date of prepayment, Borrower also pays all interest which would accrue on the Loan to, but not including, the Payment Date following the date of prepayment.

(d) Early Termination Fee In the event Borrower terminates this Agreement prior to the Lockout Expiration Date, Borrower shall pay to Lender, in addition to the Aggregate Principal Outstanding, all accrued and outstanding Interest, and all other unpaid amounts due pursuant to any of the Loan Documents, a termination fee equal to the present value (using the Treasury Rate as a discount rate) of the stream of monthly unused line payments that would be paid on the final Maximum Facility Amount through the Lockout Expiration Date (the "Early Termination Fee")

(e) Release and Replacement of Assets

(i) If Borrower wishes to have a particular Loan Facility Collateral Asset (or any portion of such Loan Facility Collateral Asset) released from the liens of the Collateral Assignment, Borrower shall comply with the provisions of Section 2.7(e)(ii) below, and if as result of a reduction in the Market Value, the Aggregate Principal Outstanding exceeds the Maximum LTV, then Borrower shall be required to replace such Loan Facility Collateral Asset with a new Eligible Asset, or to add an additional Eligible Asset as collateral for the Loan, as the case may be, according to the procedure set forth herein

(ii) Borrower shall give at least five (5) Business Days' (or such lesser period as may be acceptable to Lender in its sole discretion in any instance or, in any case, such lesser period as may be required under the applicable Underlying Loan Facility Collateral Documents) prior written notice to Lender identifying such Loan Facility Collateral Assets and requesting its release from the lien of the Collateral Assignment. Borrower's request shall include the following

(A) an Officer's Certificate of Borrower, certifying that (1) no Event of Default exists or would exist after giving effect to such release and (2) after giving effect to (x) the release of such Loan Facility Collateral Assets, if applicable and (z) the replacement of such Loan Facility Collateral Assets with, or addition of, a new Loan Facility Collateral Assets, as the case maybe, prior to or concurrently with the release of such lien, the Aggregate Principal Outstanding shall not exceed the Maximum LTV, and

(B) any replacements, or additions, as the case maybe, of a Loan Facility Collateral Assets with a new Loan Facility Collateral Assets, shall be conditioned upon the compliance with all terms and conditions set forth in Articles II and III set forth herein

(C) Within five (5) Business Days after Borrower has complied with the requirements above, Lender shall execute and deliver to Borrower any and all documents necessary to release the Loan Facility Collateral Asset(s) requested

Section 2.8 Payments and Computations, etc All payments by Borrower of Interest, fees and other Borrower Obligations hereunder shall be made in same day funds and without defense, setoff or counterclaim, free of any restriction or condition, and delivered not later than 3:00 p.m. (New York time) on the day when due in immediately available funds, with amounts received after such time being deemed paid on the Business Day following such receipt. Any payment or other transfer of funds scheduled to be made on a day that is not a Business Day shall be made on the next Business Day, and any Interest accruing on such amount to be paid or

transferred shall continue to accrue to such next Business Day. Borrower shall, to the extent permitted by law, pay to Lender upon demand, interest on all amounts not paid or deposited when due to Lender hereunder at a rate equal to the Overdue Rate.

Section 2.9 Reports

(a) Funding Notices. Borrower shall provide the information and reports described in Sections 4(e) and 4(f) in accordance with the terms thereof.

(b) Non-Eligible Asset. After a Loan Facility Collateral Asset is included in any List of Loan Collateral Assets, if Borrower becomes aware that one of the requirements in the definition of Eligible Assets are no longer being satisfied with respect to such Loan Facility Collateral Asset, Borrower shall provide Lender with written notice thereof within ten (10) Business Days of Borrower becoming aware, explaining in detail the timing and reasons why the requirement or condition is not satisfied.

(c) Reporting Generally. In addition to the foregoing, Borrower shall furnish to Lender such reports in such form that Lender reasonably determines are necessary to track and monitor the Loan Facility Collateral Assets. Such reports shall be in form and substance satisfactory to Lender. All reports required hereunder may be provided in "paper" form or on computer tape or disk or other electronic means acceptable to and usable by the receiving party.

(d) Quarterly and Monthly Eligible Assets and Servicing Reports. Borrower shall deliver to Lender, no later than the fifteenth day following the last Business Day of each fiscal quarter, (i) up-to-date summary of payment histories, contract accounting, Outstanding Principal Balance, customer service notes, collection histories, Obligor names and addresses and a delinquency report, as Borrower periodically prepares for its internal purposes, and (ii) such other materials regarding the performance and financial condition of the Obligors as Borrower periodically prepares for its internal purposes. Borrower shall deliver to Lender, no later than the date which is five (5) days following each Interest Payment Date, a servicing report in a format and containing such information that is reasonably satisfactory to Lender and Borrower. Such report shall be made available in written or electronic format. Lender and Borrower agree that the form of report attached hereto as Schedule 2.9(d) is satisfactory.

Section 2.10 Defeasance of Eligible Assets. Borrower acknowledges and agrees that in the event any Obligor conducts a defeasance of any Eligible Asset, Borrower shall promptly give Lender notice thereof, and shall cause the related defeasance collateral and documentation required to be delivered in accordance with the terms of the applicable Underlying Loan Facility Collateral Documents, to be delivered to Lender.

ARTICLE III REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties. Except as expressly set forth below, Borrower represents and warrants as of the date hereof, on the Closing Date, and as of the date of each Advance hereunder, as follows:

(a) Corporate Existence and Power Borrower is a duly organized, validly existing and subsisting limited liability company under the laws of the State of Delaware. Borrower is and shall at all times during the term of the Loan remain a Special Purpose Bankruptcy Remote Entity. Borrower has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into this Agreement and the Loan Documents to which it is a party and to carry out the transactions contemplated hereby and thereby. Borrower is qualified to do business and in good standing in every jurisdiction where it is required to so qualify to carry out its business and operations, and is in compliance with all licensing requirements required to carry out its business and operations at such time, except in jurisdictions where the failure to be so qualified or in good standing or licensed has not resulted in and will not result in a Material Adverse Change. Borrower is engaged only in the businesses permitted to be engaged in pursuant to Section 5.2.

(b) Corporate and Governmental Authorization, Contravention The execution, delivery and performance of this Agreement and the Loan Documents have been duly authorized by all necessary action of the part of Borrower and do not and will not (i) violate any provision of any law or any governmental rule or regulation applicable to Borrower, the operating agreement, limited liability agreement, declaration of trust, trust agreement, certificates of formation, articles of incorporation, articles or certificates of incorporation or bylaws, as applicable, of Borrower or other charter documents of Borrower or any order, judgment or decree of any court or other agency of government binding on Borrower, (ii) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any Contractual Obligation of Borrower, (iii) result in or require the creation or imposition of any Adverse Claim upon any of the properties or assets of Borrower, other than any Adverse Claim created by a Loan Document, or (iv) require any approval of members or stockholders or any approval or consent of any Person under any Contractual Obligation of Borrower, except for such approvals or consents which will be obtained on or before the Closing Date and disclosed in writing to Lender.

(c) Binding Effect This Agreement and the other Loan Documents have been duly executed and delivered by Borrower and constitute the legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

(d) Government Approvals All authorizations, consents, orders and approvals of, or other action by, any Governmental Authority that are required to be obtained by Borrower and all notices to and filings with any Governmental Authority that are required to be made by Borrower, in the case of the foregoing in connection with the collateral assignment of the Loan Facility Collateral Assets or the due execution, delivery and performance by Borrower of this Agreement and the other Loan Documents and the consummation of the transactions contemplated by this Agreement and the other Loan Documents, have been obtained or made and are in full force and effect.

(e) Perfection Borrower is and shall be the owner of all of the Loan Facility Collateral Assets free and clear of any Adverse Claims except those of Lender. On or prior to the date hereof and prior to Borrower's acquisition of any new Eligible Asset, and on or prior to

each Advance, all financing statements and other documents required to be recorded or filed and all actions necessary or advisable in order to perfect and protect the Loan Facility Collateral Assets against all creditors of and purchasers from Borrower will have been delivered for filing in each filing office necessary for such purpose and all filing fees and taxes, if any, payable in connection with such filings shall have been paid in full, or provision therefor shall have been made

(f) Accuracy of Information and Related Matters All information heretofore furnished by Borrower to Lender for the purposes of or in connection with this Agreement and the other Loan Documents or any transaction contemplated hereby, which in each case was prepared either by Borrower or an Obligor is, and all such information hereafter furnished by Borrower to Lender will be, true and accurate in every material respect, on the date such information is stated or certified, or, in the case of information provided by an Obligor is or will be true and accurate in every material respect to the best of Borrower's knowledge. There are no facts known (or that should upon the reasonable exercise of diligence be known) to Borrower (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change and that have not been disclosed herein or in such other documents, certificates and statements furnished by Borrower to Lender for use in connection with the transactions contemplated hereby

(g) Actions, Suits There is no action, suit, proceeding, arbitration or governmental investigation (whether or not purportedly on behalf of Borrower) at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, pending or, to the knowledge of Borrower, threatened against or affecting Borrower or any property of Borrower that has resulted in, or could reasonably be expected to result in, a Material Adverse Change. Borrower is not (i) in violation of any applicable law that has resulted in, or could reasonably be expected to result in, a Material Adverse Change, or (ii) subject to or in default with respect to any final judgment, writ, injunction, decree, rule or regulation of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that has resulted in, or could reasonably be expected to result in, a Material Adverse Change. Schedule 3 1(g) identifies as of the Closing Date all Proceedings involving an alleged liability of, or claims against or affecting, Borrower equal to or greater than \$100,000

(h) Performance of Agreements, Materially Adverse Agreements Borrower is not is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Contractual Obligations, and no condition exists that, with the giving of notice or the lapse of time or both, would constitute such a default, except where the consequences, direct or indirect, of such default or defaults, if any, would not result in a Material Adverse Change. Borrower is not a party to or is otherwise subject to any agreement or instrument or any charter or other internal restriction which has resulted in, or could reasonably be expected to result in, individually or in the aggregate, a Material Adverse Change

(i) Bulk Sales Act No transaction contemplated by this Agreement requires compliance with, or will be subject to avoidance under, any bulk sales act or similar law

(j) Margin Regulations, Governmental Regulations No use of any funds obtained by Borrower under this Agreement or the other Loan Documents will conflict with or contravene any of Regulations G, T, U, and X promulgated by the Federal Reserve Board from time to time. Borrower is not subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act or the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of Borrower Obligations unenforceable.

(k) Place of Business The chief place of business and chief executive office of Borrower is located at the address of Borrower set forth on the signature page of this Agreement, and the offices where Borrower keeps all of its Records are located at the address(es) listed on Schedule 3 1(k) annexed hereto or such other locations of which Lender has been given notice in accordance with Section 13 3.

(l) Account Banks and Payment Instructions The names and addresses of all banks with the account numbers of the accounts at the banks into which Collections are to be paid are accurately listed on Schedule 3 1(l) annexed hereto. Borrower has instructed all Obligor(s) to submit all payments on the Eligible Assets and Underlying Loan Facility Collateral Security directly to the Collection Account.

(m) Good Title Borrower has good, sufficient and legal title to all of its respective properties and assets reflected in the most recent financial statements delivered to Lender, except for assets disposed of since the date of such financial statements in the ordinary course of business. Except as permitted by Section 5 2(a), all such properties and assets are free and clear of Adverse Claims.

(n) Names As of the date hereof and except as set forth on Schedule 3 1(n), the legal names of Borrower are the only names used by Borrower. Borrower has not used any corporate names, trade names or assumed names, except as disclosed on Schedule 3 1(n), and will not use any such names without first giving written notice thereof to Lender.

(o) Servicing Programs No license or approval is required for Borrower's or Lender's use of any program or other property used by Lender in the servicing of the Loan Facility Collateral Assets, other than those which have been obtained and are in full force and effect.

(p) Loan Origination Guidelines Borrower has complied, and will comply, in all material respects with the Loan Origination Guidelines, in regard to each Eligible Asset and related Underlying Loan Facility Collateral Documents.

(q) No Material Adverse Change Since June 30, 2006, no event or change has occurred that has caused or evidences, either in any case or in the aggregate, a Material Adverse Change.

(r) Payment of Taxes All tax returns and reports of Borrower required to be filed by any of them have been timely filed, and all taxes shown on such tax returns to be due and payable and all assessments, fees and other governmental charges upon Borrower and its and

upon its respective properties, assets, income, and businesses which are due and payable have been paid when due and payable Borrower knows of no proposed tax assessment against Borrower which is not being actively contested by Borrower in good faith and by appropriate proceedings, provided that such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor

(s) Multiemployer Plans Neither Borrower nor any of its ERISA Affiliates has any employees or maintains any Multiemployer Plan

(t) Solvency Borrower is and, upon the incurrence of any Borrower Obligations by Borrower on any date on which this representation is made, will be, Solvent

(u) Environmental Protection (i) The operations of Borrower comply in all material respects with all Environmental Laws, (ii) Borrower has obtained all Governmental Authorizations under Environmental Laws necessary to their respective operations, and all such Governmental Authorizations are in good standing, and Borrower is in compliance with all material terms and conditions of such Governmental Authorizations, (iii) Borrower has not received (a) any notice or claim to the effect that it is or may be liable to any Person as a result of or in connection with any Hazardous Materials or (b) any letter or request for information under Section 104 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U S C § 9604) or comparable state laws, and, to the best of Borrower's knowledge, none of the operations of Borrower is the subject of any federal or state investigation relating to or in connection with any Hazardous Materials at any Property or at any other location, (iv) none of the operations of Borrower is subject to any judicial or administrative proceeding alleging the violation of or liability under any Environmental Laws which if adversely determined could reasonably be expected to result in a Material Adverse Change, and (v) Borrower has not any contingent liability in connection with any Release of any Hazardous Materials by Borrower

(v) Employee Matters There is no strike or work stoppage in existence or threatened involving Borrower that could reasonably be expected to result in a Material Adverse Change

(w) Loan Facility Collateral Assets As to each of the Loan Facility Collateral Assets, except as expressly disclosed in writing to, and expressly approved in writing by, Lender, the statements on Schedule 3 1(y) are true and correct in all respects and each of the Loan Facility Collateral Assets is an Eligible Asset

(x) Event of Defaults No Event of Default or Default exists

(y) Indebtedness Borrower has not incurred and is not liable on account of any Indebtedness or Contingent Obligation that is not expressly permitted pursuant to this Agreement

(z) Registered Organization Borrower is a "registered organization" (as defined in the UCC) of the State of Delaware

Section 3 2 Reaffirmation of Representations and Warranties On each day that an Advance is made hereunder, Borrower, by accepting the proceeds of such Advance, shall

be deemed to have certified that (i) all representations and warranties described in Section 3.1 hereof are correct on and as of such day as though made on and as of such day, and (ii) no event has occurred or is continuing, or would result from any such Advance, that constitutes an Event of Default or a Default

ARTICLE IV CONDITIONS PRECEDENT

Section 4.1 Conditions to Closing The closing of the transactions contemplated hereunder and the obligation of Lender to fund the Initial Disbursement is subject to the prior or concurrent satisfaction of the conditions set forth below

(a) Borrower Documents On or before the Closing Date, Borrower shall deliver or cause to be delivered to Lender the following, each, unless otherwise noted, dated the Closing Date

(i) Certified copies of its Certificate of Formation and Bylaws, together with a Certificate of Existence from the respective jurisdiction of formation and each state in which Borrower is qualified as a foreign Person to do business, each dated a recent date prior to the Closing Date,

(ii) Resolutions of the Board of Directors of Borrower approving and authorizing the incurring of obligations under the Loan Documents, and the execution, delivery and performance of this Agreement and the other Loan Documents to which Borrower is a party, certified as of the Closing Date by a manager or the Secretary of Borrower as being in full force and effect without modification or amendment,

(iii) Signature and incumbency certificates of Borrower's officers executing this Agreement and the other Loan Documents to which Borrower is a party,

(iv) Executed originals of this Agreement and the other Loan Documents, and

(v) Such other documents as Lender may reasonably request

(b) Opinions of Borrower's Counsel Lender and its counsel shall have received originally executed copies of one or more favorable written opinions of counsel for Borrower, addressed to Lender, in form and substance reasonably satisfactory to Lender and its counsel, dated as of the Closing Date and setting forth such matters as Lender and its counsel may reasonably request

(c) No Material Adverse Change Since June 30, 2006, no Material Adverse Change (in the sole opinion of Lender) shall have occurred

(d) Representations and Warranties, Performance of Agreements Borrower shall have delivered to Lender an Officers' Certificate, in form and substance satisfactory to Lender, to the effect that the representations and warranties in Section 3.1 hereof and in the other Loan Documents are true, correct and complete in all material respects on and as of the Closing

Date to the same extent as though made on and as of that date, that no Event of Default or Default has occurred and is continuing and that Borrower shall have performed in all material respects all agreements and satisfied all conditions that this Agreement and the other Loan Documents provides shall be performed or satisfied by Borrower on or before the Closing Date, except as otherwise disclosed to and agreed to in writing by Lender

(e) Completion of Proceedings All corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incidental thereto not previously found acceptable by Lender and its counsel shall be satisfactory in form and substance to Lender and such counsel, and Lender and such counsel shall have received all such counterpart originals or certified copies of such documents as Lender may reasonably request

(f) Loan Facility Collateral Assets Borrower shall have taken or caused to be taken all such actions as may be necessary (in Lender's judgment) to give Lender a valid and perfected first priority security interest in the Loan Facility Collateral Assets, subject to no Adverse Claims Such actions shall include, without limitation

(i) The delivery to Lender of an omnibus assignment with respect to the Eligible Assets, Underlying Loan Facility Collateral Security and other Loan Facility Collateral Assets,

(ii) The delivery to Lender for filing pursuant to this Agreement of financing statements under the UCC (or any equivalent or similar legislation) in form and substance satisfactory to Lender in each jurisdiction as may be necessary (in Lender's judgment) effectively to perfect the security interests in all Loan Facility Collateral Assets created by this Agreement,

(iii) Copies of proper financing termination statements, if any, necessary to release all Adverse Claims of any person in Loan Facility Collateral Assets previously granted by Borrower or any other Person,

(iv) All Underlying Loan Facility Collateral Documents and Underlying Loan Facility Collateral Deliveries relating to the Loan Facility Collateral Assets as of the Closing Date shall have been delivered to Lender,

(v) Certified copies of request for information or copies (Form 11) (or a similar search report certified by parties acceptable to Lender) dated a date reasonably near the Closing Date listing all effective financing statements that name Borrower (under such present name and any previous name) as transferor or debtor and that are filed in jurisdictions in which the filings were made pursuant to item (f)(ii) above together with copies of such financing statements (none of which shall cover any Loan Facility Collateral Assets), and

(vi) Evidence reasonably satisfactory to Lender that all other filings, recordings and other actions Lender deems necessary or advisable to establish, preserve and perfect the liens granted to Lender in the Loan Facility Collateral Assets shall have been made

(g) Powers of Attorney and Other Documents Borrower shall have delivered to Lender such powers of attorney and documents as Lender shall request to enable Lender to collect all amounts due under any and all Loan Facility Collateral Assets, including a Power of Attorney in substantially the form of Exhibit C annexed hereto

(h) Insurance Borrower shall have delivered to Lender evidence satisfactory to Lender that the insurance policies required by Section 5.1(i) have been obtained and are in full force and effect, and an Assignment of Insurance interests in the form of Exhibit D annexed hereto duly executed by Borrower

(i) Execution of Loan Documents Borrower shall have delivered to Lender evidence satisfactory to Lender of the execution and delivery by each of the parties thereto of all Loan Documents and instruments contemplated thereby

(j) Inspection of Records Borrower shall have delivered to Lender a direction letter executed by Borrower authorizing and allowing Lender to inspect and make copies from Borrower's books and records maintained at off-site data processing or storage facilities

(k) Consents Borrower shall have delivered to Lender executed copies of (i) all consents from and authorizations by any Persons and (ii) all waivers and amendments to existing credit facilities, that are necessary in connection with this Agreement and the other Loan Documents

(l) Licenses To the extent any such licenses are required to be obtained by Borrower, Borrower shall have delivered to Lender a copy of Borrower's finance licenses

(m) Origination Fee With respect to the Initial Disbursement, Borrower shall have paid to Lender the fees payable on the Closing Date referred to in Section 2.5, together with all costs and expenses of Lender and its counsel

(n) Other Information and Documents Borrower shall have delivered to Lender such other information and documents as Lender may reasonably request

Section 4.2 Conditions to the Advances The obligations of Lender with respect to each Advance is subject to the satisfaction of all of the following conditions

(a) Borrower shall have paid all costs and expenses of Lender and its respective counsel

(b) On each day that an Advance is made pursuant to this Agreement, the following statements shall be true, and Borrower by accepting the proceeds of such Advance, shall be deemed to have certified, represented and warranted that

(i) all representations and warranties of Borrower under Section 3.1 herein and in the other Loan Documents are correct on and as of such day as though made on and as of such day,

(ii) no event has occurred or is continuing, or would result from any such Advance, that constitutes an Event of Default or a Default,

(iii) after giving effect to the Advance, the Aggregate Principal Outstanding will not exceed the Maximum Facility Amount,

(iv) after giving effect to the Advance, the Aggregate Principal Outstanding will not result in the Facility LTV Ratio exceeding the Maximum LTV,

(v) no event or change shall have occurred that has caused or evidences, either in any case or in the aggregate, a Material Adverse Change, or

(vi) the Indebtedness under any Eligible Asset shall not exceed the Maximum Advance Rate

(c) With respect to each Advance for which any Loan Facility Collateral Assets are to be collaterally assigned to Lender, and Lender shall have received such other documents, certificates, legal opinions, audit reports, and other items as Lender may reasonably request, in form and substance satisfactory to them

(d) With respect to each Advance for which any Loan Facility Collateral Assets are to be collaterally assigned to Lender, and Lender shall have received

(i) Pledge and Security Agreement,

(ii) UCC Financing Statements,

(iii) Collateral Assignment,

(iv) Guarantor shall have executed and delivered to Lender a reaffirmation of its obligations under the Environmental Indemnity and the Carveout Guaranty in form acceptable to Lender affirming that the obligations of Guarantor under the Environmental Indemnity and the Carveout Guarantee shall be applicable to the new any Loan Facility Collateral Assets

(e) For each Loan Facility Collateral Asset, Borrower shall have included the each Loan Facility Collateral Asset on a List of Loan Collateral Assets delivered to Lender and Borrower shall have delivered to Lender the Underlying Loan Facility Collateral Deliveries and Borrower's Closing Certificate therefor duly executed by Borrower

(f) No claim shall have been asserted or proceeding commenced challenging any Loan Document or Lender's rights under this Agreement, and no claim has been asserted which if true would be a breach of a representation and warranty in the Loan Documents

(g) No vendor or creditor of Borrower shall have provided adverse credit information of a material nature about Borrower to Lender

(h) Lender's most recent inspection of the Loan Facility Collateral Assets or Borrower's records or operations shall have been reasonably satisfactory to Lender

(i) None of the actions taken or documents executed to satisfy the conditions in Section 4.1 shall have been revoked, rescinded, terminated, or canceled without Lender's prior consent

(j) With regard to each Advance, Lender shall have approved, in its sole discretion, the Loan Facility Collateral Asset in question, in accordance with this Agreement

(k) With regard to each Advance, the provisions of Section 2.2 and Schedule 2.2-1 have been complied with and the conditions set forth therein satisfied and Lender has possession of, original counterpart copies of the applicable Underlying Loan Facility Collateral Documents and other Underlying Loan Facility Collateral Deliveries

ARTICLE V COVENANTS

Section 5.1 Affirmative Covenants of Borrower Borrower hereby covenants, undertakes and agrees that at all times from the date hereof to the date on which all amounts payable hereunder and under the other Loan Documents shall be indefeasibly paid in full or if later, the Termination Date, unless Lender shall otherwise consent in writing

(a) **Financial Reporting** Borrower will maintain to maintain, a system of accounting established and administered in accordance with sound business practices to permit preparation of financial statements in conformity with GAAP. Borrower will deliver to Lender

(i) **Year-End Financials** As soon as available and in any event within one hundred twenty (120) days after the end of each Fiscal Year, the Form 10K for Guarantor, as filed with the S E C

(ii) **Quarterly Financials** As soon as available, and in any event within sixty (60) days after the end of each of the first three Fiscal Quarters the Form 10Q of Guarantor, as filed with the S E C

(iii) **Compliance Certificate** Together with each delivery of financial statements of Guarantor pursuant to subdivisions (i) and (ii) above, an Officers' Certificate of Borrower stating that the signers have reviewed the terms of this Agreement and have made, or caused to be made under their supervision, a review in reasonable detail of the transactions and condition of Borrower during the Accounting Period covered by such financial statements and that such review has not disclosed the existence during or at the end of such Accounting Period, and that the signers do not have knowledge of the existence as at the date of such Officers' Certificate, of any condition or event that constitutes an Event of Default or Default, or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action Borrower has taken, is taking and proposes to take with respect thereto

(iv) SEC Filings Promptly upon the filing thereof, copies of all press releases, registration statements and any other regular reports which Guarantor files with the Securities and Exchange Commission or any securities exchange

(v) Other Information Such other information (including non-financial information and any information with respect to Borrower or other Affiliates) as Lender may from time to time reasonably request

(b) Notices Borrower will notify Lender in writing of any of the following as soon as practicable (but in any event within three (3) Business Days) after any officer of Borrower learning of the occurrence thereof, describing the same and, if applicable, the steps being taken by the Person(s) affected with respect thereto

(i) Event of Defaults or Defaults By a statement of the President, corporate comptroller or senior financial officer of Borrower, the occurrence of an Event of Default or Default

(ii) Representations and Warranties The failure of any representation or warranty to be true (when made or at any time thereafter) with respect to any Loan Facility Collateral Asset

(iii) Downgrade Any downward change in the rating of any Indebtedness or Securities (or equivalent) of Borrower, Guarantor or any Affiliate of either of them by any rating agency, setting forth the Indebtedness or securities affected and the nature of such change

(iv) Litigation The institution of, or non-frivolous threat of, any action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration against or affecting Borrower or Affiliates or any property of Borrower or Affiliates (collectively, "Proceedings") not previously disclosed in writing by Borrower to Lender or any material development in any Proceeding that, in any case (A) if adversely determined, has a reasonable possibility of giving rise to a Material Adverse Change, or (B) seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, and promptly after request by Lender such other information as may be reasonably requested by Lender to enable Lender and its counsel to evaluate any of such Proceedings

(v) Acceleration The acceleration of any Loan Facility Collateral Assets

(vi) Prepayment Receipt of notice of prepayment or defeasance of any Loan Facility Collateral Asset(s)

(vii) Loan Facility Collateral Asset Default The occurrence of any monetary default under a Loan Facility Collateral Asset not cured within the grace period applicable thereto, the occurrence of any material non-monetary default under any Eligible Assets not cured within the grace period applicable thereto, the giving of any notice of default

with regard to any Eligible Assets, if any Eligible Asset becomes a Defaulted Loan Facility Collateral Asset and the occurrence and amount of any Charge-Off Losses

(c) Compliance with Laws Borrower will comply in all material respects with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, including, without limitation all usury, truth-in-lending and consumer laws

(d) Furnishing of Information and Audits

(i) Borrower will furnish to Lender, from time to time, such information with respect to the Loan Facility Collateral Assets as they shall reasonably request, including, without limitation, the information and reports described in Section 2.9 hereof

(ii) Borrower will permit Lender or a firm selected by Lender to conduct a review and audit Borrower's Preliminary Due Diligence Package to ensure compliance with the Loan Origination Guidelines, such audit and review to take place, at Lender's option, prior to each Advance and thereafter upon the occurrence and during the continuance of any event which, with the passage of time, or the giving or notice, or both, would constitute an Event of Default hereunder. Each such review and audit shall be at Borrower's expense. Borrower will provide access to such firm pursuant to subsection (iii) below

(iii) Borrower will permit, at any time and from time to time during regular business hours (and, prior to the occurrence of an Event of Default or Default, after advance notice to Borrower), Lender or its agents or representatives, (A) to examine and make copies of and abstracts from all Records and (B) to visit the offices and properties of Borrower for the purpose of examining such Records, and to discuss matters relating to Loan Facility Collateral Assets, Borrower's performance under any Loan Document or any financial or other aspect of Borrower or Affiliates with any of the officers, directors, employees or independent public accountants of Borrower

(iv) Notwithstanding clause (iii) above, from time to time, upon the occurrence and during the continuance of any event which, with the passage of time, or the giving or notice, or both, would constitute an Event of Default hereunder, during regular business hours, Borrower will permit (or cause to be permitted) certified public accountants or other auditors acceptable to Lender, to conduct, at Borrower's expense, a review of the Records, Borrower's financial statements and Borrower's computer systems and servicing reports

(e) Keeping and Marking of Records and Books

(i) Borrower will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Loan Facility Collateral Assets in the event of the destruction of the originals thereof), and keep and maintain, all documents, books, records and other information reasonably necessary or advisable for the collection of all Eligible Assets and other Loan Facility Collateral Assets (including, without limitation, records adequate to permit the immediate identification of each new any Loan Facility Collateral Asset and all Collections of and adjustments to each existing any Loan Facility Collateral Asset). Borrower will give Lender written notice of any material change in the administrative and operating procedures referred to in the previous sentence

(ii) Borrower will keep books of record and account of Borrower in which full, true and correct entries in accordance with GAAP will be made of all dealings or transactions in relation to its business and activities, including the setting up on its books, from income, reserves adequate in the judgment of Borrower and Borrower's independent auditors for obsolescence, depreciation, depletion and amortization of the assets of Borrower during each year

(f) Performance and Compliance with Eligible Assets and Underlying Loan Facility Collateral Documents Borrower will at its expense timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Underlying Loan Facility Collateral Documents related to the any Loan Facility Collateral Assets

(g) Loan Origination Guidelines Borrower will comply with the Loan Origination Guidelines in regard to the Loan Facility Collateral Assets

(h) Subsequent Actions At the request of Lender, Borrower shall execute and deliver to Lender such documents or take such action as Lender deems reasonably necessary to carry out this Agreement and the other Loan Documents

(i) Maintenance of Assets, Borrower Insurance Borrower will maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, all material assets used or useful in the business of Borrower and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof Borrower will maintain or cause to be maintained, with financially sound and reputable insurers, insurance with respect to Borrower's assets and business against loss or damage of the kinds customarily carried or maintained under similar circumstances by corporations of established reputation engaged in similar businesses

(j) Borrower's Remedial Action Regarding Hazardous Materials Borrower shall promptly take all necessary remedial action in connection with the presence, storage, use, disposal, transportation or Release of any Hazardous Materials on, under or about any real property owned by Borrower, and enforce any rights Borrower may have relative to the presence, storage, use, disposal, transportation or Release of any Hazardous Materials on, under or about any Mortgaged Property, in order to comply with all applicable Environmental Laws and Governmental Authorizations If Borrower undertakes any remedial action with respect to any Hazardous Materials on, under or about any such real property or Mortgaged Property, Borrower shall cause such remedial action to be conducted and completed in compliance with all applicable Environmental Laws, and in accordance with the policies, orders and directives of all applicable Governmental Authorities except when, and only to the extent that, Borrower's liability for such presence, storage, use, disposal, transportation or discharge of any Hazardous Materials is being contested in good faith by Borrower

(k) Hedge Protections Borrower may obtain protection from interest rate fluctuations for the aggregate Outstanding Principal Balance of all Eligible Assets or in such different amount as may be determined from time to time by Borrower's Board of Directors, and

if obtained, Borrower shall provide Lender with a description thereof, together with copies of all documents and instruments evidencing such hedge obligations

(l) Document Deliveries Within twenty (20) Business Days after any Advance pursuant to which a Loan Facility Collateral Asset is collaterally assigned to Lender, Borrower will deliver to Lender a true and complete copy of each of the Underlying Loan Facility Collateral Deliveries obtained in connection with the relevant Loan Facility Collateral Asset, which may be delivered on a computer diskette in Adobe Acrobat or similar format To the extent that a Underlying Loan Facility Collateral Documents includes an interest rate protection agreement, such agreement (and related confirmation, if any) will not prohibit the assignment of such instrument to Lender (or, if prohibited, the required consent shall have been obtained prior to the applicable assignment of the Loan Facility Collateral Asset in question to Lender) and Borrower will deliver such consent to Lender promptly after receipt by Borrower Within ten (10) Business Days after any request from Lender, from time to time, Borrower will deliver to Lender a true and complete copy of any report, document or other item in its asset administration, servicing or other files regarding any Loan Facility Collateral Asset

(m) Payment of Taxes, Etc Borrower shall pay and discharge before the same shall become delinquent, (i) all Taxes, assessments, claims, governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become an Adverse Claim upon any of its property

(n) Preservation of Existence, Etc Borrower shall preserve and maintain in full force and effect its existence, legal structure, legal name, rights (charter and statutory), permits, licenses, trademarks, approvals, privileges and franchises as are necessary to carry on its business as currently conducted

(o) Payments, Distributions After and during any Event of Default, of if such payment will cause an Event of Default, Borrower shall not pay any distributions, dividends or other payments or return any capital to any of its respective partners, members, owners or shareholders or any other Affiliate or make any distribution of assets, rights, options, obligations or securities to any of its respective partners, members, shareholders or owners or any other Affiliate without Lender's consent

Section 5.2 Negative Covenants of Borrower Borrower hereby covenants, undertakes and agrees that at all times from the date hereof to the date on which all amounts payable hereunder and under the other Loan Documents shall be indefeasibly paid in full or if later, the Termination Date, unless Lender shall otherwise consent in writing

(a) Liens Borrower shall not directly or indirectly, create, incur, assume or permit to exist any Adverse Claim on or with respect to any property or asset of any kind (including any Loan Facility Collateral Assets or the Collection Account) of Borrower whether now owned or hereafter acquired, or any income or profits therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Adverse Claim with respect to any such property, asset, income or profits under the UCC of any State or under any similar recording or notice statute, except

(i) Liens with respect to Indebtedness permitted under Section 5 2(f)(iii), (which liens shall apply only to the assets securing any such Indebtedness),

(ii) Liens in favor of Lender,

(iii) Liens described in Schedule 5 2(a) annexed hereto, and

(iv) Nonconsensual liens or Adverse Claims that are being contested, in good faith by Borrower, and with respect to which Borrower has established and maintains reserves, deemed appropriate, by its Board of Directors or analogous body

(b) No Further Negative Pledges Except with respect to specific property (exclusive of Loan Facility Collateral Assets) encumbered to secure payment of particular Indebtedness permitted pursuant to this Agreement and except as provided in this Agreement, Borrower shall not enter into any agreement prohibiting the creation or assumption of any lien upon any of its properties or assets, whether now owned or hereafter acquired

(c) Intentionally Omitted

(d) Extension or Amendment of Eligible Assets Except as expressly contemplated by this Agreement or otherwise expressly agreed to by Lender, Borrower will not extend, amend or otherwise modify the terms of any Eligible Asset in any material respect, or amend, modify or waive any term or condition of any Underlying Loan Facility Collateral Documents related thereto in any material respect, or grant any material consent with regard to any Underlying Loan Facility Collateral Documents

(e) Investments Borrower shall not directly or indirectly, make or own any Investment in any Person, except

(i) Borrower may make and own Investments in (1) Eligible Investments, and (2) mortgage backed securities, and

(ii) Borrower may acquire Eligible Assets and related Loan Facility Collateral Assets

(f) Indebtedness and Guaranties Borrower shall not, directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except

(i) Borrower may become and remain liable with respect to the Borrower Obligations,

(ii) Borrower may become and remain liable with respect to Contingent Obligations expressly permitted by this Agreement and, upon any matured obligations actually arising pursuant thereto, the Indebtedness corresponding to the Contingent Obligations so extinguished,

(iii) Borrower may become and remain liable with respect to Indebtedness in respect of Capital Leases, provided that such Capital Leases are expressly permitted by this Agreement, and

(iv) Borrower may become and remain liable with respect to Indebtedness described in Schedule 5 2(f) annexed thereto

(g) Contingent Obligations Borrower shall not, directly or indirectly, create or become or remain liable with respect to any Contingent Obligation, except Borrower may become and remain liable with respect to Contingent Obligations in respect of customary indemnification and purchase price adjustment obligations incurred in connection with sales of Assets

(h) Capital Structure Borrower shall not alter the corporate, capital or legal structure of Borrower, or enter into any transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, sub-lease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its business, property or fixed assets, whether now owned or hereafter acquired, or acquire by purchase or otherwise all or substantially all the business, property or fixed assets of, or stock or other evidence of beneficial ownership of, any Person, provided that nothing in this Agreement shall restrict the transfer of cash between Borrower and Guarantor as long as the requirements and financial covenants set forth herein are maintained

(i) Restriction on Leases Borrower shall not become liable in any way, whether directly or by assignment or as a guarantor or other surety, for the obligations of the lessee under any Capital Lease

(j) Transaction with Affiliates Borrower shall not enter into, or be a party to, any transaction with any Affiliate, shareholder, officer, director or trustee of Borrower, except, consistent with Borrower's practice before entering into this Agreement, in the ordinary course of, and pursuant to the reasonable requirements of, Borrower's business and upon fair and reasonable terms which are fully disclosed in writing to Lender prior to entering into such transaction and are no less favorable to Borrower than would obtain in a comparable arm's length transaction with a Person not an Affiliate or shareholder, officer, director or trustee of Borrower

(k) Adverse Transactions Borrower shall not enter into any transaction which adversely affects the Eligible Assets or Borrower's ability to perform any of its respective obligations under any Loan Document or Lender's rights or interests under any Loan Document

(l) Eligible Assets and Related Property Except as otherwise expressly permitted in the Loan Documents, Borrower shall not convey, transfer, assign, pledge, or allow any Adverse Claim or any ownership, lien or other interest in the Eligible Assets or other Loan Facility Collateral Assets other than Borrower's and Lender's respective interests as described hereunder

(m) Intentionally Omitted

(n) Conduct of Business Except as otherwise expressly permitted hereunder, Borrower shall not engage in any business other than (i) providing financing of assets which fall within the categories of a Property Type and the making of Investments permitted pursuant to Section 5 2(e), and (ii) and such other lines of business as may be consented to by Lender

(o) Accounting Changes

(i) Borrower shall not (A) make or permit any change in accounting principles or reporting practices, except as required or permitted by GAAP or (B) change its Fiscal Year or fiscal quarters

(ii) Borrower will use Berman Hopkins, or an independent accounting firm of nationally recognized standing, or other accounting firm as otherwise approved by Lender

(p) Enforcement of Eligible Assets Borrower will not foreclose any Liens securing Eligible Assets or accept (or permit any Affiliate to accept) any property in lieu of foreclosure

(q) UCC Matters Borrower shall neither change its name, identity or corporate structure nor relocate its chief executive office or any office where Records are kept unless it shall have (i) given Lender at least thirty (30) days prior notice thereof and (ii) delivered to Lender all financing statements, instruments and other documents reasonably requested by Lender in connection with such change or relocation. Borrower shall at all times maintain its chief executive office within a jurisdiction in the United States in which Article 9 of the UCC is in effect and if it moves its chief executive office to a location which may charge taxes, fees, costs, expenses or other charges to perfect the Loan Facility Collateral Assets, it shall pay all taxes, fees, costs, expenses and other charges associated with perfecting the Loan Facility Collateral Assets and any other costs and expenses incurred in order to maintain the enforceability of this Agreement and the Loan Facility Collateral Assets, and take all actions at its expense as Lender may reasonably request

ARTICLE VI ACCOUNTS

Section 6 1 Establishment of Collection Account

(a) Collection Account Lender shall establish and maintain at Depository Bank, a collection account with the name " CMI Asset Pool I, LLC/Bernard National Senior Funding, Ltd (as secured party) re Collection Account" for deposits required to be made pursuant to the Loan Documents (the "Collection Account") Borrower covenants that the Collection Account shall be maintained in accordance with the terms hereof

(b) Borrower represents, warrants and covenants that (i) the Collection Account is and at all times shall be under the sole dominion and control of Lender, subject to Borrower's license to direct disbursements from the Collection Account prior to the occurrence and during the continuance of a Default or Event of Default, and (ii) Borrower has caused the Depository Bank to agree in writing, and shall continue to require Depository Bank, upon written

notice from Lender of the occurrence of a Default or Event of Default hereunder, to comply with instructions originated by Lender directing disposition of the funds in the Collection Account without further consent by Borrower

(c) Borrower represents, warrants and covenants that (i) the Collection Account is and shall be maintained as a "securities account" (as in Section 8-501(a) of the UCC), (ii) Lender is entitled to exercise the rights that comprise any financial asset credited to the Collection Account, (iii) Borrower shall have no right to give entitlement orders with respect to the Collection Account and no Loan Account Collateral shall be released to Borrower from the Collection Account, and (iv) all securities or other property underlying any financial assets credited to the Collection Account shall be registered in the name of Depository Bank or indorsed to Depository Bank or in blank and in no case will any financial asset credited to the Collection Account be registered in the name of Borrower, payable to the order of Borrower or specially indorsed to Borrower

(d) Borrower shall cause, and shall instruct all Obligor at all times to cause, and shall ensure that at all times, all Collections relating to the Loan Facility Collateral Assets be paid directly to the Collection Account. If for any reason Borrower receives any Collections in any other manner, it will, by the close of business on the first Business Day after the date of receipt, deposit the same to the Collection Account, and all such Collections shall be held in trust for Lender pending such deposit

(e) Except as provided in this Section, any payment by an Obligor in respect of any Loan Facility Collateral Asset shall, except as otherwise specified by such Obligor or otherwise required by contract or law and unless otherwise instructed by Lender be applied as a Collection of the Loan Facility Collateral Asset of such Obligor (starting with the oldest such Loan Facility Collateral Asset) to the extent of any amounts then due and payable thereunder before being applied to any other Indebtedness of such Obligor

(f) Intentionally Omitted

(g) No Other Accounts Borrower represents and warrants that there are no accounts other than the Collection Account maintained by Borrower or any other Person with respect to any Collection of the Loan Facility Collateral Assets and Borrower covenants that, until the Loan, together with all accrued and unpaid interest and all other sums due to Lender in connection with the Loan, is indefeasibly re-paid in full and the indefeasible satisfaction of the Borrower Obligations neither Borrower nor any other Person shall open any accounts for any Collection of the Loan Facility Collateral Assets except for the Collection Account

(h) General Account Provisions The Collection Account shall be subject to such applicable laws, and such applicable regulations of the Board of Governors of the Federal Reserve System and of any other banking or governmental authority, as may now or hereafter be in effect. Interest accruing on each Account, if any, shall be periodically added to the principal amount of such Account and shall be held, disbursed and applied in accordance with the provisions of this Agreement. All statements relating to the Collection Account shall be issued simultaneously by Depository Bank to Lender and Borrower. Borrower shall be the beneficial owner of the Collection Account for federal and state income tax purposes and shall report all

income on the Collection Account. Returned items in the Collection Account will be charged against Borrower in the succeeding month or, if later, when actually returned.

Section 6.2 Deposits into Collection Account. Borrower hereby covenants that all Collections from the Loan Facility Collateral Assets shall be deposited directly into the Collection Account no later than two Business Days following its receipt. Until so deposited, any sum required to be deposited into the Collection Account pursuant to this Agreement held by Borrower or on its behalf, shall be deemed to be Loan Account Collateral and shall be held in trust by such Person for the benefit of Lender, as secured party, and shall not be commingled with any other funds or property of such Person.

Section 6.3 Transfers from Collection Account. Upon the occurrence of a Default or Event of Default hereunder, Borrower hereby irrevocably authorizes Lender to transfer any and all funds on deposit in the Collection Account up to the aggregate amount then outstanding under and in respect of the Loan, to Lender to be applied

(a) first, to the payment of Late Charges and other sums due from Borrower to Lender,

(b) second, to the Interest accrued and unpaid through such day on the Aggregate Principal Outstanding,

(c) third, to Lender, any other amounts (other than Aggregate Principal Outstanding) owing to Lender under this Agreement,

(d) fourth, to Lender any fees, expenses and other amounts owing for any indemnification of such person by Borrower that have not otherwise be provided for in items (a)-(c) above,

(e) fifth, to Lender for the reduction of the Aggregate Principal Outstanding,

Section 6.4 Creation of Security Interest in Collection Account. Borrower hereby pledges, transfers and assigns to Lender, and grants to Lender, as additional security for the Obligations of Borrower, a continuing perfected first priority security interest in and to, and a first lien upon

(a) the Collection Account and all amounts which may from time to time be on deposit in the Collection Account,

(b) all of Borrower's right, title and interest in and to all cash, property or rights transferred to or deposited in the Collection Account from time to time,

(c) all certificates and instruments, if any, from time to time representing or evidencing the Collection Account or any amount on deposit therein, or any value received as a consequence of possession thereof, including, without limitation, all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, or in exchange for, any or all of the Collection Account,

(d) all monies, chattel paper, checks, note, bills of exchange, negotiable instruments, documents of title, money orders, commercial paper, and other security instruments, documents, deposits and credits from time to time in the possession of Lender representing or evidencing such Collection Account,

(e) all earnings and investments held in the Collection Account in accordance with this Agreement, and

(f) to the extent not described above, any and all proceeds of the foregoing, (collectively, the "Loan Account Collateral")

This Agreement and the pledge, assignment and grant of security interest made hereby shall secure payment of all Obligations of Borrower in accordance with the provisions set forth herein. This Agreement shall be deemed a security agreement within the meaning of the UCC

Borrower agrees to promptly execute, acknowledge, deliver, file or do, at its sole cost and expense, all acts, assignments, notices, agreements or other instruments as Lender may require in order to effectuate, assure, secure, assign, transfer and convey unto Lender any of the rights granted by this Agreement and to more fully perfect and protect any assignment, pledge, lien and security interest confirmed or purported to be created hereby, or to enable Lender to exercise and enforce their rights and remedies hereunder, in respect of the Loan Account Collateral. If Borrower fails, after the giving of required notices, if any, and the expiration of applicable grace periods, if any, to perform any agreement or obligation contained herein, Lender may perform or cause the performance of such agreement or obligation, and the expenses of Lender incurred in connection therewith shall be payable to Lender by Borrower.

Nothing contained herein shall impair or otherwise limit Borrower's obligations to timely make the payments (including, without limitation, interest and principal) required by the Note and the other Loan Documents, it being understood that such payments shall be so timely made in accordance with the Loan Documents, regardless of the amounts on deposit in the Collection Account, provided, however that anything herein to the contrary notwithstanding, to the extent not paid pursuant to Sections 2.3(a) or (b) hereof, interest on the outstanding principal balance of the Loan shall be permitted to accrue, and accrued interest shall bear interest, compounding monthly, on each Payment Date.

Section 6.5 Certain Matters Regarding Lender following an Event of Default
Following the occurrence of an Event of Default

(a) Borrower agrees that the Depository Bank shall pay over to Lender all amounts deposited in the Collection Account, but only up to the outstanding principal balance of the Loan, together with accrued and unpaid interest, and all other sums due to Lender in connection with the Loan.

(b) Lender may exercise in respect of the Loan Account Collateral all rights and remedies available to Lender hereunder or under the other Loan Documents, or otherwise available at law or in equity. Upon the occurrence and during the continuance of an Event of Default, Lender may exercise in respect of the Loan Account Collateral, in addition to other

rights and remedies provided for herein or otherwise available to it, all of the rights and remedies of a secured party upon default under the UCC then in effect in the applicable jurisdiction

(c) Upon the occurrence and during the continuance of any Event of Default which continues beyond any applicable notice or cure period, Lender may, at any time or from time to time

(i) collect, appropriate, redeem, realize upon or otherwise enforce its rights with respect to the Loan Account Collateral, or any part thereof, without notice to Borrower and without the need to institute any legal action, make demand to or upon Borrower or any other Person, exhaust any other remedies or otherwise proceed to enforce its rights,

(ii) execute (in the name, place and stead of Borrower) any endorsements, assignments or other instruments of conveyance which may be required for the withdrawal and negotiation of the Loan Account Collateral, and/or

(iii) exercise all other rights and remedies available to Lender hereunder and under any of the other Loan Documents

(d) Notwithstanding anything to the contrary contained herein

(i) Borrower shall remain liable under the Loan Documents to the extent set forth herein and therein to perform all of its respective obligations thereunder,

(ii) the exercise by Lender of any of its rights hereunder shall not release Borrower from its obligations under any of the Loan Documents, nor shall it constitute an election of remedies by Lender or a waiver by Lender of any of its rights and remedies under the Loan Documents, and

(iii) Except as expressly set forth in this Agreement or in any of the other Loan Documents, Lender shall not have any obligation or liability by reason of this Agreement, nor shall Lender be obligated to perform any of the obligations or duties of Borrower hereunder or to take any action, in each case, to collect or enforce any claim for payment assigned hereunder

No failure on the part of Lender to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right under this Agreement or the other Loan Documents. The remedies provided in this Agreement, the Note and the other Loan Documents are cumulative and not exclusive of any remedies provided at law or in equity

Section 6.6 Representations and Warranties Regarding Loan Account Collateral In addition to any representations or warranties contained in this Agreement, Borrower represents and warrants as follows

(a) Borrower is the legal and beneficial owner of the Loan Account Collateral, free and clear of any Liens, except for the Liens in favor of Lender created by this Agreement and the other Loan Documents

(b) Upon execution by Borrower this Agreement, the pledge and assignment of the Loan Account Collateral pursuant to this Agreement will create a valid, first priority security interest in the Loan Account Collateral, securing the payment and performance of the Obligations

Section 6 7 Covenants Regarding Loan Account Collateral Except as otherwise permitted in this Agreement or any of the other Loan Documents, Borrower covenants to Lender that, from and after the date hereof, it will comply with or shall cause to be complied with, the covenants set forth below

(a) It will not, without the prior consent of Lender, (i) sell, assign (by operation of law or otherwise), pledge, or grant (or permit to be sold, assigned, pledged or granted) any option with respect to, any interest in the Loan Account Collateral or (ii) create or permit to exist any assignment, lien, security interest, option or other charge or encumbrance upon or with respect to any Loan Account Collateral, except for the liens in favor of Lender under this Agreement and the other Loan Documents,

(b) It will give Lender not less than thirty (30) days' prior written notice of any change in the address of its chief executive office or its principal office,

(c) All records with respect to the Loan Account Collateral will be kept at Borrower's principal office and will not be removed from such addresses without the prior written consent of Lender,

(d) It will not make or consent to any amendment or other modification or waiver with respect to any Loan Account Collateral, or enter into any agreement, or permit to exist any restriction, with respect to any Loan Account Collateral,

(e) It will, at its expense, defend Lender's right, title and security interest in and to the Loan Account Collateral against the claims of any Person, and

(f) It will not take any action which would in any manner impair the enforceability of this Agreement or the security interests created hereby

Section 6 8 Attorney-In-Fact Borrower hereby irrevocably appoints Lender, as its attorney-in-fact, coupled with an interest, with full authority in the place and stead of the Borrower and in the name of Borrower or otherwise, from time to time during the continuance of an Event of Default in the reasonable discretion of Lender, to take any action and to execute any instrument which Lender may deem necessary to accomplish the purpose of this Agreement or any other Loan Document, including, without limitation, the following (i) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for monies due and to become due under or in respect of the Collection Account and/or any of the Loan Account Collateral, (ii) to receive, endorse, and collect (A) Eligible Asset, (B) any instruments made payable to Borrower representing any dividend, payment of principal, interest, redemption price,

purchase price or other distribution or payment in respect of any Loan Account Collateral, or (C) any other instruments, documents and chattel paper received in connection with this Agreement or any other Loan Document, (iii) to file any claims, or take any action or institute any proceedings which Lender shall deem necessary or desirable for the collection of Eligible Assets in the event that any Borrower shall fail to do so, or otherwise to enforce the rights of Lender with respect to this Agreement, (iv) to execute and/or file, without the signature of any Borrower any UCC financing statements, continuation statements, or other filing, and any amendment thereof, relating to the Loan Account Collateral, (v) to give notice to any third parties which may be required to perfect Lender's security interest in the Loan Account Collateral, (vi) to register, purchase, sell, assign, transfer, pledge or take any other action with respect to any Loan Account Collateral in accordance with this Agreement or any Loan Document, and (vii) to register, purchase, sell, assign, transfer, pledge, or take any other action with respect to, any Loan Account Collateral in accordance with this Agreement or, to the extent applicable, any other Loan Document Lender shall reasonably promptly notify such Borrower of Lender's taking of any action as attorney-in-fact, or otherwise in such Borrower's name, pursuant to the provisions of this Section 6 8

Section 6 9 Account Fees All fees, costs and expenses (other than servicing fees or asset management fees, if any) associated with the Collection Account shall be paid by Borrower when due, which fees, costs and expenses may be paid from Loan proceeds to the extent available to be advanced hereunder

ARTICLE VII ADMINISTRATION AND COLLECTIONS

Section 7 1 Administration of Eligible Assets Lender shall be, and hereby is, vested with the right to enforce and collect the Eligible Assets Notwithstanding the foregoing, Lender hereby delegates to Borrower the right to service, administer, collect and enforce the Eligible Assets pursuant to a standard that meets or exceeds the greater of (a) the servicing, administration, collection and enforcement that would be undertaken by a reasonably prudent person performing such actions with regard to similar Eligible Assets, and (b) the standards observed by Borrower in connection with Loan Facility Collateral Assets not collaterally assigned to Lender, provided, however, the foregoing delegation shall terminate upon the occurrence of an Event of Default Upon the occurrence of an Event of Default which continues beyond any applicable grace or cure period, Lender, in its sole discretion, may designate any Person (including itself) as servicer of the Loan Facility Collateral Assets Borrower shall timely bear all the out-of-pocket costs of Lender in connection with a transfer of servicing arrangements to a servicer Borrower shall fully cooperate with and assist any new servicer of the Eligible Assets Such cooperation shall include (without limitation) access to and transfer of records and use by the new servicer or its designee, of all licenses, hardware or software in the possession or control of Borrower necessary or desirable to collect the Eligible Assets and the Underlying Loan Facility Collateral Security

Section 7 2 Enforcement Rights At any time following the occurrence of an Event of Default and designation of a new servicer pursuant to Section 7 1

(a) Lender may direct the Obligors that payment of all amounts payable under any Eligible Asset be made directly to Lender or its designee for application in accordance with the terms hereof

(b) Borrower shall, at Lender's request and at Borrower's expense, give notice of Lender's ownership of Eligible Assets to each Obligor and direct that payments be made directly to Lender or its designee

(c) Lender may request Borrower to, and upon such request Borrower shall, assemble all of the records necessary or desirable to collect the Eligible Assets and the Underlying Loan Facility Collateral Security, and transfer or license the use of, to the new servicer, all software necessary or desirable to collect the Eligible Assets and the Underlying Loan Facility Collateral Security, and make the same available to Lender or its designee at a place selected by Lender

(d) Borrower hereby authorizes Lender (or its designees), upon the occurrence and during the continuation of an Event of Default, to take all steps in Borrower's name and on behalf of Borrower necessary or desirable, in the determination of Lender, to collect all amounts due under all Eligible Assets, including, without limitation, endorsing Borrower's name on checks and other instruments representing Collections and enforcing such Eligible Assets, Underlying Loan Facility Collateral Security and the related Underlying Loan Facility Collateral Documents

Section 7 3 Responsibilities of Borrower Anything herein to the contrary notwithstanding, Borrower shall (i) perform all of its obligations under the Underlying Loan Facility Collateral Documents related to the Eligible Assets to the same extent as if interests in such Eligible Assets had not been sold hereunder and the exercise by Lender of its rights hereunder shall not relieve Borrower from such obligations, and (ii) pay when due any taxes including without limitation, any sales taxes payable in connection with the Eligible Assets and their creation and satisfaction Lender shall have no obligation or liability with respect to any Eligible Asset, Underlying Loan Facility Collateral Security or related Underlying Loan Facility Collateral Documents, nor shall it be obligated to perform any of the obligations of Borrower thereunder, it being understood that the exercise by Lender of any rights under any of the Loan Documents shall not release Borrower from any of its duties or obligations under the Underlying Loan Facility Collateral Documents, or any other contracts and agreements

ARTICLE VIII EVENTS OF DEFAULT

Section 8 1 Events of Default The occurrence of any one or more of the following events shall constitute an "Event of Default "

(a) Borrower shall fail to make any payment or deposit to be made by it hereunder when due (including pursuant to Sections 2 2(b), 2.4(d) and 2 5 hereof) or under any Loan Document within three (3) days after such sums are due, provided, however, the aforesaid three (3) day grace period may be utilized by Borrower no more than three (3) times in any consecutive twelve month period, or

(b) [Intentionally Omitted],

(c) [Intentionally Omitted],

(d) Any representation, warranty, certification or statement made by Borrower in this Agreement or in any other Loan Document or in statement or certificate at any time given by Borrower in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect on the date as of which made provided, that if such default referred to in this Section 8 1(d) is susceptible of being cured, no Event of Default shall arise under this Section 8 1(d) unless such default shall remain uncured for a thirty (30) day period after such occurrence is discovered, provided, further, however, that if the default is susceptible of cure (and is not susceptible to cure solely by the payment of money) but cannot reasonably be cured with such thirty (30) day period and Borrower shall have commenced to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, Borrower shall have such additional time as is reasonably necessary to effect such cure, but in no event in excess of sixty (60) days from the original occurrence, whereupon an Event of Default shall arise under this Section 8 1(d), or any other document delivered pursuant hereto shall prove to have been incorrect, when made or deemed made, or

(e) (i) Borrower shall fail to pay when due (A) any principal of or interest on any Indebtedness (other than Indebtedness referred to in Section 8 1(a) above) or (B) any Contingent Obligation, in each case beyond the end of any grace period provided therefor, or (ii) a breach or default by Borrower with respect to any other material term of (a) any evidence of any Indebtedness or any Contingent Obligation, or (b) any loan agreement, mortgage, indenture or other agreement relating to such Indebtedness or Contingent Obligation(s), if the effect of such breach or default is to cause that Indebtedness or Contingent Obligation(s) to become or be declared due and payable prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be (upon the giving or receiving of notice, lapse of time, both, or otherwise), or

(f) Borrower shall default in the performance of any other covenant or undertaking hereunder or under any Loan Document, other than any such term referred to in any other paragraph of this Section 8 1, provided, that if such default referred to in this Section 8 1(f) is susceptible of being cured, no Event of Default shall arise under this Section 8 1(f) unless such default shall remain uncured for a thirty (30) day period after such occurrence, provided, further, however, that if the default is susceptible of cure (and is not susceptible to cure solely by the payment of money) but cannot reasonably be cured with such thirty (30) day period and Borrower shall have commenced to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, Borrower shall have such additional time as is reasonably necessary to effect such cure, but in no event in excess of sixty (60) days from the original occurrence, whereupon an Event of Default shall arise under this Section 8 1(f), or

(g) (i) A court having jurisdiction shall enter a decree or order for relief in respect of Borrower in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed, or any other similar relief shall be granted under any applicable federal or

state law, or (ii) an involuntary case shall be commenced against Borrower under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over Borrower, or over all or a substantial part of its property, shall have been entered, or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of Borrower for all or a substantial part of its property, or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of Borrower, and any such event described in this clause (ii) shall continue for sixty (60) days unless dismissed, bonded or discharged, or

(h) (i) Borrower shall have an order for relief entered with respect to it or commence a voluntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property, or Borrower shall make any assignment for the benefit of creditors, or (ii) Borrower shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due, or the managers or directors or trustees of Borrower (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to in clause (i) above or this clause (ii), or

(i) Any money judgment, writ or warrant of attachment or similar process involving (i) in any individual case an amount in excess of \$250,000 or (ii) in the aggregate at any time an amount in excess of \$1,000,000 (in either case not adequately covered by insurance as to which a Solvent and unaffiliated insurance company has acknowledged coverage) shall be entered or filed against Borrower or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days (or in any event later than five (5) days prior to the date of any proposed sale thereunder), or

(j) Any order, judgment or decree shall be entered against Borrower decreeing the dissolution or split up of Borrower and such order shall remain undischarged or unstayed for a period in excess of thirty (30) days, or

(k) Borrower shall be convicted of, or indicted for, any crime, or

(l) any material deficiency or qualification in any audit performed in connection with the Loan Facility Collateral Assets is not, in the opinion of Lender, satisfactorily cured within thirty (30) days, or

(m) a Change of Control shall occur, or

(n) this Agreement shall for any reason cease to create a valid, first priority ownership or security interest in any of the Eligible Assets and other Loan Facility Collateral Assets not released in accordance with the terms, provisions and limitations of this Agreement, or the validity or enforceability thereof shall be contested by Borrower or Affiliate of Borrower

Section 8.2 Remedies

(a) Optional Liquidation Upon the occurrence and during the continuance of an Event of Default (other than an Event of Default described in Sections 8.1(g) or 8.1(h)), Lender may declare the Termination Date to have occurred whereupon the Termination Date shall occur

(b) Automatic Liquidation Upon the occurrence of an Event of Default described in Sections 8.1(g) or 8.1(h), the Termination Date shall be deemed to have occurred automatically upon the occurrence of such Event of Default

(c) Additional Remedies Upon the occurrence of the Event of Default, in addition to all other rights and remedies that Lender have hereunder, under the other Loan Documents and under applicable law including without limitation under the UCC

(i) Lender may sell, transfer or liquidate, or require Borrower to sell or otherwise transfer or liquidate, all or any of the Eligible Assets, Underlying Loan Facility Collateral Security and/or Loan Facility Collateral Assets on behalf of Lender publicly or privately on such terms as Lender may determine are appropriate in its discretion to any Person including itself, and/or

(ii) [Intentionally Omitted], and/or

(iii) Lender may transfer the Loan Facility Collateral Assets to Lender or its designees, and/or

(iv) with respect to Lender, the right to carry out the action within the scope of Borrower's appointment of Lender as attorney-in-fact, and/or

(v) Lender may exercise its rights under any Loan Documents

Upon the occurrence of an Event of Default, Lender shall have the right, at Lender's sole discretion and without further notice to Borrower, (a) to enforce payment of the Obligors' obligations and any other Loan Facility Collateral Assets, and to collect and foreclose, by legal proceedings or otherwise, the Loan Facility Collateral Assets in the name of Lender and (b) to take control, in any manner, of any item of payment for or proceeds of the Loan Facility Collateral Assets. Lender is not obligated to pursue the Loan Facility Collateral Assets or any other Person in order to enforce Borrower's obligations hereunder. Lender is hereby granted a license or other applicable right to use, without charge, Borrower's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks and advertising matter, or any property of a similar nature, as it pertains to the Loan Facility Collateral Assets, in advertising for sale and selling any Loan Facility Collateral Assets and Borrower's rights under all licenses shall inure to Lender's benefit for this purpose.

Section 8.3 Injunctive Relief Borrower recognizes that if there is an Event of Default then, depending on the nature of the Event of Default, it may be that no remedy at law will provide complete or adequate relief to Lender, and Lender may, to the extent permitted by applicable law, be entitled to temporary and permanent injunctive relief in any such case without

the necessity of proving actual damages. The injunctive relief shall not be a waiver of Lender's rights to other relief and remedies.

Section 8.4 Remedies Cumulative. All rights, remedies and powers of Lender hereunder and, under the Loan Documents and in connection herewith or therewith are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all other rights, remedies and powers of Lender whether under law, equity or agreement. In addition to the rights and remedies granted to it in this Agreement, Lender shall have all rights and remedies of a secured party under the UCC.

ARTICLE IX SECURITY INTEREST

Section 9.1 Grant of Security Interest. Borrower hereby assigns and grants to Lender a first priority security interest in all of such Borrower's right, title and interest in, to and under all of the following, whether now or hereafter existing: (a) each and every Eligible Asset, all Underlying Loan Facility Collateral Security with respect to each such Eligible Asset, each and every Collection related thereto and all other Loan Facility Collateral Assets of every nature, (b) the Collection Account, all funds on deposit therein and all certificates and instruments, if any, from time to time evidencing such account and funds on deposit therein, all investments made with such funds, all claims thereunder or in connection therewith, all contract rights (including under insurance policies) and other rights relating thereto and all interest, dividends, moneys, instruments, securities and other property from time to time received, receivable or otherwise distributed in respect or in exchange for any or all of the foregoing and anything else constituting part of the Loan Facility Collateral Assets, (c) all proceeds and amounts received or receivable by Borrower or Lender under any or all of the foregoing, (d) all "general intangibles," "accounts" and "chattel paper" (as such terms are defined in the UCC) relating to or constituting any and all of the foregoing, and (e) all replacements, substitutions or distributions on or proceeds, payments, income and profits of, and records and files relating to any and all of any of the foregoing, to secure the prompt payment and performance of all Borrower Obligations arising in connection with this Agreement and each other Loan Document, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent, including, without limitation, all Indemnified Amounts, all Interest, all fees, plus all other amounts payable hereunder and under the other Loan Documents. This Agreement shall constitute a security agreement under applicable law with regard to the security interest granted pursuant to this Section 9.1. Lender shall have all of the rights and may exercise all of the remedies of a secured creditor under the UCC and the other laws of the State of New York. In furtherance of the foregoing, (a) Borrower, at its sole cost and expense, shall cause to be filed in such locations as may be necessary to perfect and maintain perfection and priority of the security interest granted hereby, UCC-1 financing statements and continuation statements (collectively, the "Filings"), and shall forward copies of such Filings to Lender upon completion thereof, and (b) Borrower shall from time to time take such further actions as may be reasonably requested by Lender to maintain and continue the perfection and priority of the security interest granted hereby. To the extent permitted by applicable law, Borrower waives all claims, damages, and demands against Lender arising out of the repossession, retention or sale of the Loan Facility Collateral Assets, except in each case arising out of the Gross Negligence of Lender, as finally determined by a court of competent jurisdiction. Borrower agrees that Lender need not give more than ten (10)

days' notice of the time and place of any public sale or of the time after which a private sale may take place and that such notice is commercially reasonable notification of such matters

ARTICLE X INDEMNIFICATION, RECOURSE

Section 10.1 Indemnities by Borrower Without limiting any other rights which Lender may have hereunder or under applicable law, Borrower hereby agrees to, and does hereby, indemnify and hold harmless Lender and its officers, directors, agents, employees, heirs, successors and assigns (each an "Indemnified Party") from and against all damages, losses, claims, liabilities, costs and expenses, including reasonable attorneys' fees and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts") awarded against or incurred by any of them arising out of or as a result of this Agreement or any other Loan Document, or the acquisition, either directly or indirectly, by Lender or its successors or assigns of the Loan Facility Collateral Assets, excluding, however, Indemnified Amounts to the extent final judgment of a court of competent jurisdiction holds such Indemnified Amounts resulted from Gross Negligence on the part of the Indemnified Party seeking indemnification, provided that nothing contained in this sentence shall limit the liability of Borrower or limit the recourse of Lender to Borrower for amounts otherwise specifically provided to be paid by Borrower under the terms of this Agreement or any other Loan Document, including without limitation under the terms of the next succeeding sentence. Without limiting the generality of the foregoing indemnification, Borrower shall indemnify and hold harmless Lender for Indemnified Amounts (including, without limitation, losses in respect of uncollectible receivables, regardless of whether reimbursement therefor would constitute recourse to Borrower) relating to or resulting from

(a) the assignment of the Eligible Asset to Lender and otherwise with respect to the Eligible Assets and the Loan hereunder and under the Loan Documents, and the transactions hereunder and contemplated hereby,

(b) any representation or warranty made by Borrower (or any officers, managers or members of Borrower) under or in connection with this Agreement or any other Loan Document, any report or any other information or report delivered by Borrower pursuant hereto, which shall have been false or incorrect when made or deemed made,

(c) the failure by Borrower to comply with any applicable law, rule or regulation with respect to any Eligible Asset or Underlying Loan Facility Collateral Documents related thereto, or the nonconformity of any Eligible Asset or Underlying Loan Facility Collateral Documents included therein with any such applicable law rule or regulation,

(d) the failure to vest and maintain vested in Lender the Loan Facility Collateral Assets, free and clear of any Adverse Claim,

(e) the failure to file, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to the Loan Facility Collateral Assets,

(f) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Eligible Asset included in the Loan Facility Collateral Assets (including, without limitation, a defense based on such Eligible Asset or the Underlying Loan Facility Collateral Documents relating to such Eligible Asset not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale or lease of goods or the rendering of services related to such Eligible Asset or the furnishing or failure to furnish such goods or services,

(g) any failure of Borrower to perform its duties or obligations in accordance with the provisions of this Agreement or under the other Loan Documents,

(h) any legal suit or other claim or action of whatever sort arising out of or in connection with any Eligible Asset or this Agreement or any other Loan Document, or

(i) any products liability claim or personal injury or property damage suit or other claim or action of whatever sort arising out of or in connection with any Eligible Asset, the Underlying Loan Facility Collateral Security therefor or this Agreement

Section 10 2 Tax Indemnification and Characterization

(a) Borrower hereby agrees to pay, and to indemnify, protect, save and hold harmless, on an after-Tax basis, Lender from and against all (i) Taxes which may at any time be imposed or asserted by reason of, in connection with or in respect of the Eligible Assets or the Loan Facility Collateral Assets or any transactions contemplated hereby or the receipt of payment under this Section 10 2, whether imposed on Lender, Borrower, the Eligible Assets, the Loan Facility Collateral Assets or otherwise, and whether arising by reason of the acts to be performed by Borrower hereunder or otherwise and (ii) damages, losses, claims, liabilities and related costs and expenses of Lender in connection with the imposition or assertion of any Tax described in (i), provided, however, this Section 10 2(a) shall not apply with respect to Taxes on or measured by the overall net income, net profits or net receipts of Lender ("Income Taxes") to the extent that the computation of such Income Taxes is consistent with the Intended Characterization (as defined in Section 10 2(c))

(b) In addition to and not in limitation of the indemnifications contained in Section 10 2(a), Borrower hereby agrees to pay, and to indemnify, protect, save and hold harmless, Lender on an after-Tax basis, from and against (i) the excess of (x) the aggregate state and local Taxes on or measured by net income or profits (and Taxes in lieu thereof) payable by any such indemnified party in connection with or in respect of the Eligible Assets or any transactions contemplated hereby or the receipt of payment under this Section 10 2, over (y) the amount of such state and local income Taxes which would have been payable on such indemnified party's net income in connection with or in respect of the Eligible Assets or any transactions contemplated hereby, had the entire amount of such income been subject to Tax in the jurisdiction in which such indemnified party's principal executive office is located, and only in such jurisdiction and (ii) all damages, losses, claims, liabilities and related costs and expenses of such indemnified party in connection with clause (i)

(c) It is the intention of the parties hereto that for the purposes of all Taxes, the transactions contemplated hereby shall be treated as an Advance by Lender to Borrower (the "Intended Characterization") The parties hereby agree to report such transactions for the purposes of all Taxes, and otherwise to act for the purposes of all Taxes, in a manner consistent with the Intended Characterization

(d) All payments due pursuant to this Section 10 2 shall be paid no later than five (5) days after demand for such payment has been made by an Indemnified Party Without in any way limiting such parties' remedies, any such amount not paid when due shall bear interest at a rate equal to the Overdue Rate Any claim that an Indemnified Party makes for payment pursuant to this Section 10 2 shall be accompanied by a statement of such parties' accountants which attests that the claim has been computed in conformity with the requirements of this Section 10 2

Section 10 3 Increased Cost and Reduced Return

(a) If after the date hereof, an Indemnified Party shall be charged any fee, expense or increased cost pursuant to or in connection herewith in each case on account of the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank, state insurance regulatory body or comparable agency charged with the interpretation or administration thereof, or in connection herewith with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency (a "Regulatory Change") (i) which subjects such Indemnified Party to any charge or withholding on or with respect to the Loan Documents or otherwise in connection herewith, or changes the basis of taxation of payments to such Indemnified Party of or in connection herewith (except for changes in the rate of tax on the overall net income of such financial institution) or (ii) which imposes, modifies or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of such Indemnified Party, or credit extended by such Indemnified Party or (iii) which imposes any other condition the result of which is to increase the cost to such Indemnified Party in connection herewith, then, upon demand by such an Indemnified Party, Borrower shall pay to such parties such amounts charged to them

(b) If after the date hereof, an Indemnified Party shall be charged any fee, expense or increased cost in connection herewith having determined that the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by such Indemnified Party with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Indemnified Party's capital as a consequence of its obligation under such funding agreement, to a level below that which such Indemnified Party could have achieved but for such adoption, change or compliance, then, upon demand by an Indemnified Party, Borrower shall pay to such parties any such amounts charged to them

Section 10 4 Other Costs and Expenses Borrower shall pay to Lender on demand, all costs and expenses (excluding such Person's allocated internal costs) in connection with the preparation, execution, delivery, administration and enforcement of this Agreement and the other documents to be delivered hereunder, including without limitation, reasonable fees and out-of-pocket expenses of legal counsel for Lender with respect thereto and with respect to advising Lender as to its rights and remedies under this Agreement, and all costs and expenses, if any, including reasonable counsel fees and expenses in connection with the administration and enforcement of this Agreement and the other documents delivered hereunder and in connection with any restructuring or workout of this Agreement or such documents or the administration of this Agreement following an Event of Default, provided, that unless Lender reasonably concludes that the representation by one counsel of all of them would create a conflict of interest for such counsel, Borrower shall only be responsible for the fees and expenses of one counsel under this Section 10 4 Borrower shall reimburse Lender on demand for any amount they must pay on account on any tax described in Section 10 2 Borrower shall reimburse Lender on demand for Borrower's allocable portion of all other costs and expenses incurred by Lender ("Other Costs") incurred in connection with auditing the books, records and procedures of Borrower

Section 10 5 Due Diligence Borrower acknowledges that Lender has the right to perform continuing due diligence reviews with respect to the Loan Facility Collateral Assets, for purposes of verifying compliance with the representations, warranties and specifications made hereunder, or otherwise, and Borrower agrees that upon reasonable prior notice to Borrower, Lender or its authorized representatives will be permitted during normal business hours to examine, inspect, and make copies and extracts of, the Records, servicing records and any and all documents, records, agreements, instruments or information relating to the Loan Facility Collateral Assets in the possession or under the control of Borrower, any other servicer or subservicer Borrower also shall make available to Lender a knowledgeable financial or accounting officer for the purpose of answering questions respecting the Loan Facility Collateral Assets Without limiting the generality of the foregoing, Borrower acknowledges that Lender may make Advances based solely upon the information provided by Borrower to Lender and the representations, warranties and covenants contained herein, and that Lender, at its option, has the right at any time to conduct a partial or complete due diligence review on some or all of the Loan Facility Collateral Assets Lender may underwrite such Loan Facility Collateral Assets itself or engage a third party underwriter to perform such underwriting Borrower agrees to reasonably cooperate with Lender and any third party underwriter in connection with such underwriting, including, but not limited to, providing Lender and any third party underwriter with access to any and all documents, records, agreements, instruments or information relating to such Loan Facility Collateral Assets in the possession, or under the control, of Borrower Borrower shall promptly upon demand pay Lender's reasonable, third-party expenses in connection with underwriting assets, making the Loan and, acquiring security interests in the Loan Facility Collateral Assets, including the reasonable fees and expenses of Lender's counsel, provided that such expenses shall be paid by Borrower only for the initial review of each Eligible asset and thereafter only after the occurrence of a Default or Event of Default

Section 10 6 Recourse (A) Except as provided in the Environmental Indemnity Agreement and the Carveout Guaranty, neither Borrower nor Guarantor shall have any personal recourse liability for the Borrower Obligations incurred under this Agreement, the Note or any of

the other Loan Documents and no deficiency judgment therefore shall be enforced against the personal assets of Borrower other than the Loan Facility Collateral Assets and the proceeds of the Loan Facility Collateral Assets. Notwithstanding the foregoing, a judgment may be sought, obtained, entered and enforced against Borrower to the extent necessary to preserve or enforce the rights and remedies of Lender in, to or against the collateral and security provided under the Loan Documents, and nothing contained in this Section 10.6(A) shall be construed to limit, prejudice or impair the rights of Lender to enforce its rights and remedies against any real and personal property mortgaged, pledged, encumbered, assigned or granted to secure payment or performance under this Agreement, the Note and/or the other Loan Documents. Notwithstanding anything to the contrary herein or elsewhere, the foregoing limitation on personal liability shall be null, void and of no force and effect, and Borrower and Guarantor shall, jointly and severally, be personally liable for payment and performance of the Obligations in the event of the occurrence of any of the following: (a) Borrower or Guarantor shall file or institute any petition, case or proceeding under the Bankruptcy Code, (b) Guarantor or any Affiliate of Borrower shall file or initiate any involuntary petition, case or proceeding against Borrower or Guarantor under the Bankruptcy Code, (c) Borrower, Guarantor or any of their respective Affiliates shall arrange, solicit, induce, finance or collude with others in the filing of any involuntary petition, case or proceeding against Borrower or Guarantor under the Bankruptcy Code, or (d) an involuntary petition, case or proceeding is filed against Borrower or Guarantor under the Bankruptcy Code and Borrower or Guarantor, as the case may be, fails to file a motion to dismiss (together with any ancillary filings or briefs customarily filed therewith) such proceeding within ninety (90) days after the commencement of the proceeding, or (d) a Change of Control shall have occurred.

(B) Nothing in this Agreement or the other Loan Documents shall be construed or deemed to release any Person from liability arising out of such Person's fraud or to limit the rights and remedies of Lender, either at law or in equity, for (1) injunctive or declaratory relief, (2) rights to recover on account of fraudulent conveyances, fraudulent transfers, preferences, or other laws which would operate to protect Lender against Borrower's or any other Person's dissipation of assets to avoid obligations under the Loan Documents (whether under the Bankruptcy Code or other applicable laws), (3) rights to seek penalties or sanctions under applicable judicial rules and statutes governing the conduct of litigation, and (4) rights and remedies for criminal conduct in relation to Lender, the Loan or the security for the Loan.

(C) Notwithstanding Section 10.6(A), Borrower and Guarantor shall, jointly and severally, be personally liable for and does hereby agree to pay, protect, defend and save Lender harmless from and against, and hereby indemnifies Lender from and against any and all liabilities, obligations, losses, damages, costs and expenses (including reasonable attorneys' fees, court costs and costs of appeal), causes of action, suits, claims, demands and judgments of any nature of description whatsoever (collectively, "Costs") which may at any time be imposed upon, incurred or suffered by or awarded against Lender as a result of: (a) Proceeds paid to, or upon the order of, Borrower or its Affiliates under any insurance policies (or paid as a result of any other claim or cause of action against any person or entity) by reason of damage, loss or destruction to all or any portion of the Loan Facility Collateral Assets, to the full extent of such Proceeds not previously delivered to Lender, but which, under the terms of the Loan Documents, should have been delivered to Lender, (b) Proceeds resulting from the condemnation or other taking in lieu of condemnation of all or any portion of the Loan Facility Collateral Assets, or any of them, to the full extent of such Proceeds paid to, or upon the order of, Borrower or its

Affiliates and not previously delivered to Lender, but which, under the terms of the Loan Documents, should have been delivered to Lender, (c) tenant security deposits or other refundable deposits paid to or held by Borrower, its Affiliates or its members, partners, officers and agents in connection with Leases of all or any portion of the Loan Facility Collateral Assets which are not applied in accordance with the terms of the applicable Lease or other agreement or paid to, or upon the order of, Lender, (d) Collections, Net Cash Proceeds or Net Recoveries of all or any portion of the Loan Facility Collateral Assets received by Borrower or its Affiliates during or applicable to a period after any written notice of default is given to Borrower from Lender under the Loan Documents which are not either applied to the ordinary and necessary expenses of owning and operating the Loan Facility Collateral Assets or paid to Lender in accordance with the Loan Documents, (f) impairment of the Loan Facility Collateral Assets as a result of the intentional misconduct or gross negligence of Borrower, its Affiliates or any of their officers, directors, members, managers, or general partners, or any agent, employee or other Person authorized or apparently authorized to act on behalf of Borrower or such persons, or any conversion of any of the Loan Facility Collateral Assets in violation of the terms of the Loan Documents, (g) until such time as Borrower has transferred actual possession and control of the Loan Facility Collateral Assets to Lender, to a duly appointed receiver of the Loan Facility Collateral Assets, to a purchaser at a foreclosure sale or to a transferee in lieu of foreclosure, for Borrower's failure to pay (or deposit into reserves held by Lender funds sufficient to pay) any obligations which could create Adverse Claims on any portion of the Loan Facility Collateral Assets which would be superior to the lien of the Loan Documents, to the full extent of the amount claimed by any such claimant, (h) failure by Borrower to comply with any obligations and indemnities of Borrower under the Loan Documents relating to Hazardous Materials or Environmental Laws to the full extent of any losses or costs incurred by Lender, (i) fraud or material misrepresentation by Borrower or any of its officers or general partners, members, managers, any guarantor, any indemnitor or any agent, employee or other Person authorized or apparently authorized to make statements or representations on behalf of Borrower, any members, managers, officers or partners of Borrower, or any guarantor or any indemnitor, to the full extent of any losses, damages and expenses of Lender on account thereof, (j) for any amounts paid to Borrower and not delivered to Lender to be held in accordance with the other Loan Documents, (k) any judicial, administrative or other action by Borrower, Carveout Guarantor or any of their Affiliates that delays, impairs or interferes with the exercise of Lender's rights and remedies under the Loan Documents, or (l) the occurrence of a Default with respect to Sections 5 1(a) – (e), 5 1(m), 5 1(n), 5 2(a), 5 2(d), 5 2(f), 5 2(h), 5 2(j), 5 2(l), or Article VI

ARTICLE XI CUSTODIAN

Section 11 1 Duties of Custodian

(a) Custodian will hold all Loan Facility Collateral Assets delivered to it from time to time, subject to the liens and security interests of Lender hereunder and the terms and provisions hereof

(b) Custodian shall perform the following powers and duties

(i) hold the Eligible Assets Delivery Documents, maintain accurate records pertaining to the Eligible Assets Delivery Documents to enable it to comply with the terms of this Agreement, and maintain a current inventory thereof,

(ii) implement policies and procedures in accordance with Custodian's normal business practices with respect to the handling and custody of the Underlying Loan Facility Collateral Documents so that the integrity and physical possession of the Underlying Loan Facility Collateral Documents will be maintained, and

(iii) hold and distribute and invest monies and other assets in accordance with the terms hereof

(c) From time to time, Borrower shall forward to Custodian additional original documents or additional documents evidencing any assumption, modification, consolidation or extension of a Loan Facility Collateral Asset approved in accordance with the terms of this Agreement, and upon receipt of any such other documents, Custodian shall hold such other documents in accordance with this Agreement. With respect to any documents which have been delivered or are being delivered to recording offices for recording and have not been returned to Borrower in time to permit their delivery hereunder at the time required, in lieu of delivering such original documents, Borrower shall deliver to Lender a true copy thereof with an officer's certificate certifying that such copy is a true, correct and complete original document, which has been transmitted for recordation.

ARTICLE XII SECONDARY MARKET TRANSACTION

Section 12.1 Secondary Market Transaction, Cooperation Borrower agrees that Lender has the absolute right to securitize, syndicate, grant participations in, assign, pledge, hypothecate or otherwise transfer all or any portion of its rights and obligations under the Loan Documents (each such transaction, a "Securitization") Borrower shall, upon request from Lender, from time to time, cooperate in all reasonable respects in connection with a Securitization. Such cooperation may, in Lender's discretion, include documentation changes, site inspections, updated appraisals, preparation and delivery of financial information or other diligence requested by Lender. Borrower will not be required to incur expenses or costs pursuant to this Article XII. Borrower will, upon request from Lender, in connection with a Securitization, enter into such acknowledgments and confirmations of the applicable assignments as Lender may request. Borrower shall, subject to the terms and provisions of this Article XII, use reasonable efforts to satisfy the market standards which Lender determines are reasonably required in the marketplace in connection with a Securitization. Borrower will not, pursuant to any of the provisions of this Article XII, incur, suffer or accept any lesser rights or greater obligations as are set forth in the Loan Documents. No Securitization will release Lender from its obligations under this Agreement and the other Loan Documents.

ARTICLE XIII MISCELLANEOUS

Section 13 1 Survival of Representations and Indemnities The rights and remedies of the parties hereto with respect to any representation and warranty made or deemed to be made by Borrower pursuant to this Agreement and the indemnification and payment provisions of Article IX, shall be continuing and shall survive any termination of this Agreement

Section 13 2 Waivers, Amendments No failure or delay on the part of any party in exercising any power, right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other further exercise thereof or the exercise of any other power, right or remedy The rights and remedies herein provided shall be cumulative and nonexclusive of any rights or remedies provided by law No waiver of this Agreement shall in any event be effective with respect to any party unless the same shall be in writing and signed by such party, and then any such waiver shall be effective only in the specific instance and for the specific purpose for which given Any provision of this Agreement may be amended if, but only if, such amendment is in writing and is signed by the parties to be bound thereby and Lender

Section 13 3 Notices Except as provided below, all communications and notices provided for hereunder shall be in writing (including bank wire, telecopy or electronic facsimile transmission or similar writing) and shall be given to the other party at its address or telecopy number set forth on the signature page hereof or at such other address or telecopy number as such party may hereafter specify for the purposes of notice to such party Each such notice or other communication shall be effective (i) if given by telecopy, upon receipt thereof, (ii) if given by mail, four (4) Business Days after the time such communication is deposited in the mails with first-class postage prepaid or (iii) if given by any other means, when received at the address specified in this Section 13 3

Section 13 4 Independence of Covenants All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of an Event of Default or Default if such action is taken or condition exists

Section 13 5 Governing Law THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES

Section 13 6 Consent to Jurisdiction and Service of Process ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST BORROWER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY OBLIGATIONS THEREUNDER, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK BY EXECUTING AND DELIVERING THIS AGREEMENT, BORROWER, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY

(I) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS,

(II) WAIVES ANY DEFENSE OF *FORUM NON CONVENIENS*,

(III) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO BORROWER AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH THIS AGREEMENT,

(IV) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (III) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER BORROWER IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT,

(V) AGREES THAT LENDER RETAINS THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST BORROWER IN THE COURTS OF ANY OTHER JURISDICTION, AND

(VI) AGREES THAT THE PROVISIONS OF THIS SECTION 13 6 RELATING TO JURISDICTION AND VENUE SHALL BE BINDING AND ENFORCEABLE TO THE FULLEST EXTENT PERMISSIBLE UNDER NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1402 OR OTHERWISE

Section 13 7 Integration This Agreement contains the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire Agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings

Section 13 8 Severability, Counterparts This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction

Section 13 9 Successors and Assigns This Agreement shall be binding on the parties hereto and their respective successors and assigns, provided, however, that Borrower may not assign any of its rights or delegate any of its duties hereunder without the prior written consent of Lender

Section 13 10 Confidentiality Each party to this Agreement shall hold all non-public information obtained pursuant to the requirements of this Agreement that has been identified as confidential by Borrower or any other party in accordance with such Person's customary procedures for handling confidential information of this nature, it being understood

and agreed that in any event each party to this Agreement may make disclosures to Affiliates of such party, disclosures to statistical or credit rating agencies, disclosures to its agents, auditors, consultants and counsel who have been advised of these provisions and disclosures reasonably required by any bona fide assignee, transferee or participant that agrees to be bound by these confidentiality provisions or disclosures required or requested by any governmental agency or representative thereof or pursuant to legal process, provided that, unless specifically prohibited by applicable law or court order, each party to this Agreement shall notify the other parties to this Agreement of any request by any governmental agency or representative thereof for disclosure of any such non-public information prior to disclosure of such information, and provided, further that in no event shall Lender or any other Lender Representative be obligated or required to return any materials furnished by Borrower

Section 13 11 Time is of the Essence Time is of the essence under the Loan Documents and all references to a time shall mean New York time in effect on the date of the action unless otherwise expressly stated in the Loan Documents

Section 13 12 Waiver of Jury Trial EACH OF THE PARTIES TO THIS AGREEMENT HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR THE RELATIONSHIP THAT IS BEING ESTABLISHED The scope of this waiver is intended to be all-encompassing of all disputes that may be filed in any court and that relate to the subject matter of this transaction, including contract claims, tort claims, breach of duty claims and all other common law and statutory claims Each party hereto acknowledges that this waiver is a material inducement to enter into a business relationship, that each has already relied on this waiver in entering into this Agreement, and that each will continue to rely on this waiver in their related future dealings Each party hereto further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 13 12 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING THERETO In the event of litigation, this Agreement may be filed as a written consent to a trial by the court

Section 13 13 Headings The headings in the Loan Documents are for convenience of reference only and shall not affect the interpretation or construction of the Loan Documents

Section 13 14 No Presumption Should any provision of the Loan Documents require judicial interpretation, it is agreed that a court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against any Person by reason of the rule of construction that a document is to be construed more strictly against the

Person who itself or through its agent prepared the same, it being agreed that all parties have participated in the preparation of the Loan Documents

Section 13 15 Continuing Assignment, Reversion of Loan Facility Collateral Assets This Agreement shall create a continuing assignment of and interest in the Loan Facility Collateral Assets and shall (a) remain in full force and effect until indefeasible payment in full of all Borrower Obligations, (b) be binding upon Borrower and its successors and assigns and (c) inure, together with the rights and remedies of Lender and the other Lender Representatives hereunder, to the benefit of Lender and the other Lender Representatives and their respective successors, transferees and assigns Upon the indefeasible payment in full of Borrower Obligations and the termination of this Agreement, the interests granted hereby shall terminate and all rights to the Loan Facility Collateral Assets assigned or pledged by Borrower shall revert to Borrower Upon any such termination, Lender and the other Lender Representatives will, at Borrower's expense, execute and deliver to Borrower such documents as Borrower shall reasonably request to evidence such termination

Borrower agrees that this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, on any Borrower Obligation is rescinded or must otherwise be restored by Borrower upon the bankruptcy or reorganization of Borrower or any other Person or otherwise


Section 13 16 Independent Contractor Borrower is an independent contractor in all matters relating to this Agreement and the Loan Facility Collateral Assets and is not an agent or representative of Lender or any of its Affiliates Borrower has no authority to act on behalf of or bind Lender or any of its Affiliates

Section 13 17 Statements of Account Each report, billing statement, and payment transcript which is prepared by Lender shall, except for demonstrable errors, be deemed final, binding and conclusive upon Borrower in all respects as to all matters reflected therein, and shall constitute an account stated between Borrower and Lender, unless thereafter waived in writing by Lender or unless, within sixty (60) days after Borrower's receipt of such document, Borrower delivers to Lender notice of a written objection thereto specifying the claimed error In the event of such an error, only those items expressly objected to in such notice shall be deemed to be disputed by Borrower and Lender's only liability to Borrower shall be to issue a corrected document

Section 13 18 Publicity Lender (and Lender's Affiliates) may and Borrower does hereby authorize Lender (and its Affiliates) to, refer, in its sole discretion, to the transaction contemplated by this Agreement in tombstone advertisements, offering memoranda in connection with Securitizations and reports to investors, which references, may include use of photographs, drawings and other depictions, a description of the transaction contemplated by this Agreement, use of Borrower's name and the logo of Borrower

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date hereof

CMI ASSET POOL I, LLC, a Delaware limited liability company

By 

Name Jack Wehmiller
Title President

2450 Atlanta Highway
Suite 903
Cumming, GA 30040

BERNARD NATIONAL SENIOR FUNDING,
LTD , a Cayman Islands company

By _____
Name
Title

745 Fifth Avenue, 18th Floor
New York, New York 10151

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date hereof

CMI ASSET POOL I, LLC, a Delaware limited liability company

By _____
Name
Title

2450 Atlanta Highway
Suite 903
Cumming, GA 30040

BERNARD NATIONAL SENIOR FUNDING,
LTD , a Cayman Islands company

By  _____
Name
Title
Daniel B. Zwirn
Managing Member

745 Fifth Avenue, 18th Floor
New York, New York 10151

EXHIBIT 3

GUARANTY OF RECOURSE CARVEOUTS

THIS GUARANTY OF RECOURSE CARVEOUTS (this "Guaranty"), dated as of August 31, 2006, is made and entered into by CORNERSTONE MINISTRIES INVESTMENTS, INC., a Georgia corporation, with an address for notice hereunder of 2450 Atlanta Highway, Suite 903, Cumming, Georgia 30040 ("Guarantor"), in favor of BERNARD NATIONAL SENIOR FUNDING, LTD., a Cayman Islands company ("Lender"), with an address for notice hereunder of 745 Fifth Avenue, 18th Floor, New York, New York 10151

WHEREAS, CMI Asset Pool I, LLC, a Delaware limited liability company ("Borrower"), and Lender have entered into a certain Revolving Loan Agreement of even date herewith (as the same may be amended, modified, supplemented or restated from time to time, the "Loan Agreement")

WHEREAS, Guarantor is the holder of all of the entity interests in Borrower and will obtain substantial economic benefit from Lender making the Loan, and

WHEREAS, to induce Lender to make the Loan and to enter into and execute the Loan Agreement and the other Loan Documents, Guarantor has agreed to enter into this Guaranty

NOW, THEREFORE, in consideration for the extension of credit and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, and to induce Lender to extend credit to Borrower, Guarantor does hereby unconditionally, absolutely and irrevocably guarantee to Lender, its successors and assigns, the due payment, fulfillment and performance of the "Guaranteed Obligations" (as hereinafter defined). Guarantor hereby irrevocably and unconditionally covenants and agrees that Guarantor shall pay the Guaranteed Obligations as a primary obligor, this Guaranty being upon the following terms and conditions

1 Definitions All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement. As used herein, the term "Guaranteed Obligations" means the full, complete and punctual observance, performance, payment and satisfaction of all of the obligations of Borrower for which the Borrower is personally liable pursuant to Section 10.7 of the Loan Agreement and all costs of collection thereof.

2 Nature of Guaranty This Guaranty is an irrevocable, unconditional, absolute, continuing guaranty of payment and performance and not a guaranty of collection. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to the Guaranteed Obligations arising or created after any attempted revocation by Guarantor and after Guarantor's dissolution, in which event this Guaranty shall be binding upon Guarantor's successors and assigns. It is the intent of Guarantor that the obligations and liabilities of Guarantor hereunder are absolute and unconditional under any and all circumstances and that until the Guaranteed Obligations are fully, finally and indefeasibly satisfied, such obligations and liabilities shall not be discharged or released in whole or in part, by any act or occurrence which might, but for the provisions of this Guaranty, be deemed a legal or equitable discharge or release of Guarantor. Each and every default in payment of any amounts due or performance of any obligation required under this Guaranty shall give rise to a separate cause of action.

hereunder, and separate suits may be brought hereunder as each cause of action arises, or, in the discretion of Lender, may be brought as a consolidated suit or suits. This Guaranty may be enforced by Lender and any subsequent holder of the Note and shall not be discharged by the assignment or negotiation of all or part of the Note.

3 Waivers

(a) Guarantor hereby assents to all terms and agreements heretofore or hereafter made by Borrower with Lender, and, except as such waiver may be expressly prohibited by law, waives notice of

(i) any loans or advances made by Lender to Borrower under the Loan Documents,

(ii) the present existence or future incurring of any of the indebtedness pursuant to the Note or any future modifications thereof or any terms or amounts thereof or any Guaranteed Obligations or any terms or amounts thereof,

(iii) the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty), pledge, assignment, or other security for any of the indebtedness evidenced by the Note, or any Guaranteed Obligations, and

(iv) notice of protest, default, notice of intent to accelerate and notice of acceleration in relation to any instrument relating to the indebtedness evidenced by the Note or any Guaranteed Obligations

(b) Guarantor hereby waives any rights and defenses which Guarantor might have as a result of any representation, warranty or statement made by Lender or its agents to Guarantor in order to induce Guarantor to execute this Guaranty

(c) Upon a Default by Borrower giving rise to liability under Section 10.7 of the Loan Agreement, Lender in its sole discretion, without prior notice to or consent of Guarantor, may elect to (i) foreclose either judicially or nonjudicially against any security it may hold for the Loan, (ii) accept a transfer of any such security in lieu of foreclosure, (iii) compromise or adjust the Loan or any part of it or make any other accommodation with Borrower or Guarantor, or (iv) exercise any other remedy against Borrower or any security. No such action by Lender shall release or limit the liability of Guarantor, who shall remain liable under this Guaranty after the action, even if the effect of the action is to deprive Guarantor of any subrogation rights, rights of indemnity, or other rights to collect reimbursement from Borrower for any sums paid to Lender, whether contractual or arising by operation of law or otherwise. Guarantor expressly agrees that under no circumstances shall Guarantor be deemed to have any right, title, interest or claim in or to any collateral property to be held by Lender or any third party after any foreclosure or transfer in lieu of foreclosure of any security for the Loan.

(d) Regardless of whether Guarantor may have made any payments to Lender, until the Loan is indefeasibly paid in full and except as set forth in Section 11 hereof, Guarantor hereby waives (i) all rights of subrogation, indemnification, contribution and any other rights to collect reimbursement from Borrower or any other party for any sums paid to Lender, whether contractual or arising by operation of law (including the United States Bankruptcy Code or any

successor or similar statute) or otherwise, (ii) all rights to enforce any remedy that Lender may have against Borrower, and (iii) all rights to participate in any security now or later to be held by Lender for the Loan

(e) Guarantor further waives any defense to the recovery by Lender against Guarantor of any deficiency or otherwise to the enforcement of this Guaranty or any security for this Guaranty based upon Lender's election of any remedy against Guarantor or Borrower, including the defense to enforcement of this Guaranty by virtue of any "anti-deficiency" statutes and their application following a non-judicial foreclosure sale

(f) Guarantor waive all rights and defenses arising out of an election of remedies by Lender, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for any of the Guaranteed Obligation may adversely affect Guarantor's right of subrogation and reimbursement against Borrower

4 Events and Circumstances Not Reducing or Discharging Guarantor's Obligations
Guarantor hereby consents and agrees to each of the following, and agrees that Guarantor's obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following, and waives any rights and defenses (excluding the rights to notice, if any, as herein provided or as required by law) which Guarantor might have otherwise as a result of or in connection with any of the following

(i) any and all extensions, modifications, adjustments, indulgences, forbearances or compromises that might be granted or given by Lender to Borrower, including, without limitation, any and all amendments, modifications, supplements, extensions or restatements of any of the Loan Documents,

(ii) the insolvency, bankruptcy, rearrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Borrower or any other party at any time liable for the payment of all or part of the indebtedness evidenced by the Note or any Guaranteed Obligations, or any dissolution, consolidation or merger of Borrower, or any sale, lease or transfer of any or all of the assets of Borrower or Guarantor, or any changes in the ownership, partners or members of Borrower,

(iii) the invalidity, illegality or unenforceability of all or any part of the indebtedness evidenced by the Note or any Guaranteed Obligations, or any Loan Document, for any reason whatsoever, including, without limitation, the fact that the Indebtedness evidenced by the Note, or any part thereof exceeds the amount permitted by law, the act of creating the Indebtedness evidenced by the Note or any Guaranteed Obligations or any part thereof is ultra vires, the representatives executing the Note or the other Loan Documents or otherwise creating the Indebtedness evidenced by the Note or any Guaranteed Obligations acted in excess of their authority, the Indebtedness evidenced by the Note violates applicable usury laws, Borrower has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Indebtedness evidenced by the Note or any Guaranteed Obligations wholly or partially uncollectible from Borrower, the creation, performance or repayment of the Indebtedness evidenced by the Note or any Guaranteed Obligations is illegal, uncollectible, legally impossible or unenforceable, or any of the other Loan Documents pertaining to the Indebtedness evidenced by the Note or any Guaranteed Obligations are irregular or not genuine or authentic,

(iv) the taking or accepting of any other security, collateral or guaranty, or other assurance of the payment, for all or any of the Indebtedness evidenced by the Note or any Guaranteed Obligations,

(v) any release, surrender or exchange of any collateral, property or security, at any time existing in connection with, or assuring or securing payment of, all or any part of the Indebtedness evidenced by the Note or the Guaranteed Obligations,

(vi) the failure of Lender or any other party to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of such collateral, property or security,

(vii) the fact that any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Indebtedness evidenced by the Note or Guaranteed Obligations shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being recognized and agreed by Guarantor that Guarantor is not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectibility or value of any of the collateral for the Indebtedness evidenced by the Note or the Guaranteed Obligations,

(viii) any payment by Borrower to Lender is held to constitute a preference under the Bankruptcy Code, or for any reason Lender is required to refund such payment or pay such amounts to such Borrower, or any other Person, or

(ix) any other action taken or omitted to be taken with respect to the Loan Documents, the Indebtedness evidenced by the Note or the Guaranteed Obligations, the security and collateral therefor, whether or not such action or omission prejudices Guarantor or increases the likelihood that Guarantor will be required to pay the Guaranteed Obligations

It is the unambiguous and unequivocal intention of Guarantor that Guarantor shall be obligated to pay and perform the Guaranteed Obligations as and when due, notwithstanding any occurrence, circumstance, event, action or omission whatsoever, whether contemplated or un contemplated, and whether or not otherwise or particularly described herein, except for the full and final, indefeasible payment and satisfaction of all Guaranteed Obligations

5 Payment by Guarantor If the Guaranteed Obligations, or any part thereof, are not punctually paid or performed, as the case may be, Guarantor shall, immediately on demand and without protest or notice of protest, pay the amount due thereon to Lender, at its address set forth above or as otherwise designated by Lender. Such demand(s) may be made at any time coincident with or after the time for payment or performance of all or part of the Guaranteed Obligations. It shall not be necessary for Lender, in order to enforce such payment or performance by Guarantor, first to institute suit or exhaust its remedies against Borrower, or others liable to pay or perform such Guaranteed Obligations, or to enforce its rights against any security which shall ever have been given to secure the Guaranteed Obligations. Lender shall not be required to mitigate damages or take any other action to reduce, collect or enforce the indebtedness evidenced by the Note or Guaranteed Obligations. No set-off, counterclaim, reduction, or diminution of any obligations, or any defense of any kind or nature which

Guarantor has or may hereafter have against Borrower or Lender shall be available hereunder to Guarantor

6 Indebtedness or Other Obligations of Guarantor If Guarantor is or becomes liable for any Indebtedness owed by Borrower to Lender by endorsement or other than under this Guaranty, such liability shall not be in any manner impaired or affected by this Guaranty, and the rights of Lender hereunder shall be cumulative of any and all other rights that Lender may ever have against Guarantor. The exercise by Lender of any right or remedy hereunder or under any other instrument or at law or in equity shall not preclude the concurrent or subsequent exercise of any other instrument or remedy at law or in equity and shall not preclude the concurrent or subsequent exercise of any other right or remedy. Further, without in any way diminishing or limiting the generality of the foregoing, it is specifically understood and agreed that this Guaranty is given by Guarantor as an additional guaranty to any and all guarantees hereafter executed and delivered to Lender by Guarantor in favor of Lender relating to Indebtedness of Borrower to Lender, and nothing herein shall ever be deemed to replace or be in lieu of any other of such previous or subsequent guarantees

7 Application of Payments If, at any time, there is any Indebtedness (or any portion thereof) of Borrower to Lender which is not guaranteed by Guarantor, Lender, without in any manner impairing its rights hereunder, may, at its option, apply all amounts realized by Lender from collateral or security held by Lender first to the payment of such unguaranteed indebtedness or obligations, with the remaining amounts, if any, to then be applied to the payment of the indebtedness or obligations guaranteed by Guarantor

8 Intentionally Omitted

9 Covenants, Warranties and Representations

(a) To induce Lender to enter into the Loan Documents and extend credit to Borrower, Guarantor represents and warrants to Lender as follows

(i) Guarantor has received, or will receive, direct or indirect benefit from the making of this Guaranty, the making of the Loan and the entering into and execution of the Loan Agreement and the Loan Documents in connection therewith,

(ii) Guarantor is familiar with, and has independently reviewed the financial condition of Borrower and is familiar with the value of any and all collateral intended to be created as security for the payment and performance of the indebtedness evidenced by the Note and the Guaranteed Obligations, and Guarantor assumes full responsibility for keeping fully informed as to such matters in the future, however, Guarantor is not relying on such financial condition or the collateral as an inducement to enter into this Guaranty,

(iii) Neither Lender nor any other Person has made any representation, warranty or statement to it in order to induce it to execute this Guaranty,

(iv) No consent, approval, authorization or order of any court or governmental authority or other Person is required for the execution, delivery and performance

by it of, or compliance by it with, this Guaranty or the consummation of the transactions contemplated hereby, other than those which have been obtained by it,

(v) The execution, delivery and performance by it of this Guaranty and the consummation of the transactions contemplated hereunder do not and will not contravene or conflict with any law, statute or regulation whatsoever to which it is subject or constitute a default (or an event which with notice or lapse of time or both would constitute a default) under, or result in the breach of, any indenture, mortgage, charge, lien, or any contract, agreement or other instrument to which it is a party or which may be applicable to it. This Guaranty is a legal and binding obligation of it and is enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditors' rights,

(vi) There is no action, suit, proceeding or investigation (including any pertaining to any Environmental Law) pending or, to its knowledge, threatened against it in any court or by or before any other governmental authority, or labor controversy affecting it or any of its properties, businesses, assets or revenues, which would reasonably be expected to (i) materially and adversely affect the ability of it to carry out the transactions contemplated by this Guaranty, (ii) materially and adversely affect the value of its property, (iii) impair the use and operation of its assets or (iv) impair its ability to pay its obligations in a timely manner,

(vii) All financial statements concerning Guarantor which have been or will hereafter be furnished by Guarantor or Borrower to Lender pursuant to the Loan Documents, have been or will be prepared in accordance with GAAP consistently applied (except as disclosed therein, to the extent Lender approves such disclosure) and, in all material respects, present fairly the financial condition of the Persons covered thereby as at the dates thereof and the results of their operations for the periods then ended,

(viii) Guarantor is not an "employee benefit plan" (within the meaning of section 3(3) of ERISA) to which ERISA applies and Guarantor's assets do not constitute plan assets. No actions, suits or claims under any laws and regulations promulgated pursuant to ERISA are pending or, to Guarantor's knowledge, threatened against Guarantor. Guarantor has no knowledge of any material liability incurred by Guarantor which remains unsatisfied for any taxes or penalties with respect to any employee benefit plan or any Multiemployer Plan, or of any lien which has been imposed on Guarantor's assets pursuant to section 412 of the Code or sections 302 or 4068 of ERISA. The Loan, the execution, delivery and performance of the Loan Documents and the transactions contemplated by this Guaranty are not a non-exempt prohibited transaction under ERISA. Guarantor is an "operating company" as defined in ERISA,

(ix) As of the date hereof, and after giving effect to this Guaranty and the contingent obligations evidenced hereby, Guarantor is and expects to be Solvent at all times, and has and expects to have assets at all times which, fairly valued, exceed its obligations, liabilities and debts, and has and expects to have property and assets at all times sufficient to satisfy and repay his or its obligations and liabilities, and

(x) All representations and warranties made by Guarantor herein shall survive the execution hereof and shall be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender

10 Subordination If, for any reason Borrower is now or hereafter becomes indebted to Guarantor (such Indebtedness and all interest thereon being referred to as the "Affiliated Debt"), such Affiliated Debt shall, at all times, be subordinate in all respects to the full payment and performance of the obligations evidenced by the Note, and such Guarantor shall not be entitled to enforce or receive payment thereof until all of the obligations evidenced by the Note have been fully paid. Guarantor agrees that any liens, mortgages, deeds of trust, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Affiliated Debt shall be and remain subordinate and inferior to any liens, security interests, judgment liens, charge or other encumbrances upon Borrower's assets securing the payment of the obligations evidenced by the Note and Guaranteed Obligations, and without the prior written consent of Lender, Guarantor shall not exercise or enforce any creditor's rights of any nature against Borrower to collect the Affiliated Debt (other than demand payment therefor). In the event of the receivership, bankruptcy, reorganization, arrangement, debtor's relief or other insolvency proceedings involving Borrower as a debtor, Lender shall have the right and authority, either in its own name or as attorney-in-fact for Guarantor, to file such proof of debt claim, petition or other documents and to take such other steps as are necessary to prove its rights hereunder.

11 Waiver of Subrogation Notwithstanding any other provision of this Guaranty to the contrary, until the Loan is indefeasibly paid in full, Guarantor hereby waives any claim or other rights which Guarantor may now have or hereafter acquire against Borrower or any other Person of all or any of the obligations that arise from the existence or performance of Guarantor's obligations under this Guaranty (all such claims and rights are referred to as "Guarantor's Conditional Rights"), including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, or indemnification, any right to participate in any claim or remedy of Lender against Borrower or any security or collateral which Lender now has or hereafter acquires, whether or not such claim, remedy or right arises in equity or under contract, statute (including the Bankruptcy Code or any successor or similar statute) or common law, by any payment made hereunder or otherwise, including without limitation, the right to take or receive from Borrower, directly or indirectly, in cash or other property or by setoff or in any other manner, payment or security on account of such claim or other rights. If, notwithstanding the foregoing provisions, any amount shall be paid to Guarantor on account of Guarantor's Conditional Rights and either (i) such amount is paid to Guarantor at any time when the Guaranteed Obligations shall not have been paid or performed in full, or (ii) regardless of when such amount is paid to Guarantor, any payment made by Borrower to Lender is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by Lender or paid over to a trustee, receiver or any other entity, whether under any bankruptcy act or otherwise (such payment, a "Preferential Payment"), then such amount paid to Guarantor shall be held in trust for the benefit of Lender and shall forthwith be paid to Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured, in such order as Lender, in its sole and absolute discretion, shall determine. The foregoing waivers shall be effective until the Guaranteed Obligations have been paid and performed in full.

12 Impairment of Subrogation Rights, Waivers of Rights Under the Anti-Deficiency Rules

(a) Guarantor agrees that upon an Event of Default under the Loan Documents, Lender may elect to foreclose either nonjudicially or judicially against any collateral

security it holds for the obligations evidenced by the Note or any Guaranteed Obligations, or any part thereof, or accept an assignment of any such security in lieu of foreclosure, or compromise or adjust any part of such obligations, or make any other accommodation with Borrower or exercise any other remedy against Borrower or any collateral or security. No such action by Lender will release or limit the liability of Guarantor to Lender, who shall remain liable under this Guaranty after the action, even if the effect of that action is to deprive Guarantor of the right to collect reimbursement from Borrower or any other person for any sums paid to Lender or Guarantor's rights of subrogation, contribution, or indemnity against Borrower or any other person. Without limiting the foregoing, it is understood and agreed that on any foreclosure or assignment in lieu of foreclosure of any collateral or security held by Lender, such security will no longer exist and that any right that Guarantor might otherwise have, on full payment of the Guaranteed Obligations by Guarantor to Lender, to participate in any such security or to be subrogated to any rights of Lender with respect to any such security will be nonexistent, nor shall Guarantor be deemed to have any right, title, interest or claim under any circumstances in or to any real or personal property held by Lender or any third party following any foreclosure or assignment in lieu of foreclosure of any such security.

(b) Guarantor understands and acknowledges that if Lender forecloses judicially or nonjudicially against any security for Borrower's obligations, such foreclosure could impair or destroy any right or ability that Guarantor may have to seek reimbursement, contribution, or indemnification for any amounts paid by Guarantor under this Guaranty.

(c) Guarantor intentionally, freely, irrevocably and unconditionally waives and relinquishes all rights which may be available to Guarantor under any provision of applicable law to limit the amount of any deficiency judgment or other judgment which may be obtained against Guarantor under this Guaranty to not more than the amount by which the unpaid Guaranteed Obligations plus all other Indebtedness due from Borrower under the Loan Documents exceeds the fair market value or fair value of property securing said obligations and any other Indebtedness due from Borrower under the Loan Documents, including, without limitation, all rights to an appraisal of, judicial or other hearing on, or other determination of the value of said property. Guarantor acknowledges and agrees that, as a result of the foregoing waiver, Lender may be entitled to recover from Guarantor an amount which, when combined with the value of any property foreclosed upon by Lender (or the proceeds of the sale of which have been received by Lender) and any sums collected by Lender from Borrower or other Persons, might exceed the amount of the Guaranteed Obligations plus all other Indebtedness due from Borrower under the Loan Documents.

(d) Guarantor understands and agrees that Lender may have the ability to pursue Guarantor for a judgment on the Guaranteed Obligations without having first foreclosed on the collateral security for such Guaranteed Obligations, that Lender may have the ability to sue Guarantor for a deficiency judgment on the Guaranteed Obligations after a non-judicial foreclosure sale or, regardless of any election of remedies by Lender, if the Guaranteed Obligations or any of the other Indebtedness of Borrower to Lender under the Loan Documents is considered to have been provided by a vendor to a buyer and to evidence part of the purchase price for the collateral security, and that Lender may be able to recover from Borrower an amount which, when combined with the fair market value of the property acquired by Lender in a foreclosure sale or the proceeds of the foreclosure sale received by Lender, might exceed the

amount of the Guaranteed Obligations due and owing by Guarantor and the amounts payable under the Loan Documents

(e) Nothing contained in this Guaranty shall in any way be deemed to imply that any other state's law other than the law of the State of New York shall govern this Guaranty or any of the Loan Documents in any respect, except as expressly set forth therein, including with respect to the exercise of Lender's remedies under the Loan Documents. Notwithstanding any other provision herein to the contrary, upon the indefeasible payment in full of the Note, Guarantor shall have all rights of subrogation available at law or in equity

13 Benefit This Guaranty is for the benefit of Lender, its successors and assigns, and in the event of an assignment by Lender, its successors or assigns, of the obligations evidenced by the Note, or any part or parts thereof, the rights and benefits hereunder, to the extent applicable to the obligations so assigned, may be transferred with such obligations

14 No Release if Preference, Refund, Etc. In the event any payment by Borrower to Lender is determined to be a preferential payment under any applicable bankruptcy or insolvency laws, or if for any reason Lender is required to refund part or all of any payment or pay the amount thereof to any other party, such repayment by Lender to Borrower shall not constitute a release of Guarantor from any liability hereunder, and Guarantor agrees to pay such amount to Lender upon demand to the extent such amount constitutes a Guaranteed Obligation

15 Right of Set-Off In addition to any other rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon Guarantor's failure to pay the Guaranteed Obligations, after demand by Lender, Lender is hereby authorized at any time and from time to time, without notice to Guarantor or to any other person, to set off and to appropriate and to apply any and all deposits (general or special) and any other indebtedness at any time held or owing by Lender to or for the credit or the account of Guarantor against or on account of the obligations evidenced by the Note

16 GOVERNING LAW PURSUANT TO SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, GUARANTOR AGREE THAT THIS GUARANTY AND ALL RIGHTS, OBLIGATIONS AND LIABILITIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK

17 Notices Unless otherwise specifically provided herein, any notice or other communication required or permitted to be given shall be in writing addressed to the respective party given in accordance with Section 13.3 of the Loan Agreement

18 Consent of Jurisdiction/Service of Process GUARANTOR HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF NEW YORK, STATE OF NEW YORK AND IRREVOCABLY AGREES THAT, SUBJECT TO LENDER'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE OTHER LOAN DOCUMENTS SHALL BE LITIGATED IN SUCH COURTS. GUARANTOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF *FORUM NON CONVENIENS*,

AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT, THE NOTE, SUCH OTHER LOAN DOCUMENTS OR SUCH OBLIGATION GUARANTOR DESIGNATES AND APPOINTS CT CORPORATION SYSTEM OR SUCH OTHER PERSONS AS MAY HEREAFTER BE SELECTED BY GUARANTOR WITH LENDER'S APPROVAL WHICH IRREVOCABLY AGREES IN WRITING TO SO SERVE AS ITS AGENT TO RECEIVE ON ITS BEHALF SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDINGS IN ANY SUCH COURT, SUCH SERVICE BEING HEREBY ACKNOWLEDGED BY GUARANTOR TO BE EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT A COPY OF ANY SUCH PROCESS SO SERVED SHALL BE MAILED BY REGISTERED MAIL TO GUARANTOR AT ITS ADDRESS PROVIDED HEREIN EXCEPT THAT UNLESS OTHERWISE PROVIDED BY APPLICABLE LAW, ANY FAILURE TO MAIL SUCH COPY SHALL NOT AFFECT THE VALIDITY OF SERVICE OF PROCESS IF ANY AGENT APPOINTED BY GUARANTOR AS ITS AGENT FOR SERVICE OF PROCESS REFUSES TO ACCEPT SERVICE OF PROCESS, GUARANTOR HEREBY AGREES THAT SERVICE UPON IT BY MAIL SHALL CONSTITUTE SUFFICIENT SERVICE NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF LENDER TO BRING PROCEEDINGS AGAINST GUARANTOR IN THE COURTS OF ANY OTHER JURISDICTION

19 WAIVER OF JURY TRIAL GUARANTOR AND LENDER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS GUARANTY, ANY OF THE LOAN DOCUMENTS, OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION AND THE RELATIONSHIP THAT IS BEING ESTABLISHED GUARANTOR AND LENDER ALSO WAIVE ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED BY GUARANTOR OR LENDER THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS GUARANTOR AND LENDER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS GUARANTY AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS GUARANTOR AND LENDER FURTHER WARRANT AND REPRESENT THAT EACH HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS GUARANTY, THE LOAN DOCUMENTS, OR TO ANY OTHER LOAN DOCUMENT IN THE EVENT OF LITIGATION, THIS GUARANTY MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT

20 Expenses Guarantor agrees to fully and punctually pay all costs and expenses, including, without limitation, reasonable attorneys' fees, court costs and costs of appeal, which Lender may incur in enforcing and collecting the Guaranteed Obligations

21 Guaranty and Syndication/Securitization Guarantor agrees to execute, within ten days after request therefor is made by Lender, any documents and/or estoppel certificates reasonably requested by Lender in connection with any Securitization of the Loan made by any Lender pursuant to the Loan Agreement, without charge

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

IN WITNESS WHEREOF, the undersigned has executed this Guaranty as of the day and year first above written

GUARANTOR

CORNERSTONE MINISTRIES INVESTMENTS, INC , a
Georgia corporation

By Cecil A. Brooks
Name Cecil A. Brooks
Title CEO

EXHIBIT 4

D.B. ZAVIRN & CO.

745 Fifth Avenue 18th Floor New York NY 10151

10/1/08 4 05 58 PM

Last Interest Date **9/30/08**

Payment Due **10/1/08**

From Charles Mathews

Phone 646-720-9587

Fax

To Robert Covington

Phone

Cornerstone Ministries

Fax

Revolver

Commitment	\$20,000,000 00
Outstanding Balance	\$17,145,716 84
Total Cash Interest	\$1,197,885 58

Cash LIBOR 1M + 3 50000% 8 50000% ALL IN floor on 17 192 101 04	\$121 777 38
Default Cash 5 00000%	\$71 633 75
Adjustment April Interest	\$204 551 00
Adjustment May Interest	\$204 012 70
Adjustment June Interest	\$194 872 92
Adjustment July Interest	\$200 275 64
Adjustment August Interest	\$200 762 18

Total Principal Due	\$17,145,716 84
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Amortization Due 9/30/08	\$17 145 716 84
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Total Fees	\$584 98
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Unused Line Fee 0 25000%	\$584 98
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Subtotal	\$18,344,187 40
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Deal Level Fees

Total Cash Interest	\$1,197,885 58
Total Principal Due	\$17,145,716 84
Total Fees	\$584 98
Total Due	\$18,344,187 40

Bernard Global Loan Investors, Ltd

Bank Name	LaSalle Chicago
ABA Number	071000505
Account Number	710192
Name	Bernard Global
Comment	Greg Myers ext 4 0283
Reference	Cornerstone Ministries

Due Amount 18,344,187 40USD

D.R. ZAVIRN & CO.

745 Fifth Avenue, 18th Floor New York NY 10151

Revolver

Day	Date	Adjustment	Draw	Paydown	Unused Line	Outstanding	Cash	Outstanding	Default Cash	Unused Line
							LIBOR 1M + 3 50000% 8 50000% ALL IN floor on 17 192 101 04		5 00000%	0 25000%
							8/28/08 LIBOR 1M 2 48625%	3/7/08 FIXED 0 00000%	8/31/06 FIXED 0 00000%	
1	9/1/08				2 779 955 11	17 220 044 89	4 065 84	17 220 044 89	2 391 67	19 31
2	9/2/08			-	2,779,955 11	17 220,044 89	4,065 84	17,220,044 89	2,391 67	19 31
3	9/3/08				2 779 955 11	17 220 044 89	4 065 84	17 220 044 89	2 391 67	19 31
4	9/4/08	-	-	-	2,779,955 11	17,220,044 89	4,065 84	17,220,044 89	2 391 67	19 31
5	9/5/08				2 779 955 11	17 220 044 89	4 065 84	17 220 044 89	2 391 67	19 31
6	9/6/08	-	-		2,779,955 11	17,220,044 89	4,065 84	17,220,044 89	2,391 67	19 31
7	9/7/08				2 779 955 11	17 220 044 89	4 065 84	17 220 044 89	2 391 67	19 31
8	9/8/08		-	-	2,779,955 11	17,220,044 89	4,065 84	17,220,044 89	2,391 67	19 31
9	9/9/08				2 779 955 11	17 220 044 89	4 065 84	17 220 044 89	2 391 67	19 31
10	9/10/08	-	-	36 297 86	2,816,252 97	17,183,747 03	4,057 27	17,183,747 03	2 386 63	19 56
11	9/11/08				2 816 252 97	17 183 747 03	4 057 27	17 183 747 03	2 386 63	19 56
12	9/12/08	-	-	-	2,816,252 97	17,183,747 03	4 057 27	17,183,747 03	2 386 63	19 56
13	9/13/08				2 816 252 97	17 183 747 03	4 057 27	17 183 747 03	2 386 63	19 56
14	9/14/08	-	-	-	2,816,252 97	17,183,747 03	4 057 27	17,183,747 03	2 386 63	19 56
15	9/15/08				2 816 252 97	17 183 747 03	4 057 27	17 183 747 03	2 386 63	19 56
16	9/16/08	-	-		2 816,252 97	17,183,747 03	4,057 27	17,183,747 03	2,386 63	19 56
17	9/17/08				2 816 252 97	17 183 747 03	4 057 27	17 183 747 03	2 386 63	19 56
18	9/18/08	-	-		2,816,252 97	17,183,747 03	4,057 27	17,183,747 03	2,386 63	19 56
19	9/19/08				2 816 252 97	17 183 747 03	4 057 27	17 183 747 03	2 386 63	19 56
20	9/20/08	-	-	-	2,816,252 97	17,183,747 03	4,057 27	17,183,747 03	2,386 63	19 56
21	9/21/08				2 816 252 97	17 183 747 03	4 057 27	17 183 747 03	2 386 63	19 56
22	9/22/08	-	-		2,816,252 97	17,183,747 03	4,057 27	17,183,747 03	2,386 63	19 56
23	9/23/08				2 816 252 97	17 183 747 03	4 057 27	17 183 747 03	2 386 63	19 56
24	9/24/08		-		2,816,252 97	17,183,747 03	4,057 27	17,183,747 03	2 386 63	19 56
25	9/25/08				2 816 252 97	17 183 747 03	4 057 27	17 183 747 03	2 386 63	19 56
26	9/26/08	-	-	-	2,816,252 97	17,183,747 03	4,057 27	17,183,747 03	2,386 63	19 56
27	9/27/08				2 816 252 97	17 183 747 03	4 057 27	17 183 747 03	2 386 63	19 56
28	9/28/08	-	-		2,816,252 97	17,183,747 03	4 057 27	17,183,747 03	2,386 63	19 56
29	9/29/08			38 030 19	2 854 283 16	17 145 716 84	4 048 29	17 145 716 84	2 381 35	19 82
30	9/30/08	-	-	-	2,854,283 16	17,145,716 84	4,048 29	17,145,716 84	2,381 35	19 82
					0 00	0 00	121,777 38	0 00	71,633 75	584 98



MORRIS, MANNING & MARTIN, LLP
ATTORNEYS AT LAW

October 23, 2008

Lisa Wolgast
404-504-7748
lwolgast@mmmlaw.com
www.mmmlaw.com

VIA FEDERAL EXPRESS

Cornerstone Ministries Investments, Inc
c/o BMC Group
444 N Nash Street
El Segundo, CA 90245

In re *Cornerstone Ministries Investments, Inc*, United States Bankruptcy Court for the
Northern District of Georgia, Case No 08-20355

Dear Sir/Madam

Enclosed please find an original and two copies of a Proof of claim in the amount of
\$18,384,444 90

Please file the Proof of Claim on the Claims Docket and return any extra stamped "Filed"
copies to me in the enclosed, self-addressed, stamped envelope

Thank you for your assistance in this matter

Very truly yours,

MORRIS, MANNING & MARTIN, LLP

Lisa Wolgast

LWolgast:amv
Enclosures

Atlanta
404 233 7000

1600 Atlanta Financial Center
3343 Peachtree Road, N E
Atlanta Georgia 30326 1044
Fax 404 365 9532

With offices in

Washington, D C
Charlotte, North Carolina