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OFFICIAL RECORDS

Requested By
**PROFESSIONAL SERVICES FUNDING
GROUP INC**

DOUGLAS COUNTY RECORDERS
Karen Ellison - Recorder

Page: 1 of 12 Fee: \$ 25.00

Bk: 0214 Pg: 405



Deputy ar

Grantee: Professional Services Funding
Group, Inc.
121 Old Marlton Pike
Medford, NJ 08055

Parcel Number: 1420-19-101-004

MORTGAGE AND SECURITY AGREEMENT

This Mortgage and Security Agreement (the "**Mortgage**") is made and dated this 24th day of January, 2014, between Tara and Trevor, with an address of 3172 Washoe Springs Road, Minden, Nevada 89423 (herein referred to as the "Guarantor" or "Mortgagor") and Professional **Services Funding Group, Inc.**, with its office located at 121 Old Marlton Pike, Medford, New Jersey 08055, (the "Lender").

The Lender or any other holder of this Mortgage may transfer this Mortgage and the Mortgage Note it secures. The word "Lender" means the original Lender and anyone who takes this Mortgage by transfer.

WHEREAS the Borrower is indebted to the Lender in the maximum principal sum of One Hundred Seventy-Three Thousand Nine Hundred Twenty-Eight Dollars and Sixty-One Cents (\$173,928.61) which indebtedness is evidenced by the Note of even date herewith (the "**Note**") between Lender and Borrower providing for monthly installments of Principal and Interest with the balance of indebtedness if not sooner paid, due and payable on the 1st day of February, 2034.

To Secure to the Lender:

a. The repayment of the indebtedness evidenced by the Note with interest thereon together with the payment of all other sums with interest thereon advanced in accordance herewith to protect the security of this Mortgage and the performance of the covenants and agreements of the Borrower herein contained and as set forth in the guaranties of Tara and Trevor Kavanaugh dated even date hereof (Guaranties are same as Note); and

b. The repayment of any future loans or advances with interest thereon made to the Borrower by the Lender pursuant hereto (the "**Future Loans and Advances**");

c. The repayment of all other obligations of the Borrower, its administrators, successors or assigns or any related person under common control with the Borrower or controlled by the Borrower whether oral or written, secured or unsecured and regardless of their nature and shall also secure any and all such future obligations when they are incurred, the Borrower does hereby mortgage to the Lender the land and premises located in the Town of Minden, County of Douglas and State of Nevada, known as 3172 Washoe Springs Road, also known as parcel number 1420-19-101-004, together with all buildings, improvements and tenements now or hereafter erected on the land and all heretofore or hereafter vacated alleys and streets abutting the land and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights, all condemnation awards and insurance proceeds relating to the land and buildings and all fixtures, machinery, equipment, building materials, appliances and goods of every nature whatsoever now or hereafter located in or on or used or intended to be used in connection with the Real Property including but not limited to those for the purposes of supplying or distributing heating, cooling, electricity, gas water, air and light and all elevators and

related machinery and equipment, plumbing, antennas, trees and plants, all of which including replacements and additions thereto shall be deemed to be and remain a part of the Real Property covered by this Mortgage and all other rights which the Borrower now has or will acquire with regard to the land and buildings (the "Real Property").

The Borrower covenants that Borrower is lawfully seized of the Real Property hereby conveyed, has the right to mortgage the Real Property and that the Borrower will warrant and defend the title to the Real Property against all claims and demands rendering the title unmarketable of record.

THE BORROWER COVENANTS AND AGREES AS FOLLOWS:

1. PAYMENT OF PRINCIPAL AND INTEREST

1.1 The Borrower shall promptly pay when due the Principal of and Interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note and the Principal of and Interest on any Future Advances secured by this Mortgage.

2. ESCROW FOR TAXES AND INSURANCE

2.1 Subject to applicable law or to a written waiver by the Lender, the Borrower shall pay to the Lender on the day monthly installments of Principal and Interest are payable under the Note until the Note is paid in full a sum equal to one-twelfth (1/12) of the yearly taxes and assessments which may attain priority over the Mortgage plus at the option of the Lender one-twelfth (1/12) of yearly premium installments for liability insurance, all as reasonably estimated initially and from time to time by the Lender on the basis of assessments, bills and reasonable estimates thereof (the "Escrow Funds").

2.2 The Escrow Funds shall be held by the Lender. The Lender shall apply the Escrow Funds to pay said taxes, assessments and insurance premiums. The Lender shall not be required to pay the Borrower any interest on the Escrow Funds. The Escrow Funds are pledged as additional security for the sums secured by this Mortgage.

2.3 If the amount of the Escrow Funds held by the Lender together with the future monthly installments of Escrow Funds payable prior to the due dates of taxes, assessments and insurance premiums shall exceed the amount required to pay said taxes, assessments and insurance premiums as they fall due, such excess shall be credited to the Borrower on monthly installments of Escrow Funds. If the amount of the Escrow Funds held by the Lender shall not be sufficient to pay taxes, assessments and insurance premiums as they fall due, the Borrower shall pay to the Lender any amount necessary to make up the deficiency within fifteen (15) days from the date notice is given by the Lender to the Borrower requesting payment thereof.

2.4 Upon payment in full of all sums secured by this Mortgage, the Lender shall promptly refund to the Borrower any funds held by the Lender. If under any section thereof the Real Property is sold or the Real Property is otherwise acquired by the Lender, the Lender shall apply no later than immediately prior to the sale of the Real Property or its acquisition by the Lender any Escrow Funds held by the Lender at the time of application as a credit against the sums secured by this Mortgage.

2.5 This escrow for insurance and taxes will only be necessary if Lender is alerted or made aware that taxes or insurance are not being paid. Otherwise this escrow is not necessary and taxes and insurance will be responsibility of the Borrower.

3. APPLICATION OF PAYMENTS

3.1 Unless applicable law provides otherwise, all payments received by the Lender under the Note and this Mortgage shall be applied by the Lender first in payment of amounts payable to the Lender by the Borrower under Section 2 hereof, then to late charges payable on the Note, then to Interest payable on the Note, then to other amounts due to the Lender under the Note and this Mortgage, then to the Principal of the Note and then to Interest and Principal on any Future Advances.

4. COMPLIANCE

4.1 The Borrower shall comply with all of the terms of the Note and this Mortgage.

5. CHARGES/LIENS

5.1 The Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Real Property which may attain a priority over this Mortgage in the manner provided under Section 2 hereof or if not paid in such manner, by the Borrower making payment when due directly to the payee thereof. The Borrower shall promptly furnish to the Lender all notices of amounts due under this Section and in the event the Borrower shall make payment directly, the Borrower shall promptly furnish to the Lender receipts evidencing such payments. The Borrower shall promptly discharge any lien which has priority over this Mortgage and will keep and maintain the Real Property free from the claims of all persons supplying labor or materials to the Real Property.

6. HAZARD AND LIABILITY INSURANCE

6.1. The Borrower shall keep the improvements now existing or hereafter erected on the Real Property and all fixtures, equipment, machinery, furniture and appliances therein, insured or cause them to be insured against loss by fire, hazards included within the term "Extended Coverage" and such other hazards as the Lender may require in an amount equal to the insurable value of the improvements on the Real Property. If construction is commenced on a building, Borrower shall provide proof of Builder's Risk" coverage. If the Real Property is in a flood hazard zone on a map of the U.S. Department of Housing and Urban Development, the Borrower shall maintain flood insurance.

6.2. The insurance carrier providing the insurance shall be chosen by the Borrower subject to approval by the Lender provided that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under Section 2 hereof or if not paid in such manner, by the Borrower making payment when due directly to the insurance carrier. All policies shall state that the insurance company cannot cancel or refuse to renew without at least thirty (30) days' written notice to the Lender. They shall include a "standard mortgagee clause" naming the Lender. All insurance proceeds shall be paid to the Lender. In case of loss or damage, the Borrower shall promptly notify the insurance company and the Lender. The Borrower shall promptly file a proof of loss with the insurance company and settle the claim.

6.3. Unless the Lender and Borrower otherwise agree in writing, the proceeds of insurance shall be payable to the Lender and Borrower and held in escrow by the Lender to be disbursed or applied as follows. The Lender shall have the option in its reasonable discretion to use the proceeds of Borrower's insurance to reduce the sums secured by the Mortgage, including without limitation the outstanding Principal balance or use the proceeds for the purpose of restoring the damaged Real Property to a value substantially equivalent to the value before the loss.

6.4. If the Real Property is abandoned by the Borrower or if the Borrower fails to respond to the Lender within thirty (30) days from the date notice is given by the Lender to the Borrower that the insurance carrier offers to settle a claim for insurance benefits, the Lender is authorized to collect and apply the insurance proceeds at the Lender's option either to: restoration or repair of the Real Property; or, to the sums secured by this Mortgage.

6.5. Unless the Lender and Borrower otherwise agree in writing, any such application of proceeds to Principal shall not extend or postpone the due date of the monthly installments referred to in Sections 1 and 2 hereof. If under any section hereof the Real Property is acquired by the Lender, all right, title and interest of the Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Real Property prior to the sale or acquisition shall pass to the Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

7. PRESERVATION AND MAINTENANCE OF PROPERTY

7.1. The Borrower shall:

7.1.1. Not permit or commit waste, impairment or deterioration of the Real Property;

7.1.2. Restore or repair promptly and in a good and workmanlike manner all or any part of the Real Property to the equivalent of its condition immediately prior to deterioration or casualty or such other condition as the Lender may approve in writing in the event of any damage, injury or loss thereto whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair;

7.1.3. Keep the Real Property including improvements, fixtures, equipment, machinery, furniture and appliances thereon in good repair and shall replace such improvements, fixtures, equipment, machinery, furniture and appliances on the Real Property when necessary to keep such items in good repair; and

7.2. Neither the Borrower nor any other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Real Property or any fixture, equipment or machinery (if any) in or on the Real Property except when incident to the replacement of fixtures, equipment and machinery (if any) and with items of like kind.

8. PROTECTION OF LENDER'S SECURITY

8.1. If the Borrower fails to perform the covenants and agreements contained in this Mortgage or if any action is commenced which materially affects the Lender's interest in the Real Property including but not limited to eminent domain, insolvency, code enforcement or arrangements or proceedings involving a bankrupt or decedent or if the Borrower fails to pay all costs and expenses incident to, necessary and advisable to affect the remediation of any contamination of the Real Property provided as collateral including the hiring of such consultants and the undertaking of such sampling and testing as may be reasonable and necessary in connection therewith, then the Lender at the Lender's option upon notice to the Borrower and Borrower's failure to cure within the applicable cure period, may make such appearances, disburse such sums and take such action as is necessary to protect the Lender's interest including but not limited to disbursements of reasonable attorneys' fees and entry upon the Real Property to make repairs.

8.2. Any amounts disbursed by the Lender pursuant to this Section 8 with Interest thereon shall become additional indebtedness of the Borrower secured by this Mortgage. Unless the Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from the Lender to the Borrower requesting payment thereof and shall bear Interest from the date of disbursement at a rate five percent (5%) above the Interest Rate defined in Paragraph 1.1 of the Note. Nothing contained in this Section 8 shall require the Lender to incur any expense or take any action hereunder.

9. OBEYING THE LAW

9.1. The Borrower shall obey all laws, rules and ordinances which apply to the Real Property. The Borrower shall not use or allow the Real Property to be used for any illegal purpose.

10. PROHIBITION AGAINST SECONDARY FINANCING

10.1. The Borrower agrees there shall be no secondary financing involved in this transaction including the creation of liens junior to this Mortgage. So long as the Borrower is indebted to the Lender for any sums due under the Note or this Mortgage, the Borrower shall not permit or suffer the imposition of a lien or encumbrance upon the Real Property junior to this Mortgage.

11. INSPECTION

11.1. The Lender may take or cause to be made reasonable entries upon and inspection of the Real Property regardless of whether the Borrower is in default provided that the Lender shall give the Borrower reasonable notice of the Lender's desire to make an inspection.

12. CONDEMNATION

12.1. The proceeds of any award or claim for damages direct or consequential in connection with any condemnation or other taking of the Real Property or part thereof or for conveyance in lieu of condemnation shall be payable to the Lender and Borrower and held in escrow by the Lender to be disbursed or applied as follows: the Lender shall have the option to use the proceeds to reduce the outstanding Principal balance; or, in the event of a partial taking of the Real Property the proceeds to be used for the purpose of restoring the damaged Real Property to a value substantially equivalent to the value before the loss.

12.2. If the Real Property is abandoned by the Borrower or if the Borrower fails to respond to the Lender within thirty (30) days after the date notice is given by the Lender to the Borrower that the condemnor offers to make an award or settle a claim for damages, the Lender is authorized to collect and apply the proceeds at the Lender's option either to: restoration or repair of the Real Property; or, to the sums secured by this Mortgage.

12.3. Unless the Lender and Borrower otherwise agree in writing, any such application of proceeds to the sums secured by this Mortgage including without limitation the Principal shall not extend or postpone the due date of the payments of Interest and the payments referred to in Sections 1 and 2 hereof.

13. FORBEARANCE BY LENDER NOT A WAIVER

13.1 Any forbearance by the Lender in exercising any right or remedy hereunder or otherwise afforded by applicable law shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by the Lender shall not be a waiver of the Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

14. REMEDIES CUMULATIVE

14.1 All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity and may be exercised concurrently, independently or successively.

15. SUCCESSORS AND ASSIGNS BOUND

15.1 The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the respective successors and assigns of the Lender and Borrower subject to the provisions hereof.

16. CAPTIONS

16.1 The captions and headings of the Sections of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

17. LENDER'S COUNSEL FEES AND COSTS

17.1 The Borrower agrees to pay all reasonable expenses incurred by the Lender in enforcing the terms of this Mortgage or availing themselves of all rights and remedies provided hereunder to include but not be limited to the Lender's reasonable counsel fees and costs.

18. NOTICES

18.1. All notices to be given pursuant to this Agreement shall be given by either United States mail, certified or registered with return receipt requested, or by nationally recognized overnight courier or delivery service and shall be deemed given (a) on the next business day if delivered by nationally recognized overnight courier or delivery service; or (b) on the date indicated on the return receipt, or if the return receipt is not returned to the sender, on the third day (excluding Sundays and legal holidays) following the depositing of said notice in a United States Postal Service receptacle, if delivered by registered or certified mail, postage prepaid, to the party for whom intended at the following addresses (unless another address has been otherwise designated in a notice to the sending party):

If to the Borrower:

Tara and Trevor Kavanaugh
3172 Washoe Springs Road
Minden, NV 89423

If to the Lender:

Professional Services Funding Group, Inc.
121 Old Marlton Pike
Medford, New Jersey 08055

with copies to:

Eisenberg, Gold & Cetti
1040 North Kings Highway, Suite 200
Cherry Hill, New Jersey 08034
Attn: Janet L. Gold, Esquire

Materials, information and correspondence other than notices required to be given by Borrower or Lender may also be sent by United States first class mail, postage prepaid, addressed as set forth above, and shall be deemed given on date deposited in the United States Mail.

19. GOVERNING LAW

19.1. This Mortgage shall be governed by the laws of the State of New Jersey without regard to issues of conflict of laws.

20. SEVERABILITY

20.1. In the event that any provision or clause of this Mortgage or the Note conflict with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision and to this end, the provisions of this Mortgage and the Note are declared to be severable.

21. BORROWER'S COPY

21.1. The Borrower acknowledges that the Borrower, contemporaneously with the execution herewith has been furnished with conformed copies of the Note and this Mortgage.

22. TRANSFER OF REAL PROPERTY/ASSUMPTION/TRANSFER OF INTEREST IN THE BORROWER

22.1. Except as expressly permitted herein, if all or any part of the Real Property or an interest therein is sold or transferred by the Borrower, the Lender may at the Lender's option declare all the sums secured by this Mortgage to be immediately due and payable.

22.2. If the Lender exercises such option to accelerate, the Lender shall mail the Borrower notice of acceleration in accordance with Section 18 hereof. Such notice shall provide a period of not less than fifteen (15) days from the date the notice is mailed within which the Borrower may pay the sums declared due. If the Borrower fails to pay such sums prior to the expiration of such period, the Lender may without further notice or demand upon the Borrower invoke any remedies permitted by this Mortgage or the Note which it secures.

23. ASSIGNMENT OF LEASES, RENTS AND OTHER AGREEMENTS/ APPOINTMENT OF RECEIVER/LENDER IN POSSESSION

23.1. As part of the consideration for the indebtedness evidenced by the Note, the Borrower hereby absolutely and unconditionally assigns and transfers to the Lender the rents and revenues of the Real Property including those now due, past due or to become due by virtue of any lease or other occupancy or use of all or any part of the Real Property. The Borrower hereby authorizes the Lender or the Lender's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Real Property or any part thereof to pay such rents and revenues to the Lender or the Lender's agents provided, however, that prior to written notice given by the Lender to the Borrower of breach by the Borrower of any covenant or agreement of the Borrower in this Mortgage, the Borrower shall collect and receive all rents and revenues of the Real Property as trustee for the benefit of the Lender and Borrower, to apply the rents and revenues so collected to the sums secured by this Mortgage in the order provided herein with the balance so long as no such breach has occurred to the account of the Borrower. The Borrower agrees that each purchaser and tenant of the Real Property or any part thereof shall pay such rents and revenues to the Lender or the Lender's agents upon the Lender's written demand therefore without any liability on the part of said tenant to inquire.

23.2. The Borrower hereby covenants that the Borrower has not executed any prior assignment of said leases, rents and other agreements, that the Borrower has not performed and will not perform any acts or has not executed and will not execute any instruments which would prevent the Lender from exercising its rights under this Section and that at the time of execution of this Mortgage, there has been no anticipation or prepayment of any of the rents and/or revenues of the Real Property for more than two (2) months prior to the due dates of such rents and/or revenues. The Borrower further covenants that the Borrower will not hereafter collect or accept payment of any rents or revenues of the Real Property more than one month prior to the due date of such rents or revenues.

23.3. Upon the Borrower's breach of any covenant or agreement of the Borrower in this Mortgage, the Lender may at the Lender's option, regardless of the Lender's delay in exercising such option, or the Lender's failure to exercise such option on the occasion of any prior default or the adequacy of the Lender's security, in person, by agent or by a court-appointed receiver enter upon, take and maintain full control of the Real Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof, including but not limited to the execution, cancellation or modification of leases, the making of repairs to the

Real Property and the execution or termination of contracts providing for the management or maintenance of the Real Property, all upon such terms as are deemed best to protect the security of this Mortgage. The Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Real Property. All rents and revenues collected pursuant to this Section shall be applied first to the costs of taking control, management of the Real Property and collecting the rents and revenues including but not limited to the attorneys' fees, premiums on receiver's bonds, costs of repairs to the Real Property, premiums on insurance policies, taxes, assessments and other charges on the Real Property, the costs of discharging any obligation or liability of the Borrower as Lessor or Landlord of the Real Property or any part thereof and then to the sum secured by this Mortgage. The Lender or the receiver shall have access to the books and records used in the operation and maintenance of the Real Property and shall be liable to account only for those rents and revenues actually received.

23.4 The Lender shall not be liable to the Borrower, anyone claiming under or through the Borrower or anyone having an interest in the Real Property by reason of anything done or left undone by the Lender under this Section. If the rents and/or revenues of the Real Property are not sufficient to meet the costs of taking control, managing the Real Property and collecting the rents and revenues, any funds expended by the Lender for such purposes shall become the indebtedness of the Borrower to the Lender secured by this Mortgage. Unless the Lender and Borrower agree in writing to other terms of payment, such amounts shall be payable upon notice from the Lender to the Borrower requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law in which event, such amounts shall bear interest at the highest rate which may be collected from the Borrower under applicable law.

24. FUTURE LOANS AND ADVANCES

24.1 This Mortgage and all remedies provided for herein, all agreements, conditions, covenants and promises herein contained shall stand and remain as security for the payment of any notes or other obligations secured or to be secured hereby which shall evidence the same indebtedness or any part thereof or which shall evidence further, additional or other present or future loans or liabilities, direct or contingent, primary or secondary, individual, joint or firm of any nature whatsoever owing by the Borrower to the Lender whether or not of the nature contemplated at the time hereof or related thereto while and so long as this Mortgage shall remain uncanceled of record in any amounts up to an aggregate indebtedness secured or to be secured hereby not exceeding the largest sum recited on Page One hereof whether the parties to such renewal substituted or additional notes or other obligations shall be the same as the parties to the note or other obligation herein recited or not, and that all promises, covenants, conditions, agreements or provisions herein contained with reference to the Note or other obligations secured or to be secured hereby shall apply equally to and shall be construed to refer in a like manner to such renewal, substituted or additional notes or other obligation as aforesaid.

25. RELEASE

25.1 Upon payment of all sums secured by this Mortgage, the Lender shall deliver a cancellation or discharge of this Mortgage without charge to the Borrower. The Borrower shall be responsible for the recordation thereof and any fees associated with the recordation.

26. NO CLAIM OF CREDIT FOR TAXES

26.1. The Borrower will not make or claim credit on or deduction from the Principal or Interest on the sums secured by this Mortgage by reason of any municipal or governmental taxes, assessments or charges assessed upon the Real Property nor claim any deduction from the taxable value of the Real Property by reason of this Mortgage.

27. USE OF PREMISES

27.1. Unless required by applicable law or unless the Lender has otherwise agreed in writing, the Borrower shall not allow changes in the nature of the use for which the Real Property was intended at the time this Mortgage was executed. The Borrower shall not initiate or acquiesce in a change in the zoning classification of the Real Property without the Lender's written consent.

28. FINANCIAL STATEMENTS/RECORDS

28.1. The Borrower shall keep and maintain at all times at the Borrower's address stated herein or such other place as the Lender may approve in writing complete and accurate books of account and records adequate to reflect correctly the results of the operations of the Real Property and copies of all written contracts, leases and other instruments which affect the Real Property. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by the Lender.

28.2. The Borrower will supply the Lender with the following documents and information:

28.2.1. The annual Financial Statements of the Borrower including a Balance Sheet and Statement of Income and Expenses prepared in accordance with generally accepted accounting principles and standards consistently followed throughout the periods involved (in form satisfactory to the Lender) prepared by an independent Certified Public Accountant acceptable to the Lender, certified by the [OPTION] (partner, general partner, officers, members, officers, corporate officers) of the Borrower and supplied to the Lender no later than April 30th of each year;

28.2.2. The federal and state income tax returns of Borrower with all schedules and appendices as filed, signed by the [OPTION] (partner, general partner, officers, members, officers, corporate officers) of the Borrower and supplied to the Lender no later than April 30th of each year;

28.2.3. Such other and further financial documents, records and information respecting the Borrower as the Lender may require from time to time including, without limitation, proof on a quarterly basis that Borrower have paid all Federal and State taxes when due.

28.3. In the event all or a portion of the Real Property is leased and if the Lender shall require, the Borrower shall furnish at such intervals as the Lender requires a Rent Schedule for the Real Property certified by the Borrower showing the name of each tenant and for each tenant, the space occupied, lease expiration date, rent payable and rent paid.

28.4. The Borrower will inform the Lender of any litigation and/or substantial claim involving it, the adverse determination of which might prejudice the payment of the loan upon which the Note is based.

29. CERTIFICATION OF NO OFFSET

29.1. Within ten (10) days after written request by the Lender, the Borrower shall at the Borrower's expense execute a notarized statement of the amount owing under the Note and this Mortgage. The Borrower shall add to the statement anything which may reduce the amount owing or any offsets or defenses against any indebtedness or obligations secured by this Mortgage of which the Borrower is aware or should be aware.

30. NO SUPERIOR LIENS

30.1. In this Mortgage, a lien is a claim of another against property for the payment of a debt or the performance of an obligation. This Mortgage is a lien of the Lender's against the Real Property for the payment of the Note. A superior lien would be entitled to be paid before this Mortgage upon a judicial sale of the Real Property. The Borrower shall not allow a superior lien against the Real Property.

31. DEFAULT OF OTHER OBLIGATIONS OR MORTGAGES

31.1. In the event the Borrower shall default under any other obligation, note or mortgage made by the Borrower whether or not held by the Lender constituting a lien upon the Real Property prior or superior to the lien of this Mortgage or should any action be commenced to foreclose any such other mortgage upon the Real Property, such default shall constitute a default hereunder.

32. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT

32.1. This Mortgage is both a real property mortgage and a "security agreement" within the meaning of the Uniform Commercial Code. Borrower by executing and delivering this Mortgage have granted and hereby grant to Lender, as security for the payment of all sums served by this Mortgage, including without limitation Future Loans and Advances, a security interest in all of those items listed in Schedule A attached hereto and made a part hereof (the "Collateral") to the full extent that the Collateral may be subject to the Uniform Commercial Code.

32.2 The Borrower agrees to execute and deliver Financing Statements covering said personal property from time to time and in such form as the Lender may require to perfect a security interest with respect to said personal property. The Borrower shall pay all costs of filing such Statements, renewals and releases thereof and shall pay all reasonable costs and expenses of any record searches for Financing Statements the Lender may reasonably require.

32.3 Without the prior written consent of the Lender, the Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said Collateral including replacements and additions thereto.

32.4 Upon the Borrower's breach of any covenant or agreement of the Borrower contained in this Mortgage including the covenants to pay when due all sums secured by this Mortgage, the Lender shall have all of the remedies of a secured party under the Uniform Commercial Code and at the Lender's option may also invoke the remedies provided in this Mortgage as to such Collateral, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Collateral. Upon request or demand of Lender, Borrower shall at its expense assemble the Collateral and make it available to Lender at a convenient place acceptable to Lender. Any notice of sale, disposition or other intended action by Lender with respect to the UCC Collateral sent to Borrower in accordance with the provisions hereof at least five (5) days prior to such action, shall constitute commercially reasonable notice to Borrower. The proceeds of any disposition of the Collateral, or any part thereof, may be applied by Lender to the payment of all sums secured by this Mortgage, including without limitation Future Loans and Advances in such priority and proportions as Lender in its discretion shall deem proper.

33. COMPLIANCE WITH OTHER AGREEMENTS

33.1. The Borrower agrees to comply with the covenants and conditions of all other documents dated even date hereof executed and delivered by the Borrower to the Lender in connection with the indebtedness evidenced by the Note, (collectively the "Loan Documents") all of which are hereby incorporated by reference in and made a part of this Mortgage.

34. ADVANCES MADE BY LENDER

34.1. All advances made by the Lender pursuant to the terms of the Agreements more particularly described in Paragraph 33.1. above, and all other documents executed and delivered by the Borrower to the Lender in connection with the indebtedness evidenced by the Note, each dated even date herewith, shall be indebtedness of the Borrower secured by this Mortgage.

35. EFFECT OF DEFAULT BY BORROWER OF OTHER AGREEMENTS

35.1. In case of breach by the Borrower of the covenants and conditions of any Loan Documents, the Lender, at the Lender's option with or without entry upon the Real Property, may invoke any of the rights or remedies provided in the aforesaid agreements, accelerate the sums secured by this Mortgage and invoke those remedies provided herein or do all of the foregoing.

35.2. Sums disbursed by the Lender to protect the security of this Mortgage and such sums disbursed by the Lender in excess of the Principal amount of the Note shall be additional indebtedness of the Borrower secured by this Mortgage. All such sums shall bear interest from the date of disbursement at the rate stated in the Note plus five per cent (5%) unless collection from the Borrower of interest at such rate would be contrary to applicable law in which event, such amounts shall bear interest at the highest rate which may be collected from the Borrower under applicable law and shall be payable upon notice from the Lender to the Borrower requesting payment therefore.

36. DEFAULT/ACCELERATION/REMEDIES

36.1. Upon default in the performance of any covenant, condition or agreement of this Mortgage or the Note secured hereby, or any of the other Loan Documents all dated even date herewith or upon the Borrower's default in payment of principal or interest due under the Note for more than ten (10) days after the same shall fall due or upon the enactment of any law imposing upon the Lender payment of the whole or any portion of the real estate taxes referred to in Paragraph 5.1 above, or upon the rendering by a court of competent jurisdiction of a decision that the agreement of the Borrower to pay such taxes is invalid or not enforceable or upon any change in the ownership of all or any part of the Real Property or the assignment or transfer of any interest or equity in any part of the Real Property, except as permitted in accord with the terms of Paragraph

RECEIPT OF A TRUE COPY OF THIS INSTRUMENT PROVIDED WITHOUT CHARGE IS HEREBY ACKNOWLEDGED.

IN WITNESS WHEREOF, this Mortgage has been duly signed, sealed and acknowledged and delivered by Borrower the date and year first above written.

WITNESS:

Nir Am

GUARANTOR/MORTGAGOR/BORROWER:

Tara Kavanaugh

WITNESS:

Nir Am

GUARANTOR/MORTGAGOR/BORROWER:

Trevor Kavanaugh

STATE OF NEVADA

ss } January 24, 2014

COUNTY OF DOUGLAS

BE IT REMEMBERED that on January 24, 2014 before me, the subscriber, personally came and appeared Tara Kavanaugh and Trevor Kavanaugh, to me known, who I am satisfied is and who being by me duly sworn did depose and say that he/she executed the foregoing instrument as his/her voluntary act and deed.

Witnesseth my hand and seal.

Kristina Corkery
Notary Public

KRISTINA CORKERY
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES JULY 7, 2015

SCHEDULE A

1. land and premises located in the Town of Minden, County of Douglas, and State of Nevada, known as 3172 Washoe Springs Road, also known as parcel number 1420-19-101-004, of the Official Tax Map (the "Real Property"), together with all improvements now or hereafter erected on the Real Property (the "Improvements");
2. all easements, rights and appurtenances benefitting the Real Property and/or Improvements;
3. all personalty including without limitation, equipment, machinery, materials, fixtures, furniture and all replacement parts and attachments thereto now owned by Debtor or hereafter acquired either located at or used in the maintenance of the Real Property and/or Improvements, affixed or attached to the Real Property or Improvements;
4. all leases now existing or hereafter created with respect to the Real Property and/or Improvements, together with all modifications, extensions or renewals and all guaranties of intended Buyers and/or Lessors obligations thereunder, and with all deposits, payments, rents, income, royalties, profits, accounts and accounts receivable when becoming due therefrom;
5. all books and records now owned or hereafter acquired by Debtor relating to management, repair, leasing, marketing and operation of the Real Property and/or Improvements including, but not limited to, all certificates of occupancy, licenses, permits, authorizations and approvals required by law and/or issued by any governmental authority with respect to the Real Property and/or Improvements, all certificates issued by the local Board of Fire Underwriters or other bodies of similar jurisdiction and all plans and specifications with respect to Real Property and/or Improvements;
6. all agreements to which Debtor is a party arising from or relating to the utilization, development, marketing, management or maintenance of the Real Property and/or Improvements or any equipment, fixtures, inventory or services located on the Real Property or utilized in connection with the Real Property and/or Improvements;
7. any awards involving any of the foregoing made in any bankruptcy, insolvency or reorganization proceedings in any state or federal court;
8. all insurance proceeds and condemnation awards relating to the Real Property and/or Improvements; and
9. all cash and non-cash proceeds, accessions, successions, products, replacements and substitutions of any of the foregoing.
10. all vehicles or equipment owned or hereby or hereafter acquired.

EXHIBIT "A"

All that real property situate in the County of Douglas , State of Nevada, described as follows:

PARCEL ONE:

Commencing at the Northwest corner of Section 19, Township 14 North, Range 20 East, M.D.B. & M.; thence from the point of commencement South 0°11' West, along the West line of Section 19, a distance of 441.58 feet to the true point of beginning; thence from the point of beginning North 89°59'20" East 1,086.83 feet; thence South 0°11' West 220.69 feet; thence South 89°59'00" West 1,086.83 feet; thence North 0°11' East 220.79 feet to the true point of beginning, being a portion of the Northwest quarter of the Northwest quarter of Section 19, Township 14 North, Range 20 East, M.D.B. & M.

PARCEL TWO:

TOGETHER WITH a 50 feet right of way for road and utility purposes as granted in Deed from H. F. Dangberg Land and Livestock Company, a corporation to Preston C. Peterson and Josephine E. Peterson, husband and wife recorded April 20, 1967, in Book 49 of Official Records, at Page 166, as File No. 36028. Except that portion of said land lying within the lines of the above said parcel of land.

NOTE (NRS 111.312): The above metes and bounds description appeared previously in that certain Grant Bargain and Sale Deed, recorded in the office of the County Recorder of Douglas County, Nevada on October 15, 2002, in Book 1002, Page 5372 as Document No. 554732, of Official Records.

**Assessor's Parcel Number(s):
1420-19-101-004**