IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

OKLAHOMA DEPARTMENT OF SECURITIES, *ex rel.* Irving L. Faught, Administrator,	)	
Plaintiff,	)	
v.	)	Case No. CJ-2014-4515
SEEBROOKE INVESTMENTS, LLC, an Oklahoma limited liability company, *et al.*	)	
Defendants.	)	

FIRST COMMERCIAL BANK'S RESPONSE TO RECEIVER'S MOTION TO ENFORCE COURT'S INJUNCTION, FOR CONTEMPT CITATION AND FOR DECLARATORY ORDER REGARDING ESCROWED FUNDS

and

FIRST COMMERCIAL BANK'S APPLICATION FOR ORDER TO DISBURSE CHERRY HILL ESCROWED FEES TO FIRST COMMERCIAL BANK

First Commercial Bank for its Response to Receiver's Motion to Enforce Court's Injunction, For Contempt Citation and for Declaratory Order Regarding Escrowed Funds, would show the Court as follows:

STATEMENT OF THE CASE

1. On June 15, 2011, Cherry Hill, LLC executed its Promissory Note to First Commercial Bank in the amount of $960,000.00. To secure that indebtedness, Cherry Hill pledged by mortgage the (1) Cherry Hill Apartment Complex, (2) rental income from Cherry Hill, and (3) all money on deposit with First Commercial Bank. By the terms of the Note, Mortgage, Assignment and Account, each of these items constituted a part of First Commercial's perfected security interest for all indebtedness of Cherry Hill to First Commercial. Attached are copies of the Promissory Note, Exhibit 1, Mortgage, Exhibit 2, and Account Agreement, Exhibit 3.

2. On August 11, 2014, Plaintiff, Oklahoma Securities Commission, filed its Petition for Injunction against the Seabrooke individuals and entities, alleging violation of the Oklahoma Securities Act by the Seebrooke Defendants in the offering and selling of unregistered securities. Contemporaneously with the filing of the Petition, Plaintiff sought and obtained a Temporary Restraining Order, Order Freezing Assets, Appointment of Receiver and Accounting for the Seabrooke related Defendants. A copy of the Restraining Order is attached hereto as Exhibit 4.

3. Upon receipt of the Temporary Order in August 2014, and the Receiver's request to transfer all Cherry Hill accounts and rental assignments to Receiver, counsel for First Commercial Bank contacted the Receiver and Receiver's counsel, indicating that First Commercial would object to any construction of the Temporary Order which would serve to terminate or divest First Commercial's security interest in any of the property of Cherry Hill, including the assignment of rents and its possessory interest and right of set-off in Cherry Hill accounts. First Commercial indicated that if an agreement could not be reached, the matter should jointly be brought before the Court.

4. In order to avoid that additional cost and to insure the uninterrupted operation of Cherry Hill Apartments, First Commercial proposed, in accordance with routine banking industry's receivership procedure, that the existing Cherry Hill operating accounts remain in effect, that First Commercial continue the collection and accounting of the direct deposit of rents into the Cherry Hill operating account and that a "Receiver's Account" be opened into which funds would be deposited at Receiver's request for Cherry Hill operating expenses. In addition, established and existing ACH automatic payments for routine operating expenses (such as utilities) would be made from the established Cherry Hill account for those services. With the assurance of Receiver's counsel that

First Commercial Bank would *never* be asked to waive any security interest in assets pledged by Cherry Hill to First Commercial, the parties agreed to the procedure and memorialized the Agreement in the correspondence attached as Exhibit 5, which was submitted to the Court and made a part of the record on September 9, 2014.

5. Under that Agreement, First Commercial would manage the collection and accounting of rentals in accordance with its Secured Interest and Rent Assignment, maintain the Cherry Hill Account and fund operational expenses from the Cherry Hill Account while preserving its security interest in the collateral described above. As indicated to the Court on September 9, 2014, this procedure is regularly used by banks, including First Commercial, for management of secured accounts under receivership.

6. On September 18, 2014, FCB and the Receiver accepted a contract for the sale of the Cherry Hill Complex in the amount of $1,015,000.00, subject to sales commission, financial review of Complex Income and due diligence inspections by the buyer. Closing of the sale was scheduled for October. During a telephone conference with First Commercial's counsel, the representative of the buyer requested additional information and time to complete inspections, indicating that the property was in substantially worse condition than first indicated. Several issues arose during the contract period which jeopardized the sale, including health department threats of fines and closing of Cherry Hill, a gang related shooting on the property, the threat of suspension of utilities, embezzlement by the complex manager, potential lapse of insurance for the complex, ownership issues for the complex and missing rental payments. Although First Commercial's representatives and counsel were at the complex on a regular basis showing the property to potential management and buyers, conducting inspections, providing insurance reviews, insuring deposit of rentals, the

Receiver made his first visit to the property in mid-October, 2014, indicating it was his opinion that a "bulldozer needed to be brought in to scrape it to the ground," that the property was a "gang battle zone" and that he "would not go to the complex again since he did not feel safe." Since the offer was substantially higher than prior internal and external appraisals and evaluations by First Commercial and its consultant management company, Price Edwards Management, and given the continuing problems, there was significant and justifiable concern by First Commercial that the sale would not close without reductions in the original purchase price and a loss on the property. As a result, First Commercial took appropriate action to protect its rights and interest in its collateral, preserving the Cherry Hill accounts so that funds would be available in the event last minute funds were needed to close the sale.

7. In anticipation of closing, First Commercial was requested to provide its payoff under the promissory note and mortgage. The day before closing, the Receiver advised counsel for First Commercial "that the Securities Department" was objecting to payment of First Commercial's attorney fees incurred in the protection of its security interest and regulatory compliance. Other than the Receiver's statement that the Commission has a policy of always objecting to payment of attorney fees, no explanation was given for the objection.

8. To avoid the risk of losing the sale, the same escrow procedure employed regarding Quail Creek's fees in the sale of the Downtown Convention Center was agreed to by the parties. Except for the Receiver's request that the escrowed fees be paid to the Receiver as part of a *penalty* under its contempt claim, no objection to the fees incurred has been made by any party. Just as with Quail Creek Bank, the fees in escrow represent the remaining balance due First Commercial of administrative costs secured under the terms of the Promissory Note and Mortgage. Prior to closing,

the Receiver advised counsel for First Commercial "*that there was no objection to the reasonableness of the fees submitted by First Commercial and that First Commercial's directors and management should be thrilled by counsel's work.*" Absent that representation, it would have been necessary for First Commercial to have brought the matter before the Court prior to closing the sale and release of the mortgage.

9. Contrary to the representations and agreement of the parties regarding the escrow, after closing, the Receiver made demand upon First Commercial for payment to the Receiver of the balance of the Cherry Hill Operating Account. It was originally agreed that all remaining matters would be brought before the Court at one time. First Commercial Bank objected to waiving its secured interest in the Account Funds pending resolution by the Court of the escrow issue since the Account Funds secured the additional fees and costs that would be incurred in addressing the escrow objection. Further, First Commercial objected to paying the account funds to the Receiver while there were still outstanding uncleared checks drawn on the Cherry Hill account.

10. Preserving the account until all bills required to be paid under the sales contract were paid, insured that funds were available immediately to pay remaining unpaid bills. Receiver's counsel made clear his position that once the accounts were turned over to Receiver, those funds were available for whatever use or purpose the Receiver deemed appropriate, whether they related to Cherry Hill or not. As it turned out, approximately $4,000.00 worth of post closing unpaid bills were presented for payment by the buyer. Absent preservation of these funds, First Commercial was concerned that it would be called upon to pay any demands of third parties or the buyer. While reserving its objection, however, First Commercial advised the Receiver that it would pay any remaining Cherry Hill expense from the account *and that no checks would be returned unpaid*, all

in order to insure that the Receiver and the estate suffered no damage pending hearing on the escrow. No response to this correspondence was ever received by First Commercial's counsel.

11. On December 12, 2014, the Receiver filed his Motion seeking contempt and payment of the fees in escrow to the Receiver, not under the theory that the fees were not proper under the promissory note and mortgage, but as a *penalty* for contempt. At the initial hearing of this matter on January 30, 2015, the Court set this matter for further hearing and directed that payment of the account balance to the Receiver would purge First Commercial of any contempt. The Court further indicated that any additional fees incurred by First Commercial in this matter could be assessed against the Receiver directly. As a result, First Commercial paid the account balance of $13,311.85 to the Receiver by certified check on the same day. (Exhibit 7).

RESPONSE

I. RECEIVER'S MOTION TO ENFORCE COURT'S INJUNCTION

12. In his Motion, the Receiver's First Proposition asserts that First Commercial has violated the Temporary Injunction and blends a request that the Court enforce the original order with a request to hold First Commercial in contempt for not turning over Cherry Hill account funds. While reciting the language of the Temporary Order regarding cooperation, surrender of assets and powers of the Receiver, surprisingly, no mention is made of the extensive discussions and negotiations between the Receiver and First Commercial which resulted in the Agreement for the operational management of Cherry Hill Apartments while maintaining First Commercial's perfected security interest in the property, rentals and account funds.

13. Under the terms of the Promissory Note, Mortgage, Security and Account Agreements, and by operation of Oklahoma law, First Commercial not only held a mortgage on the

Cherry Hill property but also a perfected security interest in the Cherry Hill Rental Income assigned to First Commercial, together with all funds deposited into the Cherry Hill accounts with the First Commercial. The security interest in the Rentals and Accounts are dependent upon the loan agreement *and possession of the funds*. Release of the funds to the Receiver, even under the Temporary Order, would divest First Commercial of its security interest in the funds released in much the same manner as a possessory lien for a mechanic's repairs are dependent upon uninterrupted possession of the repaired property. Thereafter, First Commercial would have its claim reduced to that of any unsecured creditor. For that reason, First Commercial Bank advised the Receiver that it could not unconditionally release those funds without further order of the Court and an appropriate order for adequate protection of the surrendered collateral. The Receiver acknowledged that he understood First Commercial's claim and the parties thereafter worked to reach the Agreement of record set forth in Exhibit 5.

14. Under Oklahoma law, funds on deposit with a bank are not the property of the depositor. Those funds are owned by the bank at the moment of deposit and a debt from the bank to the depositor is created. *Kasparek v. Liberty Nat. Bank of Oklahoma City*, 1934 OK 678, 39 P.2d 127. The Temporary Order directs that the property of the Seabrooke Defendants be turned over to the Receiver and that creditors of the Seabrooke Defendants are restrained from taking action against the Seabrooke entities. Neither the rentals assigned to First Commercial nor the funds on deposit were property of the Seabrooke estate under Oklahoma law. Ownership of that property was vested in First Commercial Bank by virtue of the deposit and the assignment.

15. Following several conferences with the Receiver and Receiver's counsel, the Agreement was reached to leave the status quo in effect and fund those Cherry Hill operational

expenses that First Commercial would have incurred in the ordinary course of foreclosure absent the Receivership. *The parties agreed that the Cherry Hill account would not be paid to the Receiver and in lieu thereof, a Receiver's Account was established to clear checks for Cherry Hill operations.* Further, the pre-receivership ACH direct payment agreements with routine creditors were maintained without interruption for the direct payments from the account of those operational expenses.

16. During the course of these negotiations, while representing that First Commercial "*would never be asked to give up any security interest it maintained in the Seabrooke property*," Receiver's counsel demanded precisely that, maintaining the position that the Receiver was entitled to the unrestricted possession and use of rental income and account funds for whatever purpose the Receiver deemed appropriate whether or not those expenses related to Cherry Hill. As indicated above, as a matter of law, once those funds left First Commercial's possession, the Bank's secured interest would be terminated. First Commercial indicated that its secured rights could not be divested absent a direct order of the Court sitting in equity and the Receiver providing "adequate protection" for recovery all property or funds delivered to the Receiver. First Commercial's counsel repeatedly indicated that the matter simply needed to be presented to the Court and that the parties should jointly approach the Court.. In order to avoid that expense, the Agreement was reached as set forth in Exhibit 5.

17. Upon reaching the Agreement, First Commercial's counsel reduced the terms to writing and forwarded them to the Receiver. Upon review of the written Agreement, the Receiver responded:

> Steve-Just to clarify, with respect to items 1-3 below (*Agreement Terms*), we have agreed for practical purposes only to operate this way for the time being. We do not believe it is consistent with the authority we have under the Court's Order, which we

> in no way intend to waive. If this will work as a practical matter, it works for us for now. If it does not, then we'll need to adjust. I think keeping open lines of communication as we have works best for everybody. I'll run the proposed arrangement by our property management staff to make sure they're ok with it. If there are any suggested modification, I'll follow back up. Thanks, Steve. Ryan

That response is included as Exhibit 6. No modifications were ever requested and the Receiver never sought to terminate the Agreement until after the closing of the sale of the Cherry Hill Apartments. The Receiver's authority under the Temporary Order gave the Receiver the authority not only to receive and manage property of the Seabrooke Defendants, but necessarily the authority to enter into the Agreement for the management of the Cherry Hill Apartments reached with First Commercial. To now seek contempt for doing what the parties agreed to do is simply without merit.

18. Although Receiver's counsel has described the Agreement as "obstructive" and the Receiver's Affidavit claims the Receiver incurred substantial expense for work related to Cherry Hill and that a "significant portion" resulted from First Commercial's "lack of compliance with the Court's Order," there is no indication as to what these expenses were or how they relate to the claimed non-compliance. They are certainly not reflected in the Receiver's fee requests nor payments made to the Receiver for the sale of the Cherry Hill property. To date, the Receiver and/or Receiver's counsel, the Seabrookes and Receiver's accounts and staff have received approximately $90,000.00 from Cherry Hill assets. The Receiver's fee and expense requests do not support work in that amount.

19. It should be noted that no continuing operational expense submitted for payment by the Receiver was ever rejected by First Commercial. All ACH automatic debits were paid by First Commercial. All submitted expenses, except one, were paid within one business day of their being presented to First Commercial by Receiver. The one exception was a payment made early in the

Receivership and was temporarily held because of the Freeze Order. That exception would have occurred whether there was or was not an Agreement in place.

20. The Receiver notes in Paragraph 9 of his Affidavit that the Receivership incurred expenses regarding past due water bills, taxes, employee payroll and insurance issues. Those matters may well have been addressed by the Receiver in overseeing the operation of the property, but none of those issues had anything to do with First Commercial or its position regarding its rights as a secured creditor. Had First Commercial been managing the property under a foreclosure proceeding, there would have been no past due utility bills and there would have been no Receiver expenses.

21. As soon as a check or ACH debit was received for payment, it was paid within one banking day. It is true that several times the Receiver did not submit a bill for payment until cut-off notices were served on the Receiver. However, First Commercial had nothing to do with the decision of what bills to pay or when to pay them. All bills were sent to the Receiver, not First Commercial. It is difficult to understand how surrendering the account to the Receiver would have prevented those late payments. *If* the Receiver repeatedly reminded First Commercial that it was causing a problem, no explanation was ever provided, nor included in Receivers' Motion, as to what the problem was. Further, if the Receiver believed that Fist Commercial was causing a problem, all it had to do was terminate the Agreement and bring the matter before the Court in accordance with Exhibit 6. The Receiver never did that. To now come back and complain about a procedure that the Receiver agreed to, that was followed by the parties, worked successfully and for which the Receiver received the assistance of the Bank in collecting and accounting for rents is, at best, a textbook example of *estoppel*. Regardless of the "non-waiver of rights" language in the Receiver's Exhibit

6 correspondence, there is no question that the procedure was agreed to and utilized from August through and after the sale of the property.

22. From the inception of this case, the Receiver has fought First Commercial's formal intervention in the case and the gaining of standing in which to contest the actions of the Receiver and bring before the Court the Bank's formal position as it relates to its collateral. In this current Motion, the Receiver, or more appropriately perhaps Receiver's counsel, appears to take the position that it can employ the procedure agreed to for management of Cherry Hills' operations and then punish First Commercial for following that Agreement. Conveniently and arbitrarily ,the punishment requested is the amount of the Bank's remaining funds in escrow.

23. The Receiver's Motion, cites *Brown v. Bivings*, 1957 OK 205, 316 P2d 855, and claims that it stands for proposition that:

> "Receiver's fees and expenses are a first charge and have priority over expenses incurred by creditors such as FCB based on their security interest."

To say that the Receiver's expression is a liberal construction of the case gives a whole new meaning to "liberal." *Bivings* has nothing to do with secured creditors, mortgages, promissory notes, banks or any other contractual lien on funds. It is simply a restatement of the law that Receivers are generally entitled to recover their fees and expenses, including attorney fees, from the Receiver estate, even where the appointment of the receiver was in error. In *Bivings*, the issue arose over the improper appointment of the receiver and attorney fees awarded for the litigation. The Defendant prevailed in his argument that the receiver should not have been appointed but the Court in the interim allowed 12 O.S. § 936 fees to the receiver. On appeal, the Supreme Court found that there was sufficient statutory support for the *ex parte* appointment of a receiver and that the trial court's

order allowing attorney fees and costs from the estate was appropriate. The result was the award of attorney fees to both sides without any issue of priority. The issue of priority is only mentioned in the AmJur dicta of the case.

24. First Commercial recognizes that the overall management of the Receivership often requires contribution to the general expense of the Receivership by third parties in interest. However, that contribution must be equitable and bear some reasonable relationship to the Receiver's expense incurred as it relates to that party's interest. It must not unreasonably impact the collateral of the third party. (Transcript, September 26, 2014, Page 8 beginning at Line 10, Exhibit 8).

25. As indicated in the Receiver's Motion, First Commercial filed an objection to the Receiver's request that $20,000.00 of the Receiver's $75,000.00 fee and expense request be paid from Cherry Hill assets. As reflected in the record, the parties attempted to negotiate a more appropriate amount. First Commercial suggested $13,000.00 and the Receiver suggested that it might reduce the request to $15,000.00. As indicated by counsel at the hearing, an email was sent late on the day before the hearing which was not received by First Commercial's counsel before the hearing. In the email, the Receiver formally offered to reduce his request to $15,000.00. Although still more than reasonable given the actual costs incurred for matters related to Cherry Hill, when First Commercial learned at the hearing for the first time that the reduction had been formally made, immediately advised the Court that $15,000.00 would be transferred to the Receiver's account that day. While protecting its security interest in Cherry Hill funds, First Commercial has at all times acted reasonably and in reliance upon the parties' Agreement for funding Cherry Hill expenses pending sale of the property.

26. In regard to his First Proposition, the Receiver's Motion asks the Court to Enforce the Temporary Injunction by ordering the payment of all Cherry Hill account funds to the Receiver. Those account funds were paid in full to the Receiver by Cashier's Check on January 30, 2015, (Exhibit 7). With that payment, Receiver's Motion as become moot.

27. First Commercial has complied with the parties' operational Agreement for Cherry Hill (Exhibit 5) and has continued to promptly fund Cherry Hill debts from Cherry Hills' account following closing of the sale of the Cherry Hill Apartments. First Commercial assisted the Receiver in the collection and accounting of rentals, paid more than its fair share of the expense of managing unrelated the Seabrooke estate assets, and has now delivered the balance of the Cherry Hill account to the Receiver. The Receiver has failed to set forth any allegation, nor has he made any showing in his *unverified* Motion how and in what measure the Receiver has been damaged by any act or omission of First Commercial Bank. In addition, the Receiver's Motion fails to even mention, much less explain, why the parties' Agreement for funding Cherry Hill's interim operational expense does not control this treatment of this Motion.

28. Finally, the delivery of the Cherry Hill account funds to Receiver renders moot the relief sought in its First Proposition for Enforcement of the Court's Temporary Injunction. First Commercial Bank therefore moves the Court to deny the portion Receiver's Motion which requests the Court's Order Enforcing Court's Injunction.

RESPONSE TO MOTION FOR CONTEMPT

29. Under Oklahoma law, an indirect contempt requires a separate citation issued by the Court and served on the Defendant, but only where the Court is satisfied upon *verified* Application by the moving party that sufficient cause exists to believe that the Defendant has intentionally

violated the Order of the Court. The burden of proof at trial of the citation requires that the moving party establish by clear and convincing evidence the violation. Article II, Section 25, Oklahoma Constitution; *Cannon v. State,* 1936 OK CR 25, 55 P.2d 135; Rules for District Courts..

30. The Receiver's Motion for Contempt appears to be directed at both First Commercial's original objection to the unrestricted payment of Cherry Hill account funds to the Receiver and the procedure employed for management and payment of operational expenses for the Cherry Hill Apartment Complex. It is remarkable that the Receiver's Motion does not even mention the Agreement which served as the procedure for the handling of the account funds and the operational management of Cherry Hill from the commencement of this Receivership in August until the mid- November sale of the Cherry Hill property. (Exhibit 5).

31. Absent the disclosure of this Agreement, a review of the Receiver's contempt Motion would leave the reader with the belief that First Commercial simply ignored the Temporary Order and through some unknown method forced the Receiver to accept the dictates of First Commercial. With the disclosure of the Agreement, First Commercial would submit that the Receiver's Motion for Contempt is without merit. Although the Receiver reserved the right to revoke the Agreement, Exhibit 6 clearly establishes that the Agreement was accepted. It was never modified or revoked.

32. Paragraph 5 of the Temporary Order provides the authority of the Receiver to release bank and financial accounts from the freeze as may in the Receiver's opinion, be necessary or proper for the protection, maintenance or preservation of the Assets or the carrying out of the terms of the Order. Paragraph 8 permits the Receiver to open Receiver accounts as was done under the Agreement and Paragraph 10 allows the Receiver to engage in or compromise claims or litigation.

The Receiver clearly had the authority to enter into the Agreement under the terms of his appointment.

33. First Commercial's cannot be held for contempt for complying with an agreement with the Receiver to do the things falling under the Receiver's authority. As a result, the no citation should issue against First Commercial for anything falling within the Agreement.

34. Finally, and without suggesting that any contempt occurred, First Commercial has paid over the Receiver all funds in the account upon the Court's statement during the January 2015 initial hearing of this matter that any additional fees incurred by First Commercial in this matter could be assessed against the Receiver directly. As a result, First Commercial paid the account balance of $13,311.85 to the Receiver by certified check on the same day.

35. First Commercial Bank therefore moves the Court to deny the request for contempt citation and that the same be dismissed.

DECLARATORY ORDER REGARDING ESCROWED FUNDS

36. The Receiver argues in his Motion that the funds in escrow should be paid to the Receiver because:

A. Although First Commercial did not receive the entire balance of the indebtedness under the note and mortgage, First Commercial did receive its principal and interest upon the sale of the Cherry Hill property.

B. Although First Commercial was actively involved in the management and sale of the Cherry Hill property, because the escrow contains attorney fees, First Commercial should not be allowed to recover the escrow because no benefit was conferred by First Commercial's counsel to the Receiver.

C. Although First Commercial performed its obligations under the Cherry Hill management Agreement, Receiver's claim that First Commercial engaged in "obstructive behavior" should result in a penalty in the amount of the escrow.

In response, First Commercial would show the Court that Receiver's allegations not only lack supportive merit but fail as a matter of law.

A. FIRST COMMERCIAL'S MORTGAGE HAS PRIORITY OVER ALL OTHER CLAIMS

37. At all times relevant, First Commercial Bank maintained a valid first and duly filed mortgage on the Cherry Hill Apartment Complex. First Commercial's mortgage creates a lien upon the Cherry Hill property to secure payment of all indebtedness of Cherry Hill LLC to First Commercial. 46 O.S. § 42(4). By virtue of the priority recording of the mortgage, First Commercial's mortgage took priority over all other claims to the property, including the Receiver who is bound by the terms of the Mortgage. *FTC v. NHS Sys.*, 708 F. Supp. 2d 456 (E.D. Pa, 2009), (holding that the Receiver acquires no greater rights in property than the entity in receivership had prior to the receivership). The Receiver's position that the Receiver's rights in the property trump those of First Commercial's mortgage is unsupported by Oklahoma law. The Oklahoma Supreme Court has long held that a "*court will not authorize the incurring of indebtedness by a Receiver of a private corporation and give such indebtedness priority over an existing lien without the consent of the lienholder. Sinopoulo v. Portman*, 1943 OK 90, ¶11.

38. First Commercial's mortgage clearly authorizes the reimbursement of its attorney fees and costs as part of the original indebtedness. The Mortgage, Exhibit 2, Page 9, provides:

> **Attorney's Fees; Expenses.** Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's

> opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys fees and Lender's legal expenses, whether of not there is a lawsuit, including attorneys fees and expenses for Bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyor's reports and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor will also pay any court costs, in addition to all other sums provided by law.

39. Under the terms of this commercial Mortgage, the funds in escrow constitute a loan administration expense and original loan indebtedness which Cherry Hill contracted to pay under the terms of the note and mortgage. It is a material term of the loan agreement and constitutes an original obligation of the note and mortgage which the Receiver assumed. The loan agreement is not subject to unilateral modification by the Receiver. The Receiver cannot choose which terms will be honored and which terms will not. Contrary to the claims in Receiver's Motion, the Oklahoma Supreme Court has clearly defined the scope of what the Receiver's obligations and limitations are:

> The receiver of an insolvent, nongoing corporation takes the property of the company for the creditors, subject to such equities, liens or encumbrances, whether created by operation of law or by act or the corporation, which existed against the property at the time of his appointment. *Dept. of Securities ex rel Fought v. Blair*, 2010 OK 16, ¶38.

40. The Receiver has an obligation to protect all claimant's rights in the Receivership Estate, not just those of unsecured creditors and investor claimants. Here, after reaching the Agreement for the management of the Cherry Hill account and property, the Receiver has taken an adversarial position toward First Commercial, putting the Receiver in direct conflict with a secured creditor attempting to enforce that creditors' rights under its note and mortgage in preference to the claims of the Receiver and unsecured creditors. This position puts Receiver in direct conflict with

his duty to protect the interests of all creditors, secured and unsecured, without preference. *SEC v. Byers*, 592 F. Supp. 2d 532, 537 (S.D.N.Y. 2008).

FIRST COMMERCIAL'S COOPERATION AND BENEFIT TO RECEIVER

41. Contrary to Receiver's position, the right of First Commercial Bank to the remaining balance due under the note and mortgage is not dependent upon whether counsel's fees have been beneficial to the Receiver. The fees and expenses were incurred for the benefit and protection of First Commercial. Certainly there is support in the case law for the proposition that an attorney may be awarded fees in receivership litigation where the attorney has conveyed a benefit to the Receiver. However, the right of First Commercial to recover its fees arises from the contract between First Commercial and Cherry Hill, which, as noted above, binds the Receiver to its terms. The attorney fees in escrow are no different that a balance remaining for unpaid interest, taxes, mortgage taxes or other loan expenses.

42. However, First Commercial provided valuable services to the Receiver in the sale of the Cherry Hill property, management of the property, rent accounting, repairs to the facility and protection of the assets as follows:

A. Contrary to the implication in Receiver's Motion, First Commercial was contacted by each of the three potential buyers who ultimately made an offer on the Cherry Hill property and provided them information regarding the property, existing debt, occupancy and purchase financing. Each contract was review by First Commercial counsel and revisions proposed.

B. First Commercial provided a secure procedure for management and financial operations of Cherry Hill pending sale of the property. By retaining possession of the

Cherry Hill accounts, First Commercial not only insured that Cherry Hill funds were protected from third party unsecured claims but insured that funds were available when they were needed not only during the course of Cherry Hill day to day management by the Seabrookes and Receiver, but when substantial last minute funds were needed to pay unexpected debt of Cherry Hill in order to close the sale.

C/ First Commercial introduce the property to several potential buyers and management companies to insure that a back up plan for disposition of the property was in place in the event the sale did not close. First Commercial, at its expense, obtained evaluations of the properties values, made regular inspections of the property and worked with the maintenance personal and management on site to identify potential problems with the facility.

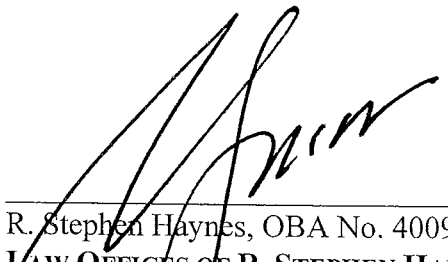
D. The Receiver contacted First Commercial's counsel regarding the pending lapse of insurance on the complex shortly before closing and First Commercial was able to provide a commitment for forced placed insurance pending closing.

E. Instead of foreclosing on the property, First Commercial, through counsel, developed a plan for the operation of Cherry Hill pending closing while protecting the secured interest of First Commercial.

F. First Commercial agreed to an escrow of the balance due under the note at closing in order to avoid the risk of losing the buyer.

G. First Commercial's counsel prepared the closing statement items and negotiated with the Buyer's Representative, Mr. Glickman to reach an agreement on payment of remaining indebtedness which aided in the ultimate closing of the property.

Wherefore, First Commercial Bank prays that the Receiver's Motion be denied in all respects, that an Order be issued by the Court directing the release from the escrow agent of the remaining funds due First Commercial under the note and mortgage and that First Commercial Bank be awarded its attorney fees and costs of this Response.



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CERTIFICATE OF MAILING

This is to certify that on the 23rd day of February 2015, a true and correct copy of the foregoing Response was delivered via email, to:

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PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
$980,000.00	06-15-2011	06-15-2013	1421300	220104 / 05		LEG	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "***" has been omitted due to text length limitations.

Borrower: CHERRY HILL LLC (TIN: 27-1413338)
425 NW 11TH STREET
OKLAHOMA CITY, OK 73103

Lender: First Commercial Bank
Edmond
1601 S Kelly
PO Box 5450
Edmond, OK 73083
(405) 844-0110

Principal Amount: $980,000.00 **Date of Note: June 15, 2011**

PROMISE TO PAY. CHERRY HILL LLC ("Borrower") promises to pay to First Commercial Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Nine Hundred Eighty Thousand & 00/100 Dollars ($980,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in accordance with the following payment schedule:

Borrower will pay this loan in 23 regular payments of $9,939.00 each and one irregular last payment estimated at $883,658.42. Borrower's first payment is due July 15, 2011, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on June 15, 2013, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest.

Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any late charges; and then to any unpaid collection costs. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the WALL STREET JOURNAL PRIME (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each QUARTER. Borrower understands that Lender may make loans based on other rates as well. **The Index currently is 3.250% per annum.** Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 2.000 percentage points over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 7.000% per annum based on a year of 360 days. NOTICE: Under no circumstances will the interest rate on this Note be less than 7.000% per annum or more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in this Note.

PREPAYMENT. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: First Commercial Bank, Main Bank, PO Box 5450 Edmond, OK 73083.

LATE CHARGE. If a payment is 11 days or more late, Borrower will be charged $75.00.

INTEREST AFTER DEFAULT. Upon default, at Lender's option, and if permitted by applicable law, Lender may add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid at the rate provided in this Note (including any increased rate). Upon default, the interest rate on this Note shall be increased by adding an additional 6.000 percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter

EXHIBIT 1

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continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including without limitation all attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. **This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Oklahoma.**

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of OKLAHOMA County, State of Oklahoma.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of $27.00 if Borrower makes a payment on Borrower's loan and the check or other payment order including any preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by 1ST REM ON CHERRY HILL APARTMENTS AT 4708 SE 44TH STREET, OKLAHOMA CITY, OK 73103, FILED IN OKLAHOMA COUNTY, OK; INCLUDING ALL RENEWALS AND EXTENSIONS THEREOF.

LINE OF CREDIT. This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Advances under this Note, as well as directions for payment from Borrower's accounts, may be requested orally or in writing by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **KARYN SEABROOKE, Member/Manager of CHERRY HILL LLC; and TOM SEABROOKE, Member of CHERRY HILL LLC.** Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: First Commercial Bank Main Bank PO Box 5450 Edmond, OK 73083.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

CHERRY HILL LLC

By: _____
KARYN SEABROOKE, Member/Manager of CHERRY HILL LLC

By: _____
TOM SEABROOKE, Member of CHERRY HILL LLC

LASER PRO Lending, Ver. 5.66.00.003 Copr. Harland Financial Solutions, Inc. 1997, 2011. All Rights Reserved. - OK R:\CFI\LPL\D20.FC TR-5808 PR 14

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RECORDATION REQUESTED BY:
First Commercial Bank
Edmond
1601 S Kelly
PO Box 5450
Edmond, OK 73083

WHEN RECORDED MAIL TO:
First Commercial Bank
Edmond
1601 S Kelly
PO Box 5450
Edmond, OK 73083

7

Return to:
Stewart Abstract & Title
701 N. Broadway, Suite 300
Oklahoma City, OK 73102
GF# 11050051

20110617010736150
06/17/2011 10:57:04 AM
Bk:RE11656 Pg:897 Pgs:12 MTG
State of Oklahoma
County of Oklahoma
Oklahoma County Clerk
Carolynn Caudill

SEND TAX NOTICES TO:
CHERRY HILL LLC
425 NW 11TH STREET
OKLAHOMA CITY, OK 73103

FOR RECORDER'S USE ONLY

00000000001421300074506152011

MORTGAGE

A POWER OF SALE HAS BEEN GRANTED IN THIS MORTGAGE. A POWER OF SALE MAY ALLOW THE MORTGAGEE TO TAKE THE MORTGAGED PROPERTY AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE MORTGAGOR UNDER THIS MORTGAGE.

THIS MORTGAGE dated June 15, 2011, is made and executed between CHERRY HILL LLC, whose address is 425 NW 11TH STREET, OKLAHOMA CITY, OK 73103; AN OKLAHOMA LIMITED LIABILITY COMPANY (referred to below as "Grantor") and First Commercial Bank, whose address is 1601 S Kelly, PO Box 5450, Edmond, OK 73083 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in OKLAHOMA County, State of Oklahoma:

Block One (1), Leonhardt's Cherry Hill Addition to Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat thereof

The Real Property or its address is commonly known as 4708 SE 44TH STREET, OKLAHOMA CITY, OK 73135.

CROSS-COLLATERALIZATION. In addition to the Note, this Mortgage secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, owed to Lender, whether of a like nature to the Note Indebtedness or not, whether arising from a loan or a purchased obligation, whether incurred for a consumer or a business purpose, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.
(Initial Here _____)

Grantor also grants to Lender a Uniform Commercial Code security interest in the Personal Property as defined below.

RECEIVED MTG TAX $ 392.00
PAID JUNE 17 2011 RCPT
FORREST "BUTCH" FREEMAN
OKLA CO. TREASURER
BY HOLLY GUNCKEL DEPUTY

EXHIBIT 2

Mtg Tax 392.00 Cert fee 5.00

12/35

ASSIGNMENT OF RENTS. In addition to the mortgaging of the Real Property to Lender, if Grantor's loan does not constitute a consumer loan as defined in 14A O.S. Section 3-104 and is not made primarily for an agricultural purpose as defined in 14A O.S. Section 1-301(4) to a natural person or to a farm or ranching business corporation as defined in 18 O.S. Section 951, Grantor hereby grants to Lender as additional security for the Indebtedness secured by this Mortgage and empowers Lender to collect all Rents (as defined below) from the Property. This grant is known as an "Assignment of Rents," but is sometimes technically denominated as a pledge since the assignment is conditional and not absolute. This Assignment of Rents is conditioned upon the occurrence of an Event of Default under this Mortgage and becomes effective thereafter, whether or not proceedings have been instituted to foreclose this Mortgage by judicial foreclosure or power of sale upon the earliest of:

(a) Lender taking possession of the Property, and Grantor agrees that upon default Lender or its agent shall have the right to take possession of the Property, collect the Rents, and apply the proceeds to the Indebtedness;

(b) the appointment of a receiver for the Property, and Grantor recognizes that upon the occurrence of an Event of Default under this Mortgage, a court may grant specific performance of Grantor's agreement that Lender will have the right to take possession of the Property by appointment of a receiver in accordance with 12 O.S. Section 1551 (Sixth), which authorizes appointment in all other cases where receivers have been appointed by the usages of the courts of equity, and may also appoint a receiver upon the other grounds for appointment of a receiver set forth in 12 O.S. Section 1551 (Second); or

(c) Lender giving Grantor and any lessees of the Property written notice to pay Rents due after a specified date to Lender, and Grantor recognizes that consistent with 46 O.S. Section 4 when the Lender receives Rents after written notice and does not also enter into physical possession of the Property and exercise exclusive operating control, Lender shall not be deemed to be a "mortgagee in possession," but will account to Grantor regarding Rents actually collected.

Grantor also recognizes that Lender may as part of this Assignment of Rents extend or renew or enter into new leases for periods and payments consistent with the terms and payments customary for leases of the Property. If Lender sends written notice to a lessee obligated to pay under any lease on the Property requesting lessee to direct all Rents payable under the lease to Lender, this Assignment of Rents, when it is effective, shall transfer to Lender the lessee's obligation to pay Grantor the Rents, and Grantor and all lessees agree that no modification or termination or renewal of a lease prior to or subsequent to that time or advance payment and collection of Rents will be effective against Lender unless Lender consents in writing. If any lessee obligated to pay Lender does not do so, Lender shall have available all remedies to collect the Rents, including without limitation those available to a lessor upon a lessee's failure to perform under a lease. If Grantor occupies the Property, Grantor also agrees to pay to Lender a reasonable rental for the use and occupancy of the Property if after default Lender makes a demand for such payment in writing.

Grantor agrees that this Assignment of Rents will be considered as separate and independent from the Mortgage to the extent that the Assignment of Rents shall continue in effect in favor of the purchaser of the Property upon foreclosure with respect to leases that are not terminated by foreclosure or, at the election of Lender made known before any sale upon foreclosure is concluded, shall continue in effect in favor of Lender with respect to leases that are not terminated by foreclosure until any deficiency owed Lender after foreclosure is satisfied by payments under the leases, at which time further due payments shall accrue to the purchaser of the Property or to the purchaser's assigns.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners

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or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent. This restriction will not apply to rights and easements (such as gas and oil) not owned by Grantor and of which Grantor has informed Lender in writing prior to Grantor's signing of this Mortgage.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Oklahoma law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

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Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of thirty (30) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds $2,500.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear. If all or part of the Property is damaged or destroyed by a third party and sums are due from that party or its insurer as a result, whether due to judgment, settlement or other process, these sums shall be applied in the same manner as insurance proceeds under this paragraph.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related

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Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note or at the highest rate authorized by law, from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default. If Lender is required by law to give Grantor notice before or after Lender makes an expenditure, Grantor agrees that notice sent by regular mail at least five (5) days before the expenditure is made or notice delivered two (2) days before the expenditure is made is sufficient, and that notice within sixty (60) days after the expenditure is made is reasonable.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by

COPY

this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

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Condemnation, Casualty. The taking by rights of eminent domain of all or any portion of the Property or the damage or destruction by an uninsured casualty of the Property.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the Indebtedness or Grantor's ability to perform Grantor's obligations under this Mortgage or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor demanding cure of such default: (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the

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the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. To the extent permitted by applicable law, any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. To the extent permitted by applicable law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. All prior and contemporaneous representations and discussions concerning such matters either are included in this document or do not constitute an aspect of the agreement of the parties. Except as may be specifically set forth in this Mortgage, no conditions precedent or subsequent, of any kind whatsoever, exist with respect to Grantor's obligations under this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Governing Law. This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the State of Oklahoma.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of OKLAHOMA County, State of Oklahoma.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

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Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Oklahoma as to all Indebtedness secured by this Mortgage.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means CHERRY HILL LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Grantor. The word "Grantor" means CHERRY HILL LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in

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this Mortgage. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Mortgage.

Lender. The word "Lender" means First Commercial Bank, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated June 15, 2011, **in the original principal amount of $980,000.00** from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

CHERRY HILL LLC

By: _____
KARYN SEABROOKE, Member/Manager of CHERRY HILL LLC

By: _____
TOM SEABROOKE, Member of CHERRY HILL LLC

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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF OK)
) SS
COUNTY OF OK)

Before me, the undersigned, a Notary Public in and for the above County and State, on this 15th day of June, 20 11, personally appeared **KARYN SEABROOKE, Member/Manager of CHERRY HILL LLC and TOM SEABROOKE, Member of CHERRY HILL LLC,** members or designated agents **of CHERRY HILL LLC,** to me known to be the identical persons who executed the Mortgage on behalf of the limited liability company and acknowledged to me that **KARYN SEABROOKE, Member/Manager of CHERRY HILL LLC and TOM SEABROOKE, Member of CHERRY HILL LLC,** executed the same Mortgage as their free and voluntary act and deed, and as the free and voluntary act and deed of said limited liability company, for the uses and purposes set forth in the Mortgage.

Signed the 15th **day of** June, 20 11.

Margaret Harkey
Notary Public

My Commission Expires: _____

MARGARET HARKEY
Notary Public
State of Oklahoma
Commission # 01004634 Expires 04/21/13

Loan Number _____

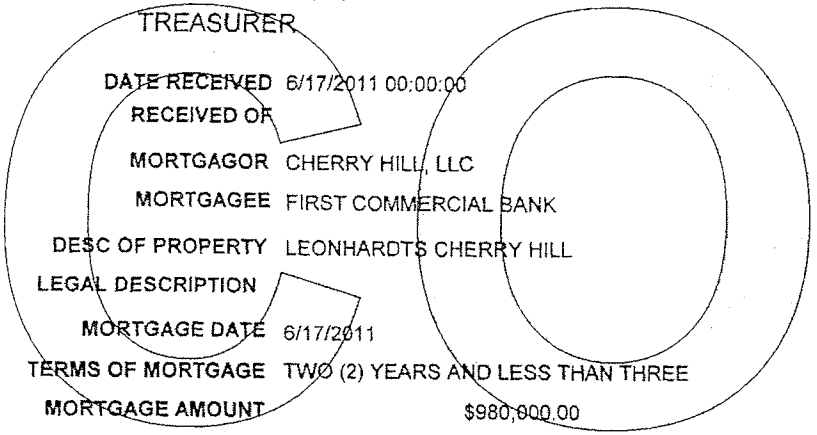
LASER PRO Lending, Ver. 5.56.00.005 Copr. Harland Financial Solutions, Inc. 1997, 2011. All Rights Reserved. - OK R:\CFI\LPL\G03.FC TR-5808 PR-14

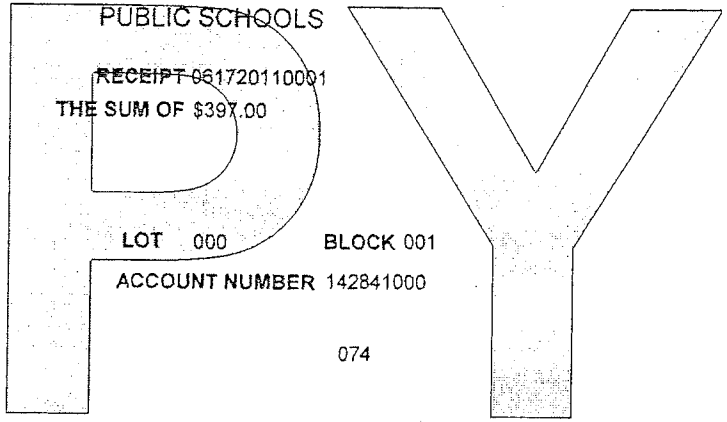
20110617010736160
Filing Fee: $35.00
Doc. Stamps. $.00
06/17/2011 10:57:04 AM
MTG

FORREST "BUTCH" FREEMAN
OKLAHOMA COUNTY
TREASURER

MORTGAGE TAX RECEIPT

ALL OF THIS TAX
IS PAID TO
PUBLIC SCHOOLS





DATE RECEIVED 6/17/2011 00:00:00
RECEIVED OF
RECEIPT 061720110001
THE SUM OF $397.00

MORTGAGOR CHERRY HILL, LLC
MORTGAGEE FIRST COMMERCIAL BANK
DESC OF PROPERTY LEONHARDTS CHERRY HILL
LEGAL DESCRIPTION
LOT 000 BLOCK 001
ACCOUNT NUMBER 142841000
MORTGAGE DATE 6/17/2011
074
TERMS OF MORTGAGE TWØ (2) YEARS AND LESS THAN THREE
MORTGAGE AMOUNT $980,000.00
ATE OF TAX PER $100 OR MAJOR FRACTION THEREOF 0.04
Amount of tax due other county
AMOUNT OF TAX $392.00 FEE AMOUNT $5.00 0
REMARKS Check

FORREST "BUTCH" FREEMAN OKLAHOMA COUNTY TREASURER
By TRHOLGUN
CUSTOMER COPY

ACCOUNT AGREEMENT DISCLOSURE

First Commercial Bank
MEMORIAL
3805 W MEMORIAL ROAD
OKLAHOMA CITY, OK 73134
February 23, 2015

This disclosure contains information about terms, fees, and interest rates for some of the accounts we offer.

7 DAY CERTIFICATE OF DEPOSIT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect for the entire term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $1,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $1,000.00 to open this account. You may not make additional deposits into this account. You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 7 calendar days. If you withdraw any of the principal before the maturity date, we may impose a penalty of all interest earned or that could have been earned on the amount withdrawn. This account will automatically renew. You will have 10 calendar days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

1 MONTH CERTIFICATE OF DEPOSIT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect for the term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $1,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $1,000.00 to open this account. You may not make additional deposits into this account. You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 31 calendar days. If you withdraw any of the principal before the maturity date, we may impose a penalty of all interest earned or that could have been earned on the amount withdrawn. This account will automatically renew. You will have 10 calendar days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

3 MONTH CERTIFICATE OF DEPOSIT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect for the entire term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $1,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $1,000.00 to open this account. You may not make additional deposits into this account. You may withdraw posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 3 months. If you withdraw any of the principal before the maturity date, we may impose a penalty of 30 days of interest on the amount withdrawn. This account will automatically renew. You will have 10 calendar days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

6 MONTH CERTIFICATE OF DEPOSIT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect for the entire term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $1,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $1,000.00 to open this account. You may not make additional deposits into this account. You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 6 months. If you withdraw any of the principal before the maturity date, we may impose a penalty of 30 days of interest on the amount of principal withdrawn. This account will automatically renew. You will have 10 calendar days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

8 MONTH - CD SPECIAL

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At your discretion, you may change the interest rate on the account once during the term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $5,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $5,000.00 to open this account. You may not make additional deposits into this account. There is no penalty for early withdrawal(s) on this account unless the withdrawal is within six (6) days after the date of deposit as required by Regulation D. Withdrawals must be in increments of $1,000.00 You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 8 months. This account will not renew automatically at maturity. If you do not renew the account, we will do the following with your deposit: The funds will be transferred to a regular savings account and will earn the posted savings rate.

9 MONTH CERTIFICATE OF DEPOSIT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect for the entire term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $1,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $1,000.00 to open this account. You may not make additional deposits into this account. You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 9 Months. If you withdraw any of the principal before the maturity date, we may impose a penalty of 90 days of interest on the amount of principal withdrawn. This account will automatically renew. You will have 10 calendar days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

12 MONTH CERTIFICATE OF DEPOSIT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect for the entire term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $1,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $1,000.00 to open this account. Additional deposits to the account are allowed only for IRA accounts. You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 12 months. If you withdraw any of the principal before the maturity date, we may impose a penalty of 90 days of interest on the amount of principal withdrawn. This account will automatically renew. You will have 10 calendar days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

12 MONTH VARIABLE IRA

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account weekly. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $1,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $1,000.00 to open this account. You may not make withdrawals from your account until the maturity date.

Time Account Information: Your account will mature in 12 months. If you withdraw any of the principal before the maturity date, we may impose a penalty of 90 days of interest on the amount of principal withdrawn. If the account is closed before interest is credited, you will not receive the accrued interest. This account will automatically renew. You will have 10 calendar days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

13 MONTH - SPECIAL CD

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At your discretion, you may change the interest rate on the account once during the term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the

principal in the account each day. You must maintain a minimum balance of $5,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $5,000.00 to open this account. You may not make additional deposits into this account. There is no penalty for early withdrawal(s) on this account unless the withdrawal is within six (6) days after the date of deposit as required by Regulation D. Withdrawals must be in increments of $1,000.00 You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 13 months. This account will not renew automatically at maturity. If you do not renew the account, we will do the following with your deposit: The funds will be transferred to a regular savings account and will earn the posted savings rate.

18 MONTH CERTIFICATE OF DEPOSIT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect for the entire term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $1,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $1,000.00 to open this account. You may not make additional deposits into this account. You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 18 months. If you withdraw any of the principal before the maturity date, we may impose a penalty of 90 days of interst on the amount of principal withdrawn. This account will automatically renew. You will have 10 calendar days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

18 MONTH HI-RISE CERTIFICATE OF DEPOSIT

The interest rate may be adjusted once during the term of the certificate. .

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield may change. At your discretion, you may change the interest rate on the account once during the term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $2,500.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $2,500.00 to open this account. You may not make additional deposits into this account. You may adjust the interest rate one time during the term. You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 18 months. If you withdraw any of the principal before the maturity date, we may impose a penalty of 90 days of interst on the amount of principal withdrawn. This account will automatically renew. You will have 10 calendar days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

24 MONTH CERTIFICATE OF DEPOSIT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect for the entire term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $1,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $1,000.00 to open this account. You may not make additional deposits into this account. You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 24 months. If you withdraw any of the principal before the maturity date, we may impose a penalty of 90 days of interest on the amount of principal withdrawn. This account will automatically renew. You will have 10 calendar days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

24 MONTH HI-RISE CERTIFICATE OF DEPOSIT

The interest rate may be adjusted once during the term. .

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield may change. At your discretion, you may change the interest rate on the account once during the term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $2,500.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $2,500.00 to open this account. You may not make additional deposits into this account. You may adjust the interest rate one time during the term. You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 24 months. If you withdraw any of the principal before the maturity date, we may impose a penalty of 90 days of interest on the amount of principal withdrawn. This account will automatically renew. You will have 10

calendar days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

36 MONTH CERTIFICATE OF DEPOSIT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect for the entire term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $1,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $1,000.00 to open this account. You may not make additional deposits into this account. You may withdraw posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 36 months. If you withdraw any of the principal before the maturity date, we may impose a penalty of 90 days of interest on the amount of principal withdrawn. This account will automatically renew. You will have 10 calendar days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

48 MONTH CERTIFICATE OF DEPOSIT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect for the entire term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $1,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $1,000.00 to open this account. You may not make additional deposits into this account. You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 48 months. If you withdraw any of the principal before the maturity date, we may impose a penalty of 180 days of interest on the amount of principal withdrawn. This account will automatically renew. You will have 10 calendar days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

60 MONTH CERTIFICATE OF DEPOSIT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect for the entire term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $1,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $1,000.00 to open this account. You may not make additional deposits into this account. You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 60 months. If you withdraw any of the principal before the maturity date, we may impose a penalty of 180 days of interest on the amount of principal withdrawn. This account will automatically renew. You will have 10 calendar days after the maturity date to withdraw funds without penalty. If you do not withdraw the funds, each renewal term will be for an identical period of time as the original term.

5 YEAR -CALLABLE CERTIFICATE OF DEPOSIT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect for the entire term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. You must maintain a minimum balance of $5,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $5,000.00 to open this account. You may not make additional deposits into this account. You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 5 years. We reserve the right to redeem the account This is a callable Certificate of Deposit, it maybe called any time after one year. If you withdraw any of the principal before the maturity date, we may impose a penalty of 180 days of interest on the amount of principal withdrawn. This account will not renew automatically at maturity. If you do not renew the account, we will do the following with your deposit: The funds will be transferred to a regular savings account and will earn the posted savings rate.

7 YEAR - CALLABLE CERTIFICATE OF DEPOSIT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect for the entire term. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded monthly and will be credited monthly. We will mail the interest in a check to you or deposit the interest in an account that you designate. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the

principal in the account each day. You must maintain a minimum balance of $5,000.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit $5,000.00 to open this account. You may not make additional deposits into this account. You may withdraw the posted accrued interest anytime during the term.

Time Account Information: Your account will mature in 7 years. We reserve the right to redeem the account This is a callable Certificate of Deposit, it maybe called any time after one year. If you withdraw any of the principal before the maturity date, we may impose a penalty of 180 days of interest on the amount of principal withdrawn. This account will not renew automatically at maturity. If you do not renew the account, we will do the following with your deposit: The funds will be transferred to a regular savings account and will earn the posted savings rate.

FIRST FREE CHECKING

This is First Commercial Bank, Free Checking Account.

Limitations: You must deposit $50.00 to open this account.

FIRST REWARDS CHECKING

This is a First Commercial Bank Rewards Checking Account. The following must post and settle to your account the business day prior to the last business day of the month to earn the quoted interest rate, annual percentage yield (APY) and ATM fee refunds (up to $50 with a limit of $4.99 per single transaction): At least 12 debit card purchases, at least one ACH debit, and receive e-Statements. If these qualifications are not met, the interest rate paid on the entire balance in the account will be 0.05% with an APY of 0.05%. The following Rate Information applies only if the above qualifications are met.

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account weekly. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded daily and will be credited to the account monthly. If the account is closed before interest is credited, you will not receive the accrued interest.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations: You must deposit $50.00 to open this account. You must set up a direct deposit to maintain this account. The following must post and settle to your account the business day prior to the last business day of the month to earn the quoted interest rate, annual percentage yield (APY) and ATM fee refunds (up to $50 with a limit of $4.99 per single transaction): At least 12 debit card purchases, at least one ACH debit and receive e-Statements. ATM-processed transactions do not count towards qualifying debit card transactions. If these qualifications are not met, the interest rate paid on the entire balance will be 0.05% with an APY of 0.05%.

SMALL BUSINESS CHECKING - WITH INTEREST

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account weekly. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded monthly and will be credited to the account monthly. If the account is closed before interest is credited, you will not receive the accrued interest.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations: You must deposit $200.00 to open this account. The first 100 items are free; each additional item is $0.25 thereafter.

Account Fees: A $10.00 service charge will be applied monthly if the minimum daily balance drops below $500.00.

COMMERCIAL CHECKING

Earnings Credit will be paid on the average collected balance less 10% for reserves; the rate used will vary as set by management, but will be comparable to the NOW and regular savings rates.

Limitations: You must deposit $500.00 to open this account.

Account Fees: Your account will be assessed a $10.00 monthly service charge, however, this service charge may be offset by your earnings credit. The fees on this account are Credits/Deposits $0.20 each; Debits(other than ACH) - $0.20 each; ACH Debits - $0.20 each; Encoding - $0.10 each; Deposited Items: $0.15 each; Rejects - $0.25 each; Negative Collected Balance Fee: New York Prime plus 4%; Account Balancing - $25.00 per hour; Return Deposited Items - $4.00 each; Zipper Deposit Bags - $7.50 each; Locking Deposit Bags - $20.00 each; Statements: Weekly - $2.00; Special - $2.50; Duplicate - $2.00; Currency Orders - $25.00 per day; Rolled Coin - $0.10 per roll; Coin Counting - 1% of amount; Currency Counting: Free to Commercial Customers.

BUSINESS SELECT CHECKING

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account weekly. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded monthly and will be credited to the account monthly. If the account is closed before interest is credited, you will not receive the accrued interest.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations: You must deposit $10,000.00 to open this account. The first 150 items (debits, credits, and deposited items) are free; each additional item is $0.35 thereafter.

Account Fees: A $15.00 service charge will be applied monthly if the minimum daily balance drops below $10,000.00.

FIRST MONEY MARKET SAVINGS

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account weekly. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded daily and will be credited to the account monthly. If the account is closed before interest is credited, you will not receive the accrued interest.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations: You must deposit $1,000.00 to open this account. You may make six (6) transfers from your account each four (4) week or similar period, if by preauthorized or automatic transfer, or telephone (including data transmission) agreement, order or instruction or by check,

draft, debit card or similar order (including POS transactions), made by the depositor and payable to third parties. Transfers and withdrawals made in person, by messenger, by mail or at an ATM are unlimited.

Account Fees: Your account will be assessed a $10.00 monthly service charge if the daily balance in the account should ever drop below $2,500.00 during the statement cycle. Excessive withdrawal fee: $7.50 per any type of withdrawal over 6 per month.

FIRST VALUE CHECKING (NOW)

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account weekly. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded daily and will be credited to the account monthly. If the account is closed before interest is credited, you will not receive the accrued interest.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations: You must deposit $200.00 to open this account.

Account Fees: Your account will be accessed a $10.00 monthly service charge if the minimum daily balance in the account should ever drop below $500.00 at any time during the statement cycle.

FIRST CHOICE CHECKING (SUPER NOW)

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account weekly. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded daily and will be credited to the account monthly. If the account is closed before interest is credited, you will not receive the accrued interest.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations: You must deposit $500.00 to open this account.

Account Fees: Your account will be accessed a $7.50 monthly service charge if the minimum daily balance in the account should ever drop between $1000.00 and $500.00 or $10.00 should it drop below $500.00 at any time during the statement cycle.

FIRST SAVINGS ACCOUNT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account weekly. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded daily and will be credited to the account monthly. If the account is closed before interest is credited, you will not receive the accrued interest.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations: You must deposit $100.00 to open this account. You may make six (6) transfers from your account each four (4) week or similar period, if by preauthorized or automatic transfer, or telephone (including data transmission) agreement, order or instruction or by check, draft, debit card or similar order (including POS transactions), made by the depositor and payable to third parties. Transfers and withdrawals made in person, by messenger, by mail or at an ATM are unlimited.

Account Fees: Your account will be assessed a $3.00 monthly service charge if the minimum daily balance in the account should ever drop below $100.00 at any time during the statement cycle. There will be charge of $2.00 for each withdrawal exceeding the 3 per month.

FUTURES FIRST SAVINGS ACCOUNT

Savings Account for minor children 17 years and younger.

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account weekly. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded daily and will be credited to the account monthly. If the account is closed before interest is credited, you will not receive the accrued interest.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations: You must deposit $10.00 to open this account. You may make six (6) transfers from your account each four (4) week or similar period, if by preauthorized or automatic transfer, or telephone (including data transmission) agreement, order or instruction or by check, draft, debit card or similar order (including POS transactions), made by the depositor and payable to third parties. Transfers and withdrawals made in person, by messenger, by mail or at an ATM are unlimited.

Account Fees: Withdrawals in excess of the 3 per month will be charged an additional $2.00 per withdrawal.

SMALL BUSINESS CHECKING - NON INTEREST BEARING

Limitations: You must deposit $200.00 to open this account. The first 100 items are free; each additional item is $0.25 thereafter.

Account Fees: A $10.00 service charge will be applied monthly if the Minimum Daily Balance drops below $500.00.

NON PROFIT CHECKING

Limitations: You must deposit $100.00 to open this account.

Account Fees: The following fee applies to this account: Checks returned in Statement Fee: .

FIRST FREEDOM FIFTY CHECKING

This account is for consumers fifty (50) years or older. .

Limitations: You must deposit $50.00 to open this account.

PRIVATE ADVANTAGE CHECKING

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account weekly. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items

(for example, checks). Interest will be compounded daily and will be credited to the account monthly. If the account is closed before interest is credited, you will not receive the accrued interest.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

IOLTA CHECKING ACCOUNT

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield are included in the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account weekly. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded daily and will be credited to the account monthly. If the account is closed before interest is credited, you will not receive the accrued interest.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

FIRST HIGH YIELD MONEY MARKET SAVINGS

Rate Information: This Account is an interest bearing account. The interest rate and annual percentage yield will depend upon the daily balance in the account as shown on the Rate Chart. The interest rate and annual percentage yield may change. At our discretion, we may change the interest rate on the account weekly. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks). Interest will be compounded daily and will be credited to the account monthly. If the account is closed before interest is credited, you will not receive the accrued interest.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day.

Limitations: You must deposit $1,000.00 to open this account. You may make six (6) transfers from your account each four (4) week or similar period, if by preauthorized or automatic transfer, or telephone (including data transmission) agreement, order or instruction or by check, draft, debit card or similar order (including POS transactions), made by the depositor and payable to third parties. Transfers and withdrawals made in person, by messenger, by mail or at an ATM are unlimited.

Account Fees: Your account will be assessed a $10.00 monthly service charge if the daily balance in the account should ever drop below $2,500.00 during the statement cycle. Excessive withdrawal fee: $7.50 per any type of withdrawal over 6 per month.

OTHER ACCOUNT FEES

The following fees apply to Checking; Money Market Accounts; NOW Accounts; and Savings Accounts Accounts:

Telephone Transfer:	2.00 per occurance
Return or Rerun Deposited Items:	4.00 per occurance

The following fee applies to First Free Checking; First Rewards Checking; First Value Checking (NOW); First Choice Checking (Super NOW); First Savings Account; and First Freedom Fifty Checking Accounts:

Early Closing Fee (If closed within 6 months after open date):	$10.00

The following fees apply to First Free Checking; First Rewards Checking; Small Business Checking - with Interest; Commercial Checking; Business Select Checking; First Money Market Savings; First Select Investment Fund; First Ultra Select Investment Fund; First Value Checking (NOW); First Choice Checking (Super NOW); First Savings Account; Futures First Savings Account; Small Business Checking - Non Interest Bearing; Non Profit Checking; First Freedom Fifty Checking; Private Advantage Checking; and First High Yield Money Market Savings Accounts:

Inactive charge:	1.00 per statement cycle the account is in inactive status (No activity for 6 months for checking and 1 year for savings/money market accounts)
Dormant Account Fee:	5.00 per statement cycle the account is in dormant status (No activity for 2 years)

The following fee applies to First Money Market Savings; and First High Yield Money Market Savings Accounts:

Additional withdrawal fee:	$7.50 each

MISCELLANEOUS FEES AND CHARGES

Official Checks

Cashiers Checks: $3.00 (Customers)
Cashier Checks: $6.00 (Non-Customer)

Legal Fees

Garnishments: $20.00
Levies: $20.00

Customer Service

Coin Counting: 3% of amount
Coin Counting -non customer: $5.00 or 3% of amount counted, which ever is larger
Collection Item - Incoming: $15.00
Collection Item - Outgoing: $15.00
Collection Item - Foreign: $25.00
Currency Orders: $25.00 per day
Notary: Free to customers
Notary - non customer: $5.00
Research: $25.00 per hour
Rolled Coin: $.10 per roll
Statement - Cutoff: $2.50
Statement - Printout: $0.25
Duplicate Paper Statement: $5.00
Telephone Transfer: $2.00 per transfer

Miscellaneous

Overdraft Check Charge (The categories of transactions for which this fee may be imposed include the following: check, in person withdrawal, recurring debit card purchase or other electronic means)
: $27.50 per item
Automatic Transfer: $3.00 per occurance
Charge Off Collection Fee: $25.00
Fax Service: $2.00 setup fee; $1.00 per page local; $2.00 per page long distance
Return Check Charge (The categories of transactions for which this fee may be imposed include the following: check, in

person withdrawal, recurring debit card purchase or other electronic means): $27.50 per item
Night Depository Bags - Zipper: $7.50 per bag
Night Depository Bag - Locking: $20.00 per bag
Photocopies: $.25 per page
Return or Rerun Deposited Items: $4.00 per item
Temporary Checks: $.15 each (first 3 free)
Wire Transfers - Incoming: $6.00
Wire Transfers - Outgoing: $15.00
Wire Transfers - International: $35.00
Bill Pay Fee (Personal Non-Interest Bearing Accounts): $0.75 per payment
Bill Pay Fee (Personal Interest Bearing Accounts): First 15 payments per month free and $0.75 for each additional payment
Bill Pay Fee (Commercial Accounts): $4.95 per month (includes 6 payments and $0.75 for each additional payment)

Orders

Stop Payment Order: $25.00
Online Stop Payment Order: $20.00
Travelers Checks: 1% of amount purchased
Travelers Checks for Two: 1.5% or amount of purchase
Travelers Checks - Gift Checks: $2.50 each

ATM / Debit Card

ATM Card Fee: Free
Foreign ATM Transaction Fee: $.75 each
Reorder ATM Card: $5.00 per card
Reorder PIN: $3.00

ELECTRONIC FUNDS TRANSFER SERVICE LIMITS AND FEES

Online Banking

If you have this online banking service, the following limitations and fees will apply to your account:

* There is no charge for banking online with us.

Mobile Banking

If you have this online banking service, the following limitations and fees will apply to your account:

* You must be registered for online banking to access mobile banking.
* There is no charge for mobile banking.

24 Hour ATM

If you have this ATM service, the following limitations and fees will apply to your account:

* You may withdraw up to a maximum of $300.00 (if there are sufficient funds in your account) per day.
* There is no charge for ATM withdrawals at machines owned by us.
* There is a $0.75 charge for each ATM withdrawal at machines we do not own.
* There is no charge for ATM deposits at machines owned by us.
* There is a Replacement Card Fee of $5.00 per card.
* There is a Reorder PIN fee of $3.00 each occurance.

Preauthorized Direct Deposit Service

If you have this EFT service, the following limitations and fees will apply to your account:

* We do not charge for any preauthorized EFTs.
* We will charge $25.00 for each stop-payment order for preauthorized transfers.

Combined ATM / Debit Card

If you have this Combined ATM/Point of Sale/Debit Card service, the following limitations and fees will apply to your account:

* There is no charge for ATM withdrawals at machines owned by us.
* There is a $0.75 charge for each ATM withdrawal at machines we do not own.
* There is no charge for ATM deposits at machines owned by us.
* There is a Replacement Card Fee of $5.00 per card.
* There is a $3.00 reorder PIN fee for each occurance.
* You may purchase up to a maximum of $1000.00 worth of goods and services per day, exclusive of ATM withdrawals.
* We do not charge for any POS transactions.

Telephone Voice Response Service

If you have this Telephone Access service, the following limitations and fees will apply to your account:

* There are no limits on the number or dollar amount of inquiries, transfers or withdrawals you may make per day.
* We do not charge for any Audio Response Transactions.

DEPOSIT ACCOUNT AGREEMENT AND DISCLOSURE

INTRODUCTION. In this Deposit Account Agreement and Disclosure, each and all of the depositors are referred to as "you" and "your." The Financial Institution is referred to as "we," "our," and "us." This Deposit Account Agreement contains the terms and conditions governing certain of your deposit accounts with us. As used in this document, the term "Agreement" means this document, the signature card, a rate and fee schedule (which may be in the form of a Rate and Fee Schedule, Time Certificate of Deposit, or Confirmation of Time Deposit, hereinafter called the "Schedule"), Truth in Savings disclosures, a Funds Availability Policy Disclosure, and an Electronic Funds Transfer Agreement and Disclosure, if applicable. Each of you signing the signature card for a deposit account acknowledges receipt of this Agreement, and agrees to the terms set forth in the Agreement, as amended from time to time. You agree that we may waive, in our sole discretion, any fee, charge, term, or condition set forth in this Agreement at the time the Account is opened or subsequent thereto, on a one-time basis or for any period or

duration, without changing the terms of the Agreement or your obligation to be bound by the Agreement, and we are not obligated to provide similar waivers in the future or waive our rights to enforce the terms of this Agreement.

DATE ACCOUNT OPENED. If you open an account with us after 4:00 PM on a business day that we are open, we will consider that the transaction was made at the opening of the next business day for account opening, effective date and issue date purposes.

DEPOSIT ACCOUNTS. From time to time, we may offer or you may open a variety of deposit accounts. Each such account (the "Account") is subject to the general terms and conditions and any specific terms and conditions relating to that type of account that may be set forth in this Agreement. If you open multiple Accounts, you may receive Schedule information for each Account, but this Agreement will cover all your Accounts with us. Each of you will be jointly and severally liable to us for debit balances in the Account, including without limitation overdrafts and Account charges, and jointly and severally promise to pay, upon demand, any and all debit balances, all fees and charges, and our reasonable attorneys' fees and costs and expenses of collection, including but not limited to those incurred at trial and on any appeal.

INTEREST. If your Account earns interest, the following information applies: **(A) Payment of Interest.** We will pay interest at the annual rate specified on the Schedule, which does not reflect compounding ("Interest Rate"). The Schedule also sets forth the frequency of interest payments, the frequency of any compounding and crediting, the interest accrual basis, the balance on which interest will be paid, and any minimum balance requirements. **(B) Minimum Balance Requirements.** The Schedule may specify a minimum balance that you are required to maintain in your Account. If the minimum balance is not maintained during a specified period, we, at our option, may not pay interest on your Account and/or may charge a fee for that period. You should review any minimum balance requirements on the Schedule. **(C) Initial Interest Rate.** The initial interest rate is the current annual rate of interest that we will pay on the specified balance in your Account. We may pay interest at different rates, depending on the amount deposited and the type of depositor (individual, business, non-profit organization, etc.). **(D) Interest Compounding and Crediting.** The Schedule will indicate the interest compounding and crediting frequency for your Account (if any). Compounding generally means that interest is being accrued on earned interest. Interest may be compounded more frequently than interest is credited to your Account. **(E) Interest Accrual.** We may accrue interest on your Account more frequently than we pay or credit interest. The interest that has been calculated, but not paid to the Account, is called accrued unpaid interest. **(F) Changes.** We have the right to change the rates and fees in accordance with the terms of the Schedule. We also reserve the right to change any other term of this Agreement at our sole discretion.

FEES AND CHARGES. Subject to applicable law, you agree to pay us the fees and charges shown in the Schedules as are applicable to your Account or for other services performed by us. You agree the fees and charges may be changed by us from time to time and authorize us to charge your account for their payment whether or not each charge results in an overdraft of your account. Existing and future charges may be based upon the overall costs of providing account services and may or may not be based upon the direct cost or expense associated with providing the particular service involved. The charges may be based on consideration of profit, competitive position, deterrence of misuse of account privileges by customers, and the safety and soundness of the financial institution. We will notify you of the changes, to the extent required by law.

BALANCE METHODS. As used in this Agreement, the "average daily balance" method means "the application of a periodic rate to the average daily balance in the account for the period, determined by adding the full amount of principal in the account for each day of the period and dividing that figure by the number of days in the period." The "daily balance" method means "the application of a daily periodic rate to the full amount of principal in the account each day."

DEPOSIT RULES. The following terms apply to deposits made to your Account: **(A) Endorsements.** You authorize us to accept transfers, checks, and other items for deposit to your Account if they are made payable to, or to the order of, any one or more of you, whether or not they are endorsed by you. You authorize us to supply missing endorsements, and you warrant that all endorsements are genuine. All checks and other items deposited to your Account should be endorsed payable to the order of us for deposit only, followed by your signature and Account number. All endorsements must appear on the back of the check or other item within the first 1-1/2 inches from the left side of the item when looking at it from the front. Endorsements should be in black ink. While we may accept non-conforming endorsements, you will be responsible for any loss incurred by us due to the delay in processing or returning the item for payment. **(B) Final Payment.** All non-cash items (for example, checks) deposited to your Account are posted subject to our receipt of final payment by the payor bank. Upon receipt of final payment, the item becomes a collected item. If final payment is not received or if any item you have deposited or cashed is charged back to us for any reason, you authorize us to charge any of your Accounts, without prior notice and at any time, for the amount of the returned item, our returned item fee, any interest paid on that item, and any other fee we pay or incur. If an item to be charged back is lost in the process of collection or unavailable for return, we may rely upon a photocopy of the item or upon any other generally accepted notification of return of the item, in charging you or any of your Accounts for the amount of the returned item. We reserve the right to refuse any item for deposit into your Account. **(C) Direct Deposits.** If we offer direct deposit services for automatic preauthorized deposits to your Account of Social Security payments or automatic transfers from your other accounts with us, you must notify us at least 30 days prior to the next scheduled direct deposit or preauthorized transfer if you wish to cancel the direct deposit or transfer service. If any amount deposited must be returned to the government for any reason, you authorize us to deduct the amount from your Account as provided in the Final Payment paragraph above. **(D) Crediting of Deposits.** The Funds Availability Policy Disclosure provided to you reflects our policies relating to the availability of deposited funds. **(E) Substitute Checks and Electronic Files Pertaining to Original Checks.** If you deposit a "substitute check" (as defined in Regulation CC § Section 229.2(aaa)) or a purported substitute check into your Account, you agree to reimburse us for losses, costs and expenses we may pay or incur associated with the item not meeting applicable substitute check standards and/or from duplicate payments associated with the item. If you provide us with an electronic representation of a substitute check for deposit into your account instead of an original check, you agree to reimburse us for losses, costs and expenses we may pay or incur associated with the substitute check resulting from the electronic representation not meeting applicable substitute check standards and/or from duplicate payments associated with the item.

WITHDRAWAL RULES. The following terms apply to withdrawals from your Account: **(A) Manner of Withdrawal.** You may make withdrawals from your Account in any manner that is permitted by us for the type of Account that you have opened. Withdrawals by mail will be posted to your Account as of the day the transaction is processed by us. We may refuse to accept any check other than standard checks provided by us, or approved by us in advance. Withdrawals and transfers from your Account may be restricted as provided in the Agreement, or in the Schedule, or by applicable law. **(B) Withdrawal Restrictions and Overdrafts.** We do not have to allow you to make a withdrawal from your Account if you don't have sufficient available funds in the Account to cover the full amount of the withdrawal. **If there are available funds to cover some, but not all, of the withdrawals or other debits to your Account on a single business day, we will post the checks for which there are sufficient available funds in any order we may choose at our sole discretion.** We may pay other withdrawals or debit items (such as charges) prior to paying any checks, and we may post those other withdrawals or debit items in any order we may choose at our sole discretion. If there are insufficient funds available in your Account to cover a withdrawal or debit presented against your Account, this is called an "overdraft". We will handle each overdraft in accordance with our Standard Overdraft Policy (described below) or in accordance with any other agreement you may have with us (such as an overdraft protection agreement). Even if we choose to pay one or more overdrafts, we are not obligated to cover any future overdrafts. When we determine whether payment of an item will create an overdraft, we may determine the balance of your account at any time between the time we receive the item and the deadline for us to take action on the item. We are not required to determine your account balance more than one (1) time during this period. **(C) Standard Overdraft Policy.** Unless we have agreed to a separate overdraft protection agreement with you, the following rules apply. We are not obligated to pay any overdraft. Subject to the special rules discussed below for transactions at an ATM and one-time debit card transactions, we may assess a service charge on any withdrawal created by check, in-person withdrawal, ATM withdrawal, or other electronic means that results in an overdraft, whether we pay the overdraft or not. If we pay the overdraft, you agree, immediately upon notice from us, to deposit funds sufficient to cover the overdraft plus any service charge we impose. We may not impose a service charge in connection with an overdraft that results from a transaction at an ATM or a one-time debit card transaction unless you have given us your consent to pay service charges in connection with overdrafts that result from

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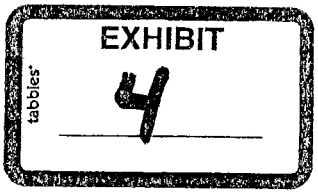
IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

Oklahoma Department of Securities *ex rel.* Irving L. Faught, Administrator, Plaintiff, v. Seabrooke Investments LLC, an Oklahoma limited liability company; Seabrooke Realty LLC, an Oklahoma limited liability company; Oakbrooke Homes LLC, an Oklahoma limited liability company; Briektown Capital LLC, an Oklahoma limited liability company; KAT Properties LLC, an Oklahoma limited liability company; Cherry Hill LLC, an Oklahoma limited liability company doing business as Cherry Hill Apartments; Tom W. Seabrooke, individually and as trustee of Tom Seabrooke 2007 Revocable Trust and J. Karyn Seabrooke 2007 Revocable Trust; and Judith Karyn Seabrooke, individually and as trustee of Tom Seabrooke 2007 Revocable Trust and J. Karyn Seabrooke 2007 Revocable Trust, Defendants.	Case No. CJ-2014-4515

TEMPORARY INJUNCTION AND ANCILLARY RELIEF

This matter came on for hearing on August 19, 2014, before the undersigned Judge of the District Court in and for Oklahoma County, State of Oklahoma, upon the Plaintiff's application for a temporary injunction and Defendants' motion to vacate the temporary restraining order issued by this Court on August 11, 2014.

It appears to this Court from the evidence presented at hearing that there is a justifiable basis to grant the temporary injunction and continue the appointment of the receiver.



IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendants, their agents, servants, employees, and those persons in active concert or participation with them who receive actual notice of this Order by personal service, facsimile, email or otherwise, are, until further notice of this Court, enjoined from transacting business in or from this state as an issuer, issuer agent, broker-dealer, or broker-dealer agent or otherwise offering or selling any security in or from this state.

IT IS FURTHER ORDERED that Defendants, their agents, servants, employees, and those persons in active concert or participation with them, are prohibited from tampering with, mutilating, altering, erasing, concealing, removing, destroying or otherwise disposing of any and all books, records, documents, files, correspondence, computer disks, tapes or other data recordings of any type, pertaining to or referring to Defendants and/or the Investment Notes and Investment Agreements that are the subject of this matter, or any other financial transactions by Defendants or to which Defendants were parties.

IT IS FURTHER ORDERED that the assets of Defendants, at the time of the filing of the *Petition for Permanent Injunction and Other Relief* (Petition), will remain frozen, except that the Bank of the West account in the name of Amelia F. Robles, with the account number ending 1006, is hereby released from the asset freeze. The assets of Defendants subject to the freeze include funds, securities and properties, real and personal, tangible and intangible, of whatever kind and description, and wherever situated, including those at all banking or financial institutions, held by or under the direct or indirect control of Defendants, whether held in the name of Defendants or for the direct or indirect beneficial interest of any Defendant, in whatever form such assets existed ("Assets"). Defendants, their agents, servants, employees, and those persons in active concert or participation with them who receive actual notice of this Order by

personal service, facsimile, email, or otherwise, are, until further notice of this Court, enjoined from withdrawing, transferring, assigning, pledging, selling or otherwise disposing of Assets. All banks, brokerage firms or other financial institutions, and other persons or entities holding Assets, which receive actual notice of this Order by personal service, facsimile, email, or otherwise, shall hold and retain such Assets within their control and prohibit the withdrawal, transfer, assignment, pledge, sale or other disposal of any such Assets until further order by this Court.

IT IS FURTHER ORDERED that Ryan Leonard ("Receiver") shall remain the appointed Receiver for Defendants. The Receiver is given direction and authority to accomplish the following with regard to Defendants and the Assets as may be necessary and advisable for the preservation of the Assets and in discharging his duties as Receiver;

1. to take immediate custody, possession and control of any and all Assets, as well as any records or documents relating in any way to the Assets;

2. to retain or employ attorneys, accountants, consultants, management firms, and other persons as may be advisable or necessary to exercise the duties of the Receiver and to compensate such persons, all subject to approval by the Court. The Court previously approved the retention of Robert D. Edinger as legal counsel to the Receiver and the employment of an accountant;

3. to manage the business activities of Defendants, their affiliates, subsidiaries, and any related entities existing at the time of the filing of the Petition, and to conserve, hold, and protect the Assets, pending further action by this Court.

4. to market the Assets of the Defendants for sale, including the retention of listing agents, realtors and brokers, and to evaluate all offers to purchase received. All sales of the Assets shall be subject to approval by the Court;

5. to release bank and financial accounts from the freeze as may, in the Receiver's opinion, be necessary or proper for the protection, maintenance, or preservation of the Assets, or the carrying out of the terms of this Order;

6. to retain any employee of the Defendants, as may be advisable or necessary, including any individual Defendant, in control of, management of, participation in the affairs of, or on the premises of, the Defendants; and/or to dismiss any employee of the Defendants as may be advisable or necessary, including any individual Defendant, from control of, management of, or participation in the affairs of, or from the premises of the Defendants;

7. to receive and collect any and all sums of money owing to the Defendants at the time of the filing of the Petition; to collect the revenue and income generated by the maintenance and operation of the Assets whether the same are due or shall hereinafter become due and payable; and to make such payments and disbursements as may be necessary and advisable for the preservation of the Assets and as may be necessary and advisable in discharging his duties as Receiver;

8. to open bank and financial accounts in the name of the Receiver; to change the name of any Asset and/or the signing authority for any Asset, in order to reflect that the Asset is held in the name of the Receiver pursuant to this Order and/or to reflect that the Receiver is the only person authorized to deal with such Asset, including if necessary, instructing banks and financial institutions that the Receiver is the only person authorized to make withdrawals or transfers from any of Defendants' bank and financial accounts existing at the time of the filing of

the Petition. Any bank or financial institution shall be entitled to rely on this Order to open and make changes to such accounts as requested by Receiver;

9. to open and inspect any and all mail or deliveries addressed to Defendants to determine if same relate to the existence, location, identity or collection, preservation, maintenance or operation of the Assets, to notify the United States Postal Service to effect the forward delivery of any mail addressed to Defendants to a mail depository under the control of the Receiver; and to return personal mail to Defendants Tom W. Seabrooke and J. Karyn Seabrooke;

10. to institute, prosecute and defend, compromise, adjust, intervene in or become party to such actions or proceedings in any state court, federal court, or United States bankruptcy court as may, in the Receiver's opinion, be necessary or proper for the protection, maintenance, or preservation of the Assets, or the carrying out of the terms of this Order, and likewise to defend, compromise, adjust, or otherwise dispose of any and all actions or proceedings now pending in any court by or against Defendants where such prosecution, defense, or other disposition of such actions or proceedings is, in the judgment of the Receiver, advisable or proper for the protection of the Assets; and

11. to exercise those powers necessary to implement the orders and directives of this Court.

IT IS FURTHER ORDERED that the Receiver is hereby authorized, without breaching the peace, to enter and secure any premises, wherever located or situated, in order to take possession, custody or control of, or to identify the location or existence of, any Assets. The Oklahoma County Sheriff shall assist the Receiver, as is necessary, to enter and secure such premises.

IT IS FURTHER ORDERED that the Receiver may apply to the Court for payment of fees, from time to time, in a reasonable sum to be determined by the Court and from such sources as approved by the Court and for reimbursement of reasonable expenses incurred in connection with his duties as Receiver. The Receiver's hourly fee shall be billed at the rate of $265.00 per hour, which rate shall not be increased without order of the Court. Payment of the fees and expenses of the Receiver shall have priority over any other claims made against the Defendants or the receivership estate. The Receiver shall not be required to post a bond. The Oklahoma Department of Securities and the Defendants shall have the authority to seek removal of the Receiver for cause and upon approval of this Court.

IT IS FURTHER ORDERED that all persons and entities, their subsidiaries, affiliates, officers, directors, agents, servants, employees, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them, and further including any banks or financial institutions, who receive actual notice of this Order, by personal service, facsimile transmission or otherwise, shall promptly deliver and surrender to the Receiver:

1. all Assets in the possession of or under the control of any one or more of them;
2. all books and records of any kind pertaining to the Assets of Defendants, the allegations of the Petition, or any securities transactions of or by Defendants; and
3. all items and information necessary to access the Assets and books and records including, but not limited to, keys, passwords, and security codes.

IT IS FURTHER ORDERED that all persons and entities, their subsidiaries, affiliates, officers, directors, agents, servants, employees, attorneys, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them, and further

including any banks or financial institutions, wherever chartered or located, who receive actual notice of this Order, by personal service, facsimile transmission or otherwise, fully cooperate with and assist the Receiver and that they take no action, directly or indirectly, to hinder or obstruct the Receiver in the conduct of his duties or to interfere in any manner, directly or indirectly, with the custody, possession or control exercised by said Receiver.

IT IS FURTHER ORDERED that, except by leave of Court during the pendency of this Order, all creditors and other persons seeking money, damages, or other relief from Defendants, and all others acting on behalf of any such creditor or other persons, including sheriffs, marshals, and other officers and their deputies, and their respective attorneys, servants, agents, and employees, are hereby stayed and restrained from doing any act or thing whatsoever to interfere with the Receiver or to the possession of or management by the Receiver of the Assets, or to interfere in any manner during the pendency of this proceeding with the exclusive jurisdiction of this Court over the Defendants. This Order shall not stay or restrain any pending or future action whatsoever by any government agency or any representative on behalf of any government.

IT IS FURTHER ORDERED that Defendants and Receiver allow representatives of the Oklahoma Department of Securities access to any and all documents relating to the sales of interests in the Investment Notes and Investment Agreements that are the subject of this matter and the business of Defendants, their subsidiaries, officers, directors, agents, servants, employees, assigns, and all persons acting on their behalf, under their direction and control, and/or in active concert or participation with them, including, but not limited to, books, records, tapes, discs, accounting data, checks, correspondence, forms, advertisements, brochures, manuals, electronically stored data, bank records, customer and investor lists, customer and

investor files, telephone records, ledgers, and payroll records, to include such information stored in computer maintained form.

IT IS FURTHER ORDERED that the Court shall retain jurisdiction over this matter and Defendants for all purposes.

THIS ORDER IS ENTERED this 5 day of September, 2014.

PATRICIA G. PARRISH

DISTRICT COURT JUDGE

CERTIFIED COPY
AS FILED OF RECORD
IN DISTRICT COURT

SEP - 5 2014

TIM RHODES Court Clerk
Oklahoma County

APPROVED

Patricia A. Labarthe

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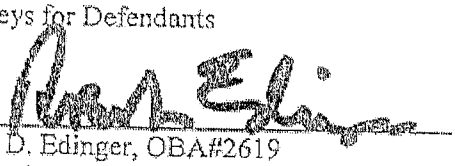

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R. Stephen Haynes

From: R. Stephen Haynes
Sent: Thursday, September 18, 2014 12:24 PM
To: 'Ryan Leonard'; lynn.groves@okfcb.com
Cc: Patty Labarthe; jshaw@securities.ok.gov
Subject: RE: Update re offer on Cherry Hill

Confirming our conversation of yesterday and in response to the issues raised today, First Commercial Bank's understanding is as follows:

1. In regard to payment of current operational expenses, Cherry Hill Management will pay regular recurrent utilities (electric, water and trash collection) when due by check drawn on the newly created Receiver Account at FCB. FCB has tracked the normal operating utilities and for utility charges that are reasonably consistent with prior charges, those checks will be paid upon presentation to the bank without prior approval from FCB. For utility accounts (if any) which are currently set up on an ACH debit agreement on the original Cherry Hill Account (41194437), those ACH debits will be likewise be paid by ACH debit upon presentation. Upon issuing the normal utility checks, please provide a list of the payments as set forth in Paragraph 2 below so that our account representatives will expect their presentation.

2. For all other operational expenses, please forward the charge with a copy of the bill/invoice to Lynn Groves' assistant, Rachel Reagan [**Rachel.Reagan@okfcb.com**] by email with a copy by email to me and Lynn Groves. Rachel will have them reviewed and notify you within a business day accordingly. Approved checks may then be paid from the Receiver's account and will be funded upon receipt. Although there will likely be occasions in which specific bills will need to be addressed on an individual basis, one email containing all bills for the week will assist in management of accounts.

3. Forward repair estimates, damage claims and other extraordinary expenses, please forward the bid upon which the expense request is based to Rachael and she will see to it that it is promptly reviewed.

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5. In regard to the Beoni ownership issue, it would appear that Karyn Seabrooke is the duly qualified Manager of the LLC authorized to enter into the sale of the property. For the purposes of this issue, Mr. Beoni's ownership interest, if any, seems irrelevant.

6. In accordance with our understanding of the Judge's holding during the last hearing, FCB will be filing its Application to Intervene but will not set the matter for hearing absent further notice. As we discussed, as a party in interest as described by the Court, we will be filing an objection to the compensation application on Friday.

R. Stephen Haynes
Law Offices of R. Stephen Haynes, P.C.
First Commercial Bank Building
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Oklahoma City, OK 73134
405-840-0501 Office
405-330-9696 Direct
405-302-5538 Facsimile

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From: Ryan Leonard [mailto:rleonard@leonard-law.net]
Sent: Wednesday, September 17, 2014 2:42 PM
To: Karyn Seabrooke; lynn.groves@okfcb.com; R. Stephen Haynes
Cc: tomseabrooke@gmail.com; 'Mark A. Robertson'; jimlee@legalassociatesllc.net; Patty Labarthe; jshaw@securities.ok.gov
Subject: Update re offer on Cherry Hill

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Meyer, Leonard & Allison, PLLC
116 East Sheridan, Suite 207
Oklahoma City, OK 73104
Telephone: (405) 702-9900
Facsimile: (405) 605-8381
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-------- Original Message --------
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From: "Karyn Seabrooke" <karyns@seabrookerealty.com>
Date: Tue, September 16, 2014 5:28 pm
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Cc: <tomseabrooke@gmail.com>, "'Mark A. Robertson'" <mark@robertsonwilliams.com>, <jimlee@legalassociatesllc.net>

Hi Ryan,
Attached is the Cherry Hill offer.
We have until Thursday to respond.

Karyn

Karyn Seabrooke
425 N W 11th Street, Oklahoma City, OK 73103
405-605-6445 Office 405-605-6440 Facsimile
405-409-7989 Cellular
Karyns@seabrookerealty.com

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Sent: Tuesday, September 16, 2014 4:36 PM
To: KarynS
Subject: cherryhill.offer

This E-mail includes attached file(s) sent from "RNP7E3D40" (Aficio 1224C).

Scan Date: 09.16.2014 16:35:41 (-0500)

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From: Ryan Leonard [rleonard@leonard-law.net]
Sent: Thursday, September 18, 2014 4:21 PM
To: R. Stephen Haynes; lynn.groves@okfcb.com
Cc: Patty Labarthe; jshaw@securities.ok.gov; Robert Edinger
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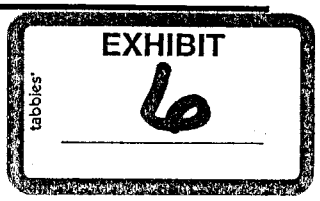

Steve- Just to clarify, with respect to items 1-3 below, we have agreed for practical purposes only to operate this way for the time being. We do not believe it is consistent with the authority we have under the Court's Order, which we in no way intend to waive. If this will work as a practical matter, it works for us for now. If it does not, then we'll need to adjust. I think keeping open lines of communication as we have works best for everybody. I'll run the proposed arrangement by our property management staff to make sure they're ok with it. If there are any suggested modifications, I'll follow back up. Thanks, Steve. Ryan

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Scan Date: 09.16.2014 16:35:41 (-0500)

62200

CASHIER'S CHECK

FIRST Commercial Bank
(405) 844-0110
P.O. Box 5450
Edmond, OK 73083

86-368-1030

01/30/2015

PAY TO THE ORDER OF ***CHERRY HILL LLC RECEIVER ACCOUNT*** $ 13,311.85

Thirteen Thousand Three Hundred Eleven and 85/100 DOLLARS

REMITTER: Cherry Hill LLC

MEMO

TWO SIGNATURES REQUIRED
IF ISSUED FOR $25,000.00 OR OVER

⑈062200⑈ ⑆103003687⑆ 191000144⑈

FIRST COMMERCIAL BANK

62200

01/30/2015

CHERRY HILL LLC RECEIVER ACCOUNT $13,311.85

Thirteen Thousand Three Hundred Eleven and 85/100

REMITTER: Cherry Hill LLC

ADVICE OF CHARGE

FIRST COMMERCIAL BANK

ACCOUNT NUMBER

DATE

APPROVED BY

WE DEBITED YOUR ACCOUNT AS FOLLOWS	AMOUNT

↓ TOTAL AMOUNT ↓

EXHIBIT 7

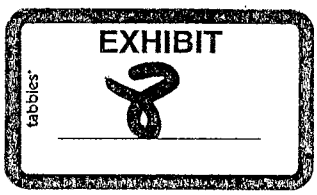
⑆103003687⑆

Received by: _____ Date: 2/3/15

THE COURT: Okay. Let me ask: Are there any other cash funds available other than these three accounts? For instance, in Ms. Seabrooke's trust account, are there any additional monies?

MR. LEONARD: In the trust account, the balance is $14,700. There is one other personal account with a balance of approximately $6,500. There is no other -- other than just some very token amounts here and there, there is no other pool of money at this time.

THE COURT: Okay. Let me ask this: Do the parties all agree? Because I certainly take to heart Mr. Haynes's argument, why should he be paying for more than what he thinks is his share of the receiver's fee. At the end of the day, can't I, whenever the monies are collected, allocate however I feel equity requires between a first mortgage holder and any of the other parties who have been damaged in this case?

MS. LABARTHE: Yes, your Honor.

THE COURT: So that even if there wasn't enough money, looking just at Cherry Hill at the end of the day to satisfy the bank, I can still, within my equitable powers, determine that Cherry Hill should be paid from monies collected from other sources, even though their mortgage is limited to Cherry Hill and, I think, the Woodward properties?