

Loan No.: [REDACTED]

REAL ESTATE LIEN NOTE

THIS LOAN IS PAYABLE IN FULL AT MATURITY. BORROWER MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST THEN DUE. THE LENDER IS UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. BORROWER WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS THAT BORROWER MAY OWN, OR BORROWER WILL HAVE TO FIND A LENDER, WHICH MAY BE THE LENDER BORROWER HAS THIS LOAN WITH, WILLING TO LEND BORROWER THE MONEY. IF BORROWER REFINANCES THIS LOAN AT MATURITY, BORROWER MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A REFINANCE EVEN IF BORROWER OBTAINS REFINANCING FROM THE SAME LENDER.

Date: January 6, 2022

City: SAN ANTONIO

State: TEXAS

[REDACTED]

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$400,000.00, or the unpaid principal balance outstanding from all sums advanced against this Note (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is **TEXAS NOTES, LLC**. This Note anticipates multiple advances. All sums which I must pay to Lender, pursuant to this Note or the Deed of Trust which secures this Note, including late charges, fees of any kind, including but not limited to inspection fees, and all sum for which I am responsible and that Lender pays on my behalf, including but not limited to taxes, assessments, and insurance, shall be added to Principal.

The principal amount of this Note shall be advanced incrementally according to the agreement with Lender. Unless I fail to request rehabilitation funds within 90 days, the Principal required to be paid by this Note shall not exceed the sum of all advances made by Lender under this Note (including, without limitation, any advances made and retained by Lender in payment of interest or fees), and interest shall accrue and be charged only upon the amount of outstanding principal as it changes from time to time. Within 90 days of Closing, I will have requested (such request to include satisfaction of all conditions set forth in the Construction Loan Agreement) all funds intended for rehabilitation of or construction on the subject property, and if I have failed to request all such funds, then I must elect one of the following options: I must either (i) waive the remainder of the Rehabilitation Budget and pay interest only on the outstanding loan balance as Principal under the Note; or (ii) begin incurring interest on the full loan amount, whether or not disbursed, such total amount to be deemed Principal under this Note, and I may continue to request draws as provided in the Construction Loan Agreement and elsewhere in the documents executed in connection herewith.

By signing here, I acknowledge that I have read and understand the paragraph above:

[REDACTED]

I will make all payments under this Note in the form of cash, check or money order, or electronic funds transfer.

I understand that the lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 10.99%.

The interest rate required by this Section 2 is the rate I will pay before any default described in Section 6(B) of this Note.

The rate I will pay after any default, including without limitation on any matured unpaid principal and interest, and any other amounts owed under this Note and the Deed of Trust securing this Note, is 17.99%.

Interest accrues beginning on the first day of each and every month beginning with the first payment date described below.

3. PAYMENTS

(A) Time and Place of Payments

I will pay interest only by making a payment every month.

I will make my monthly payment on the first day of each month beginning on March 01, 2022. The principal is due and payable on or before October 06, 2022 (the "Maturity Date"). I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal.

I will make my monthly payments to Lender at 603 W. 11th Street, Suite 110, Houston, Texas 77008 or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment of interest only will be in the amount of U.S. \$3,663.33.

(C) Callable; Maturity

The Maturity Date of this Note is October 06, 2022. This Note is callable at the option of Lender from the date hereof until the Maturity Date. It is payable in full upon the earlier of (i) when called by Lender, if called by Lender, or (ii) at the Maturity Date, at which time I must repay the entire principal balance of this Note, any unpaid interest owed, and any other sums I owe Lender pursuant to the terms of the lien securing this Note. Lender is under no obligation to refinance this Note at that time. I will therefore be required to make a payment out of other assets I may own, or I will have to find another lender willing to lend me the money at the then prevailing rates, which may be considerably higher than the interest rate of this Note.

(D) Application of Payments

Prior to the time that I am in default under this Note, payment on the Note shall be credited first to any unpaid costs, fees and charges due to Lender in accordance with the terms of the Loan Agreement of even date herewith, then accrued and unpaid interest, then to any principal that is not secured by the hereinafter-described liens, and the remainder to the remaining part of the principal; but after default, Lender may credit payment in whatever lawful manner it chooses. Lender's crediting of payments on this Note, as between interest and principal, shall be provisional until this Note, and all sums owed to Lender in connection with this Note and any security instrument which secures this Note, is fully paid, when a final and binding crediting shall be made.

(E) Calculation of Interest

(i) 365 Day Base Method. All payments of interest shall be computed on the per annum basis of a year of 365 days and for the actual number of days elapsed unless such calculation would result in a usurious rate, in which case interest shall be re-calculated to eliminate the usurious portion. (ii) True Daily Earnings Method. Interest will be computed according to the true daily earnings method. The true daily earnings method is a method to compute an interest charge by applying a daily rate to the unpaid balance of the amount financed. The earned finance charge is computed by multiplying the daily rate by the number of days the actual principal balance is outstanding. The daily rate is the equivalent contract rate for a year with the number of days indicated in (E)(i) above.

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

Provided I am not in default hereunder, I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to any costs, fees, or charges due under this Note, or to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment,

there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

5. LOAN CHARGES, USURY

Regardless of any contingency, event, or agreement between Lender and me, the interest contracted for, taken, received, reserved or charged, directly and indirectly, by Lender, in connection with this Note, shall never exceed the maximum, non-usurious amount Lender may contract for, take receive, reserve and charge under applicable law. If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments; Non-Sufficient Funds Fees

If the Note Holder has not received the full amount of any monthly payment by the end of ten (10) calendar days after the date it is due, I will pay a late charge to the Note Holder in addition to the regularly scheduled payment. The amount of the charge will be 5% of the unpaid portion of the regularly scheduled payment. I will pay this late charge promptly but only once on each late payment. If not prohibited by applicable law, I agree to pay an amount charged by Lender not to exceed \$50.00 (or the maximum amount allowed by applicable law if applicable law limits said fee to an amount less than \$50.00) for each check, draft, order or other instrument or form of remittance made in payment on this Note that is returned to Lender unpaid or dishonored for any reason. I agree with Lender that the charges set forth herein are reasonable compensation to Lender for the handling of such late payments and insufficient funds.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

If I fail to make timely any payment required by this Note, or to perform timely any other obligation owed to Lender, or if any person breaches any covenant made in any Deed of Trust or other security document that secures payment of any of this Note, or if any person breaches any covenant made in any guaranty agreement by which payment of this Note is guaranteed, I will be in default.

If I am in default, the Note Holder may require me to pay immediately the full amount of Principal which has not been paid and all the interest that I owe on that amount.

(C) No Notice of Intent to Accelerate or Notice of Acceleration

The proceeds of this Note are advanced by Lender solely for business and commercial purposes and Property described above is not, nor do I intend to use it as, and in fact I hereby represent that I do not intend to use the Property as, my residence, and this representation is a condition precedent to the advancement of funds under this Note. If I am in default, only the notice required by the Texas Property Code for foreclosure sales that are not the debtor's residence shall be given to me by Lender, which notice requirements are set forth more particularly in the security instrument securing this Note.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, or if I bring suit against the Note Holder and do not prevail, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorney's fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the address appearing beneath my signature hereon, or at a different address if I give the Note Holder a notice of my different address. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different

address if I am given a notice of that different address. Any notice in connection with this Note shall not be deemed to have been given to Lender until actually received by Lender.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

Each of the Borrowers, each guarantor of this Note, and each person who grants any lien or security interest to secure payment of this Note: (A) agrees to application of any bank balance of Borrowers, or any of them, to payment of the Note before or after maturity; and (B) agrees that with regard to the Note, and any other indebtedness owed by Borrowers, or any of them, to Lender, none of certain actions by or at the request of one or more of Borrowers, whether with or without notice and whether before or after maturity, shall release or diminish any obligation or liability owed by him, to Lender, such certain actions being as follows: any and all renewals, extensions, rearrangements, modifications (including, without limitation, changes in interest rate), partial payments, indulgences of any kind, releases of any other person(s) obligated to pay any of the Indebtedness, and releases or substitutions of security, in whole or part. Any one or more of Borrowers may deliver this Note to Lender and receive advances hereunder.

9. WAIVERS

Except as expressly provided herein, I and any other person who has obligations under this Note waive all notices, including without limitation, notice of intent to accelerate, notice of acceleration, notice of dishonor, right to demands for payment, presentment, protest and diligence in bringing suit and in the handling of any security. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. SECURED NOTE; DUE ON TRANSFER

In addition to the protection given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note.

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

11. CROSS COLLATERALIZATION

(A) My Other Loans

If I am a party to any other notes or loan agreements between me and Lender (all of these other loan agreements being collectively referred to as "My Other Loans"), all items serving as security for My Other Loans shall serve as security for this Note, and all items serving as security for this Note shall serve as security for My Other Loans.

(B) Condition and Consideration

I acknowledge that the Lender is unwilling to extend the loan evidenced by the Note to me unless I agree that My Other Loans, together with this Note, will be treated as a single transaction through cross-collateralization and cross-default provisions. I further acknowledge that Lender's agreement to extend the loan evidenced by this Note is in partial consideration for the cross-collateralization and cross-default provisions set forth herein below.

(C) Cross-Collateral

I hereby agree and consent that as additional security to the Lender, each and every one of My Other Loans and this Note shall be subject to the various loan documents executed in connection with each indebtedness, and any and all subject property serving as security for each and every indebtedness just described shall be considered part of the "Property" under this Note, the Deed of Trust executed in

connection herewith, and each and every other Deed of Trust or other security instrument between me and Lender.

(D) Cross-Default

I agree and consent that if I am in default on this Note or on the security instrument executed in connection with this Note, then I shall be in default on each and every one of My Other Loans, and if I am in default on any one of My Other Loans, then I shall be in default on this Note and all of My Other Loans. No notice shall be required to be given to me in connection with such default except as may be required by the respect Deed of Trust or security instrument, and Lender shall have the right, in its sole and absolute discretion, to exercise and perfect any and all rights in and under the documents with regard to any or all of My Other Loans and this Note, including but not limited to a sale of any portion of any property securing any of My Other Loans or this Note.

(E) Request for Release

I may request that Lender make a determination whether any of My Other Loans may be released from the cross-collateral and cross-default provisions of this Note and such determination shall be made by Lender at its sole discretion. Notwithstanding any provision of this Section to the contrary, I shall not be permitted to request a release of any of My Other Loans from the cross-default and cross-collateral provisions of this Note if, at the time of such request, a default exists or has occurred under any of My Other Loans or this Note. No release under this paragraph shall be permitted by Lender unless I have paid all costs and expenses of Lender incurred in connection with Lender's processing of the requested release, including without limitation all title endorsement premiums, recording fees, inspection fees, and attorney fees.

12. USE OF MONEY

In connection with this Note, I am neither seeking nor obtaining from Lender anything other than the use of money, and all consideration paid or to be paid by me to Lender, including, without limitation, all agreements, contracts and other documents executed in connection with this Note, shall be solely for such use of money. If Lender provides anything other than the use of money, including any goods and/or services, in connection with this Note, the providing thereof shall be solely at Lender's option, for Lender's exclusive benefit and without Lender's receipt of any consideration therefor.

13. GOVERNING LAW

All agreements, contracts and other documents executed in connection with any indebtedness or obligations owed by me to Lender, including, without limitation, all agreements, contracts and other documents executed in connection with this Note, shall be subject to, governed by, and construed in accordance with, the laws of the State of Texas and the United States. All legal proceedings brought to enforce or interpret this Note shall be in the appropriate court located in the County where the Property described above is located. In the event of a conflict between any provision of this Note and applicable law, the applicable law shall control to the extent of such conflict and the conflicting provisions contained in this Note shall be modified to the extent necessary to comply with applicable law. All other provisions in this Note will remain fully effective and enforceable.

14. NO ORAL AGREEMENTS

THIS NOTE CONSTITUTES A "WRITTEN LOAN AGREEMENT" PURSUANT TO SECTION 26.02 OF THE TEXAS BUSINESS AND COMMERCE CODE, IF SUCH SECTION APPLIES. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

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WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

BORROWER:

[REDACTED]

By:

[REDACTED]

Borrower's Mailing/Notice Address:

[REDACTED]

GUARANTOR:

[REDACTED]