

LEASE AGREEMENT

-PROJECT FINANCE-



KNOW ALL MEN BY THESE PRESENTS:

This Loan and Security Agreement ("Agreement") is entered into by and between:

LESSOR: **AVIS CAPITAL LTD** 90 Long Acre Covent Garden London WC2E 9RZ, United Kingdom, LEI 529900F96SI1CDA12Z36
MANAGEMENT LOGISTIC I AVIS LOGISTIC LTD, VAT UK318 3946 82,
MANUFACTURE & SHIPPING I AVIS GREEN INDUSTRIES SL, CIF B87693495, 18600 Harbor, Motril, Spain
+44 203 9608734 (front desk) | +356 35505500 Intl. Europe | USA & Candada +1 903 6691660
e-mail: info@avisbank.com | customer.service@avisbank.com
www.avisbank.com | www.avisglobal.group | www.avis.capital;

and

LESSEE: Name:

Registered Address:

Trading Address, if different:

Company Number (if applicable):

Director 1:

Director 2:

Amount:

Term:

Use of Funds

Effective Date

RECITALS

WHEREAS, LESSEE represents to LESSOR that it needs the sum of;

€ \$ _____ for:

(a.) to acquire the _____

Plant building;

(b.) or to construct the _____

Plant including, without limiting the generality of the foregoing, to purchase and install new machinery, equipment and accessories;

(c.) to improve the infrastructure,

(d.) to engage such engineering reports and studies required for the improvement and activation of the Plant;

(e.) to commission or otherwise build, design and install new equipment, machinery and accessories for the _____ Plant and

(f) to provide start-up costs and day-to-day operations of the business until such time as the business will be self-supporting from the revenues of its operations.

WHEREAS, AVIS has represented and promised that it has the intellectual property by way of example but not limitation, patents, proprietary processes and systems, their improvements and innovations; the staff and personnel necessary and required to make this _____ Plant fully operational on a commercial basis and function for its intended purposes; that for the duration of the Loan and for as long as the Loan has not been fully paid; LESSEE will preserve, maintain and keep the _____ Plant, the patents, proprietary technologies and processes, trade secrets within the LESSEE and not assign any thereof to third parties;

WHEREAS, AVIS is prepared to provide the necessary funding to LESSEE so as to allow LESSEE to proceed with the acquisition of the _____ Plant, make and institution such fits, improvements, and acquire machinery, equipment, accessories, intellectual property, proprietary technologies and processes and/or patents, and make the _____ Plant fully operational as intended by LESSEE in keeping with the technical and engineering materials and information which is attached hereto as ANNEX "A";

WHEREAS, the LESSEE has represented and promised that any and all loan funds shall be exclusive used to fund the acquisition of the _____ Plant, the required technologies and processes, machinery, equipment and accessories thereof;

WHEREAS, AVIS has agreed to loan the funds required by LESSEE under certain terms and conditions as hereunder set forth;

NOW, THEREFORE, parties agree to be bound as follows:

A. DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated _____ together with all Riders or Attachment to this document.

(B) "LESSEE" is:

Name:

Address:

(*if) . LESSEE is the trustor under this Security Instrument.

(C) "LESSOR" is AVIS Capital Limited. LESSOR is a corporation organized and existing under the laws of the United Kingdom. LESSOR is the beneficiary under this Loan and Security Instrument.

(D) "Trustee" is AVIS Capital Limited.

(E) "Note" means the *promissory note or SBLC collateral signed by LESSEE and dated _____.

The Note states that LESSEE owes LESSOR the sum of:

€ \$ _____

plus interest. LESSEE has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than;

Years _____ from the date of the release of the funds.

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt in the sum of;

€ \$ _____

In Words _____ evidenced by the Note, plus interest, any late charges due under the Note, and all sums due under this Security Instrument, plus interest. The loan amount shall bear an interest of;

% per annum,

payable within the first fifteen (15) calendar days of the month. Any payment received on the 16th day of the month shall be considered late. Any late payment shall bear a late fee in the amount equivalent to 2 percent of the monthly loan payment.

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders [that have the effect of law] as well as all applicable final, non-appealable judicial opinions.

(I) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(J) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(K) "Periodic Payment" means the regularly scheduled amount

*ADDENDUM I

due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(L) "Successor in Interest of LESSEE" means any party that has taken title to the Property, whether or not that party has assumed LESSEE's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE COLLATERALIZED PROPERTY

This Loan and Security Instrument secures to LESSOR: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of LESSEE's covenants and agreements under this Security Instrument and the Note. For this purpose, LESSEE irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described _____ property located in _____, as more particularly described as follows:

[Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

which currently has the address of; _____

TOGETHER WITH and including any and all existing improvements, buildings, tenements, machinery, equipment, accessories and appurtenances found thereat now or hereafter erected on the property, including certain intellectual properties, patents, proprietary technologies and processes, trade secrets necessary and incidental to the operations of the _____ Plant, Further including easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

LESSEE COVENANTS that LESSEE has exclusive ownership of the entire _____ premises hereby conveyed, and has and shall have the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. LESSEE warrants and will defend generally the full title to the Property against all claims and demands, subject only to encumbrances annotated or otherwise recorded prior to Date; _____

THIS SECURITY INSTRUMENT combines all applicable covenants allowed under the jurisdiction to constitute an enforceable security instrument covering real property and the chattels, and the intellectual property acquired or otherwise used and applied at _____ Plant.

REPRESENTATIONS AND WARRANTIES OF THE LESSEE

LESSOR gives this Loan in consideration of the undertaking of the LESSEE as hereunder set forth:

- 1.) To investigate and exercise due diligence to ensure that the title and ownership to the land is free from any and all liens, encumbrances or any adverse claims from third parties. LESSEE shall search all available records on the land to make sure that any claims on the land are resolved prior to the closing of the Loan.
- 2.) To apply for, secure and obtain any and all necessary permits, licenses, from the local, provincial, State or Federal governments, regulatory, agencies and environmental institutions necessary for operation of the _____ Plant;
- 3.) To investigate, search and review any and all patents to ensure that there are no duplicative patents, applications for patents for technologies, processes, improvements that are pending or otherwise infringing upon those utilized or to be utilized at the _____ Plant;
- 4.) To be continuously informed of and comply with any and all

regulations relating to environmental pollution, employment benefits and welfare, plant safety and any other administrative rules and regulations affecting the operations of the _____ Plant;

5.) To operate, manage, administer the _____ Plant in keeping with proprietary technologies, processes and techniques, their improvements and innovations; and to acquire or otherwise fabricate such equipment, machinery and accessories consistent with industry standards as will make the _____ Plant operational to its optimum level;

6.) To maintain and keep accurate technological and technical data on the operations of the _____ Plant so as to be able to monitor its operations and ensure that any deficiencies or problems in its operations are recorded properly such that adequate remedies are immediately instituted.

7.) To volunteer, without demand, and provide a periodic (not longer than quarterly) accounting of the expenditures incurred from the loan proceeds, and shall copy LESSOR of proper documentation supporting disbursements have been made in keeping with objectives and intents of the Loan. To maintain and keep accurate books of financial records and accounting to ensure that funds earned are accurately recorded as with the expenses incurred;

8.) To determine the staffing of its administrative, financial and technical personnel, and to hire only qualified and competent staff who have the dedication, experience and necessary skills to perform the assigned tasks.

9.) To cooperate fully with: (a.) financial; (b.) administrative; and (c.) technical audit by the LESSEE intended to ensure the proper utilization of loan funds, and the proportionate release of funds according to the progress of work;

10.) To pay the loan amount and the interests thereof, as stipulated in this Loan and Security Agreement, and to pay such penalties and charges as may be warranted under the circumstances.

UNIFORM COVENANTS. LESSEE and LESSOR covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. LESSEE shall pay when due: (a.) the principal of, and (b.) interest on, the debt evidenced by the Note and any late charges or charges due under the Note. Payments due under the Note and this Loan and Security Instrument shall be made in Euro currency. However, if any check or other instrument received by LESSOR as payment under the Note or this Security Instrument is returned to LESSOR unpaid, LESSOR may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by LESSOR: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

LESSOR may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. LESSOR may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but LESSOR is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then LESSOR need not pay interest on unapplied funds. LESSOR may hold such unapplied funds until LESSEE makes payment to bring the Loan current. If LESSEE does not do so within a reasonable period of time, LESSOR shall either apply such funds or return them to LESSEE. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which LESSEE might have now or in the future

against LESSOR shall relieve LESSEE from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by LESSOR shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If LESSOR receives a payment from LESSEE for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, LESSOR may apply any payment received from LESSEE to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

4. Charges; Liens. LESSEE shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any

LESSEE shall promptly discharge any lien which has priority over this Security Instrument unless LESSEE: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to LESSOR, but only so long as LESSEE is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in LESSOR's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to LESSOR subordinating the lien to this Security Instrument. If LESSOR determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, LESSOR may give LESSEE a notice identifying the lien. Within 10 days of the date on which that notice is given, LESSEE shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

5. Property Insurance. LESSEE shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which LESSOR requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that LESSOR requires. What LESSOR requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by LESSEE subject to LESSOR's right to disapprove LESSEE's choice, which right shall not be exercised unreasonably. LESSOR may require LESSEE to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. LESSEE shall also be responsible for the payment of any fees imposed by any government, federal, local or municipal governments in connection with the review of any flood zone determination resulting from an objection by LESSEE.

If LESSEE fails to maintain any of the coverages described above, LESSOR may obtain insurance coverage, at LESSOR's option and LESSEE's expense. LESSOR is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover LESSOR, but might or might not protect LESSEE, LESSEE's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. LESSEE acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that LESSEE could have obtained. Any amounts disbursed by LESSOR under this Section 5 shall become additional debt of LESSEE secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from LESSOR to LESSEE requesting payment.

All insurance policies required by LESSOR and renewals of such policies shall be subject to LESSOR's right to disapprove such policies, shall include a standard mortgage clause, and shall name LESSOR as mortgagee and/or as an additional loss payee and LESSEE further agrees to generally assign rights to insurance proceeds to the holder of the Note (LESSOR or its assignee) up to the amount of the outstanding loan balance. LESSOR shall have the right to hold the policies and renewal certificates. If LESSOR requires, LESSEE shall within five (5) days give to LESSOR all receipts of paid premiums and renewal notices. If LESSEE obtains any form of insurance coverage, not otherwise required by LESSOR, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name LESSOR as mortgagee and/or as an additional loss payee and LESSEE further agrees to generally assign rights to insurance proceeds to the holder of the Note up to the amount of the outstanding loan balance.

In the event of loss, LESSEE shall give prompt notice (but not later than three (3) calendar days) to the insurance carrier and LESSOR. LESSOR may make proof of loss if not made promptly by LESSEE. Unless LESSOR and LESSEE otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by LESSOR, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and LESSOR's security is not lessened. During such repair and restoration period, LESSOR shall have the right to hold such insurance proceeds until LESSOR has had an opportunity to inspect such Property to ensure the work has been completed to LESSOR's satisfaction, provided that such inspection shall be undertaken promptly. LESSOR may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, LESSOR shall not be required to pay LESSEE any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by LESSEE shall not be paid out of the insurance proceeds and shall be the sole obligation of LESSEE. If the restoration or repair is not economically feasible or LESSOR's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to LESSEE. Such insurance proceeds shall be applied in the order provided for in Section 2.

If LESSEE abandons the Property, LESSOR may file, negotiate and settle any available insurance claim and related matters. If LESSEE does not respond within 30 days to a notice from LESSOR that the insurance carrier has offered to settle a claim, then LESSOR may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if LESSOR acquires the Property under Section 22 or otherwise, LESSEE hereby assigns to LESSOR (a) LESSEE's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of LESSEE's rights (other than the right to any refund of unearned premiums paid by LESSEE) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. LESSOR may use the

insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. LESSEE shall occupy, establish, and use the Property as Waste Management Plant for the processing, recycling and conversion of solid waste into organic fertilizer and biomass fuel.

7. Preservation, Maintenance and Protection of the Property; Inspections. LESSEE shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. At all times for the duration of the Loan, LESSEE shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. LESSEE shall promptly repair the Property if damaged to avoid Further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, LESSEE shall be responsible for repairing or restoring the Property only if LESSOR has released proceeds for such purposes. LESSOR may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, LESSEE is not relieved of LESSEE's obligation for the completion of such repair or restoration.

LESSOR or its agent shall have the unrestricted authority to make reasonable entries upon and inspections of the Property, including by way of example but not limitation, the machinery, equipment, accessories and appurtenances of the waste management plant. For as long as the Loan remains outstanding, at its sole option, LESSOR may appoint its own financial, administrative and performance auditor(s) to monitor, review and audit the financial, administrative and technological operations of the Property and/or the _____ Plant.

8. LESSEE's Loan Application. LESSEE shall be in default if, during the Loan application process, LESSEE or any persons or entities acting at the direction of LESSEE or with LESSEE's knowledge or consent gave materially false, misleading, or inaccurate information or statements to LESSOR (or failed to provide LESSOR with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning LESSEE's intended purposes of the Loan, the ownership of the Property, the ownership of certain intellectual property, such as patents, proprietary technologies, processes and trade secrets, their improvements, innovations, requisite and necessary to operate the _____ Plant.

9. Protection of LESSOR's Interest in the Property and Rights Under this Security Instrument. If (a) LESSEE fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect LESSOR's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) LESSEE has abandoned the Property, then LESSOR may do and pay for whatever is reasonable or appropriate to protect LESSOR's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. LESSOR's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although LESSOR may take action under this Section 9,

LESSOR does not have to do so and is not under any duty or obligation to do so. It is agreed that LESSOR incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by LESSOR under this Section 9 shall become additional debt of LESSEE secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from LESSOR to LESSEE requesting payment.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to LESSOR.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and LESSOR's security is not lessened. During such repair and restoration period, LESSOR shall have the right to hold such Miscellaneous Proceeds until LESSOR has had an opportunity to inspect such Property to ensure the work has been completed to LESSOR's satisfaction, provided that such inspection shall be undertaken promptly. LESSOR may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, LESSOR shall not be required to pay LESSEE any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or LESSOR's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to LESSEE. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to LESSEE.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless LESSEE and LESSOR otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to LESSEE.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless LESSEE and LESSOR otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by LESSEE, or if, after notice by LESSOR to LESSEE that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, LESSEE fails to respond to LESSOR within 30 days after the date the notice is given, LESSOR is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes LESSEE Miscellaneous Proceeds or the party against whom LESSEE has a right of action in regard to Miscellaneous Proceeds.

LESSEE shall be in default if any action or proceeding, whether civil or criminal, is begun that, in LESSOR's judgment, could

result in forfeiture of the Property or other material impairment of LESSOR's interest in the Property or rights under this Security Instrument. LESSEE can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in LESSOR's judgment, precludes forfeiture of the Property or other material impairment of LESSOR's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of LESSOR's interest in the Property are hereby assigned and shall be paid to LESSOR.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. LESSEE Not Released; Forbearance By LESSOR Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by LESSOR to LESSEE or any Successor in Interest of LESSEE shall not operate to release the liability of LESSEE or any Successors in Interest of LESSEE. LESSOR shall not be required to commence proceedings against any Successor in Interest of LESSEE or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original LESSEE or any Successors in Interest of LESSEE. Any forbearance by LESSOR in exercising any right or remedy including, without limitation, LESSOR's acceptance of payments from third persons, entities or Successors in Interest of LESSEE or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. LESSEE covenants and agrees that LESSEE's obligations and liability shall be joint and several. However, any LESSEE who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that LESSOR and any other LESSEE can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of LESSEE who assumes LESSEE's obligations under this Security Instrument in writing, and is approved by LESSOR, shall assume all of LESSEE's rights and benefits under this Loan and Security Instrument. Successor LESSEE shall not be released from LESSEE's obligations and liability under this Security Instrument unless LESSOR agrees to such release in writing. The covenants and agreements of this Loan and Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of LESSOR.

14. Loan Charges. LESSOR may charge LESSEE fees for services performed in connection with LESSEE's default, for the purpose of protecting LESSOR's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to LESSEE shall not be construed as a prohibition on the charging of such fee. LESSOR may not charge fees that are expressly prohibited by this Loan and Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from LESSEE which exceeded permitted limits will be refunded to LESSEE. LESSOR may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to LESSEE. If a refund reduces

principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). LESSEE's acceptance of any such refund made by direct payment to LESSEE will constitute a waiver of any right of action LESSEE might have arising out of such overcharge.

15. Notices. All notices given by LESSEE or LESSOR in connection with this Security Instrument must be in writing. Any notice to LESSEE in connection with this Security Instrument shall be deemed to have been given to LESSEE when mailed by first class mail or when actually delivered to LESSEE's notice address if sent by other means. Electronic messages specifically email are accepted way of sending and receiving notices. Notice to any one LESSEE shall constitute notice to all LESSEEs unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless LESSEE has designated a substitute notice address by notice to LESSOR. LESSEE shall promptly notify LESSOR of LESSEE's change of address. If LESSOR specifies a procedure for reporting LESSEE's change of address, then LESSEE shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to LESSOR shall be given by delivering it or by mailing it by first class mail to LESSOR's address stated herein unless LESSOR has designated another address by notice to LESSEE. Any notice in connection with this Security Instrument shall not be deemed to have been given to LESSOR until actually received by LESSOR. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. Governing Law; Severability; Rules of Construction. This Loan and Security Instrument shall be governed by the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Loan and Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Loan and Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. LESSEE's Copy. LESSEE shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in LESSEE. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by LESSEE at a future date to a purchaser.

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

If LESSOR exercises this option, LESSOR shall give LESSEE notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which LESSEE must pay all sums secured by this Security Instrument. If LESSEE fails to pay

these sums prior to the expiration of this period, LESSOR may invoke any remedies permitted by this Security Instrument without Further notice or demand on LESSEE.

19. LESSEE's Right to Reinstate After Acceleration. If LESSEE meets certain conditions, LESSEE shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of LESSEE's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that LESSEE: (a) pays LESSOR all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting LESSOR's interest in the Property and rights under this Security Instrument; and (d) takes such action as LESSOR may reasonably require to assure that LESSOR's interest in the Property and rights under this Security Instrument, and LESSEE's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. LESSOR may require that LESSEE pay such reinstatement sums and expenses in one or more of the following forms, as selected by LESSOR: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by LESSEE, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice, written or otherwise, to LESSEE. A sale might result in a change in the LESSOR that collects Periodic Payments due under the Note and this Security Instrument and such other rights of the LESSOR under Applicable Law.

NON-UNIFORM COVENANTS. LESSEE and LESSOR Further covenant and agree as follows:

21. Acceleration; Remedies. LESSOR shall give notice to LESSEE prior to acceleration following LESSEE's breach of any covenant, promises, representations or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to LESSEE, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall Further inform LESSEE of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of LESSEE to acceleration and sale. If the default is not cured on or before the date specified in the notice, LESSOR at its option may require immediate payment in full of all sums secured by this Security Instrument without Further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. LESSOR shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If LESSOR invokes the power of sale, LESSOR shall execute a written notice of the occurrence of an event of default and of LESSOR's election to cause the Property to be sold. LESSOR shall cause this notice to be recorded in jurisdiction in which any part of the Property is located. LESSOR shall mail copies of the notice as prescribed by Applicable Law to LESSEE and to the other persons prescribed by Applicable Law. LESSOR shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, LESSOR, without demand on

LESSEE, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. LESSOR or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

22. Reconveyance. Upon payment of all sums secured by this Security Instrument, LESSOR shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. LESSOR may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

23. Substitute Trustee. LESSOR, at its option, may from time to time appoint a Trustee or successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by LESSOR and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original LESSOR, Trustee and LESSEE, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

24. Admonition to Seek Independent Legal Counsel

Parties have been made fully aware of their right to seek independent counsel to review and advise each of them as to the legal import and consequences of this Agreement, as to the appropriateness, fairness and reasonableness of this Agreement and the terms and conditions therein. Upon signing this agreement, the signing party represents that he has read and understood the contents and legal implications of this Agreement, has consulted with independent counsel or has otherwise knowingly waived such legal admonition.

25. Effectivity of this Agreement

It is the express intent of the parties that, upon signing by all parties, this Agreement shall immediately become effective. Any deficiency in the performance of any conditions or stipulations herein shall merely suspend its enforceability but continues to hold the legal nexus of parties and parties shall be allowed reasonable opportunity to cure deficiencies but not later than thirty (30) days after which this Agreement becomes void and non-enforceable and parties shall thereafter be fully restored to their pre-Agreement status.

26. English Version

This Agreement, its terms and conditions, have been drafted, exchanged, negotiated and corrected in the English language. If the Seller's first language is other language than English but has ability, facility and resources to have this Agreement translated or otherwise understood in his own language. In case of any issue, controversy or conflicts on the interpretation of this Agreement, or of any part hereof, the English language as written and used herein shall be the controlling language.

BY SIGNING BELOW, LESSEE accepts and agrees to the terms and covenants contained in this Loan and Security Agreement and in any Rider(s) or Attachment(s) executed by LESSEE and recorded with it.

DATED: _____

_____ (Seal)
- LESSEE

_____ (Seal)
- LESSEE

DATED: _____

_____ (Seal)
- LESSOR

_____ (Seal)
- LESSOR

Collateral custodial omnibus account

DLC ICC 600 SBLIC ICC 600 Bank Guarantee Bond Portfolio

AVISPay account Nr.

Custodial Bank Name

Bank Address

P-Code, City, County

BIC/SWIFT

Account / IBAN

Bank Officer Name

Bank Officer Telephone

Bank Officer E-Mail

ADDENDUM I ~~-(COLLATERAL)-~~

