

## LOAN AGREEMENT

This Loan Agreement is entered into as of 20 December, 2021, by and between Falcon International Bank, ("Lender") and HYG Homes LLC, a Texas limited liability company, ("Borrower"), and Carlos Eduardo Garza Herrera and Constructora HYG del Bajío SAPI de CV ("Guarantor").

WHEREAS, Borrower is entering into a loan with Lender secured by real property more particularly described as follows:

Being 0.574 acres of land, more or less, out of the M.G. DE LOS SANTOS SURVEY No. 82, Abstract 664, County Block 4446, Bexar County, Texas, and being that same property described in Warranty Deed with Vendor's Lien recorded in Volume 11827, Page 688, Official Public Records of Bexar County, Texas, said 0.574 acres being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2-inch iron rod found (monument of record dignity) for the southwest corner of this 0.574 acres, same being the lower northwest corner of the Sheila D. McLean tract (Document No. 20120211629), and on the East boundary of the Norma I. Plata 4.110 acres (Document No. 20120017537), same also being the POINT OF BEGINNING;

THENCE along the line common to this 0.574 acres and said Plata 4.110 acres, North 00 degrees 38 minutes 00 seconds West (bearing basis), at a distance of 268.71 feet pass a 1/2-inch iron rod found on the South boundary of said 22-foot Ingress/Egress Easement, and continuing for a total distance of 279.72 feet (called ~~65.37~~ feet) to a point for the northwest corner of this 0.574 acres, same being the northeast corner of said Plata 4.110 acres, and a point in the centerline of said 22-foot Ingress/Egress Easement, same also being on the South boundary of the remainder of the KB Home Lone Star LP 25.99 acres (Volume 10127, Page 676);

THENCE along the line common to this 0.574 acres and the remainder of said KB Home Lone Star 25.99 acres, North 89 degrees 17 minutes 24 seconds East (called North 89 degrees 22 minutes 00 seconds East), a distance of 89.45 feet (called 89.44 feet) to a point for the northeast corner of this 0.574 acres, same being the upper northwest corner of said McLean tract, and the northwest corner of said 20-foot Ingress/Egress Easement;

THENCE along the lines common to this 0.574 acres and said McLean tract, the following courses and distances;

South 00 degrees 38 minutes 00 seconds East, a distance of 279.72 feet to a 1/2-inch iron rod found for the southeast corner of this 0.574 acres;

South 89 degrees 17 minutes 24 seconds West (called South 89 degrees 22 minutes 00 seconds West), a distance of 89.45 feet (called 89.44 feet) to the POINT OF BEGINNING, and containing 0.574 acres of land more or less.

(The “Property”), and the Property contains certain improvements (the “improvements”) thereon.

WHEREAS, Borrower has requested Lender to make a loan to Borrower for the following purposes: Borrower has requested Lender to make a loan to Borrower for the purchase of the above described property.

**AGREEMENT**

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees as follows:

1. **Loan.** Lender shall make a loan (the “Loan”) to Borrower in the principal amount of **\$85,000.00** pursuant to this Agreement (the “Loan Agreement”). Borrower acknowledges that Lender shall not be obligated to advance sums in excess of the principal amount of the Loan. Interest shall be charged only on amounts actually advanced from date of advancement until paid. Any amounts of the Loan repaid may not be re-borrowed. Repayment of the Loan is unconditionally guaranteed by **Carlos Eduardo Garza Herrera** and **Constructora HYG del Bajío SAPI de CV** (“Guarantor”).
2. **Requirements for Initial Advance (or any Advances under the Loan).** Lender shall not be obligated to make the initial advance of Loan proceeds to Borrower until Lender is in receipt of the following, all in form and substance satisfactory to Lender.
  - A. This Agreement duly executed by Borrower and Lender.
  - B. An original Real Estate Lien Note (the “Note”) evidencing the loan, duly executed by Borrower.
  - C. A copy of Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement (the “Mortgage”) executed by Borrower and certified by **North American Title** (“Title Company”) as having been recorded covering the Property and all improvements thereon whether now existing or hereafter constructed (the property and such improvements herein collectively called the “Project”) and securing the obligations of Borrower hereunder and under all documents executed in connection with the Loan.
  - D. Mortgagee Title Policy of Title Insurance, issued by the Title Company, agreeing to insure or insuring that the lien created by the Mortgage constitutes a valid lien on the Project having the dignity and priority required by Lender.
  - E. Insurance policies for (i) worker’s compensation insurance for statutory limits; (ii) comprehensive general liability insurance for owners and contractors; (iii) hazard insurance against all risk of loss including collapse, in amount equal to the full replacement cost of all Improvements, including the cost of debris removal, with annual agreed amount endorsement and sufficient at all times to prevent Borrower from becoming a co-insure’ (iv) if the Property is in a “flood hazard area” ,

a flood insurance policy, or binder thereof, in an amount equal to the maximum Loan Amount or the maximum available under Flood Disaster Protection Act of 1973; and (v) such other insurance if any, as Lender may require from time to time, including but not limited, to rent and retail value insurance. All insurance policies shall (I) be issued by companies, in amounts and on forms satisfactory to Lender, (ii) have Borrower as the insured or as an additional name insured, and (iii) have a provision giving Lender at least 30 days prior to notice of, and as a condition to, cancellation or material change of the coverage. All "all risk" insurance policies shall contain a standard mortgagee's endorsement in favor of Lender and have a loss made payable to Lender as its interest may appear.

F. A current flood plain certification.

G. All documents evidencing or creating Borrower and evidence that Borrower is fully authorized and permitted to enter into this Agreement, the Note and the Mortgage, that this Agreement, the Note and Mortgage are valid and binding legal obligations of Borrower, enforceable in accordance with their terms, and that the undersigned has the authority to execute all of the same for and on behalf of Borrower.

H. Borrower shall pay the Lender the following fees:

1. \$ 850.00 Origination Fee
2. \$ 450.00 Underwriting Fee
3. \$ 450.00 Processing Fee

I. The Lender shall have obtained a current appraisal of the fair market value of the Property which is acceptable to the Lender in all respects. Borrower will reimburse the Lender for the cost of the appraisal.

J. If requested, Borrower shall have provided the Lender with a copy of a current survey of the Property and the Lender shall have approved the survey in all respects.

K. If applicable, Borrower shall have provided the Lender with a current rent roll for the Property which lists the names and address of all tenants, the amount of rent and security deposit paid by each tenant and the payment status of each tenant and the Lender shall have approved same in all respects. Borrower will, prior to closing, provide the Lender with copies of all existing lease agreements covering the units located on the Property.

L. Borrower shall have established a depository account with the Lender under account **#522161220** (the "Account"). Each month Borrower authorizes the Lender to transfer out of the Account an amount equal to the monthly principal and interest payment due under the Loan and an amount equal to 1/12<sup>th</sup> of the (i) estimated annual insurance premiums for insuring the Property against fire and other casualties, and (ii) the estimated annual ad valorem taxes assessed against the Property (the "Monthly Tax and Insurance Escrow Payment"). Borrower shall execute such documents as may be necessary to pledge all funds on deposit in the Account as additional collateral for the Loan. If at any time during the term of this Note (or any extensions and/or renewals thereof) the automatic payment is cancelled then the interest rate accruing on this Note

shall at Lender's option increase by two percentage points (2.00%) until such time as the automatic payment is re-established.

M. If applicable, Borrower shall have provided the Lender with a copy of the standard form lease agreement Borrower uses to rent the property and the Lender shall have approved same in all respects. Once approved, Borrower will not make any changes to the form of this lease unless the Lender has approved such changes in advance. All leases hereafter entered into by Borrower with respect to the Property will be on commercial reasonable terms and at a market rate of rent.

N. Such other documents as Lender may reasonably require in connection with the Loan.

3. **Permits.** If applicable, Borrower shall keep in force and in effect and shall comply with any and all permits and approvals required for the development of the Property and shall fully comply with any and all permits and approvals required for the development of the Property and shall comply with all local, state and federal laws and regulations.

4. **Loan Expenses.** Borrower covenants and agrees to pay for all expenses in connection with the transactions described herein, including costs for the issuance of any title insurance binders or policies, recording fees, the expenses of Lender's counsel and all other fees.

5. **Financial Information.** Borrower shall furnish to Lender the following:

A. As soon as available but no later than forty-five (45) days after the end of each calendar year, Borrower and all Guarantors will provide the Lender with the following:

- i. A copy of Borrower's/Guarantors Annual Year End Financial Statement (which will include a balance sheet, income statement, contingent liability statement, cash flow analysis).
- ii. Guarantor's Annual Personal Financial Statement (which will include a balance sheet, cash flow statement, projected cash flow statement for the next year and contingent liability statement).

B. Within forty-five (45) days of filing same (but no later than May 1 of each year), Borrower and Guarantor will provide the Lender copies of all Federal Income Tax Returns and Mexican equivalents filed by Borrower and Guarantor. In the event the Federal Income Tax Returns or Mexican equivalents are not filed by May 1 of said year, then Borrower and Guarantor must provide the Lender with its filed extension request.

C. Borrower and Guarantor hereby agree that at any time during the term of the Loan or any extensions thereof, they will provide the Lender any information requested by Lender in writing no later than 30 days from the date of written request by Lender.

6. **Other Encumbrances.** Borrower and/or Guarantor shall not allow any other liens and/or encumbrances be placed upon the Property without the prior written consent of Lender. Borrower will also not create any easement, rights-of-ways, set-back lines, restrictions, condominium regimes, or other exceptions to title burdening or otherwise affecting the Property without first obtaining the Lender's written consent to same.
7. **Escrow Payments.** Borrower agrees that, in addition to the payments of principal and interest payable under the terms of the Note, Borrower will pay, monthly, to Lender on the same day the principal and interest payment is due, and until the Note is fully paid an additional sum equal to one-twelfth (1/12) of the estimated yearly taxes and assessments against the Property, together with an additional sum equal to one-twelfth (1/12) of the estimated yearly premiums to maintain in force any insurance for the Project. Estimates of taxes, assessments and insurance premiums shall be made by Lender, which estimates Borrower agrees to accept and pay. Lender shall hold such deposits, without any allowance of interest, and shall pay all taxes, assessments, and insurance premiums as they may become due. If at any time the balance is such tax and insurance reserve account is insufficient to make the payments required, Lender shall notify Borrower of the amount of the deficiency and Borrower, within ten (10) days after such notice shall deposit with Lender the sum necessary to make up the deficiency. Failure to make the monthly deposit or any supplemental deposit, when due or demanded by Lender, shall be a default under the Mortgage. Lender's advancement of funds to satisfy and such insufficiency shall not be construed as a waiver of default.
8. **Adverse Actions.** Borrower covenants and agrees to promptly advise Lender in writing of (I) any condition, event or act which comes to its attention that would or might materially adversely affect Borrower's financial condition or operations or Lender's rights under any documents executed in connection with the Loan ("Loan Documents"), (ii) and litigation filed by or against Borrower, (iii) any event that has occurred that would constitute an event of default under any Loan Documents and (iv) any uninsured loss through fire, theft, liability or property damage in excess of an aggregate of \$50,000.00.
9. **Pending Actions.** Borrower and Guarantor represents and warrants to Lender that there are no proceedings involving Borrower or Guarantor pending or, to the knowledge of Borrower, threatened before any court or government authority, agency or arbitration authority, except as disclosed to Lender in writing and acknowledged by Lender prior to the date of this Agreement.
10. **Insider Loans.** Borrower covenants and agrees that, unless consented to in writing by Lender, as determined in Lender's sole discretion, all rights of any of Borrower's members and managers to receive payments pursuant to any indebtedness of Borrower to such member and/or manager(s) is hereby expressly and unconditionally subordinate to the rights to Lender to receive payments from Borrower pursuant to the terms of the note and this loan agreement unless approved in writing by Lender at the Lender's option.
11. **Events of Default.** Each of the following shall constitute a default under the terms of the agreement.

- A. There occurs a default under the terms of the Note, Mortgage, the Loan Agreement, or any other document evidencing or securing the Loan.
- B. If at any time Borrower or Guarantor shall (i) voluntarily or involuntarily be adjudicated as bankrupt, (ii) procure or suffer the voluntary or involuntary appointment of a receiver, trustee or liquidator for itself or himself for all or any part of its property, (iii) file petitions seeking relief under the bankruptcy, rearrangement, reorganization or other debtor relief law of the United States, any State thereof, or other competent jurisdiction, (iv) made a general assignment for the benefit of its or his creditors or (v) admit in writing its or his inability to pay its or his debts as the mature.
- C. If Borrower and/or Guarantor shall fail, refuse or neglect to perform and discharge fully and timely any of its covenants or obligations under this Agreement or any of the Loan Documents associated with this Loan.
- D. If any representation, statement or warranty made by Borrower and/or Guarantor in this Agreement, the Note, the Mortgage, or any other document evidencing or securing the Loan, or otherwise in connection with such Loan shall be false or misleading in any material aspect.
- E. Any failure to pay when due any installment of principal or interest due on the Loan.
- F. The sale encumbrance or abandonment of any material part of the Property or the marketing of any levy, seizure or attachment thereof or thereon, or the loss, theft, substantial damage, or destruction of any material party of the Property.
- G. The Borrower shall fail generally to pay its debts as they become due or suffer any writ of attachment or execution or any similar process to be issued or levied against it or any substantial part of its assets.
- H. The occurrence of any material adverse change in the assets, liabilities, financial condition, business, affairs or circumstances of Borrower or the Guarantor.
- I. The failure of Borrower to maintain their good standing status with the Texas Secretary of State and the Texas Comptroller's Office.
- J. If any of the ownership interest of the Borrower is conveyed, transferred, assigned, sold or given to another person, entity or party or such ownership interest is pledged as security for a debt without the Lender's written consent, then such act or acts shall be an event of default under the terms and conditions of this Loan.
- K. The Loan is not in regulatory compliance.
- Upon the happening of any such event of default, Lender shall have, in addition to any and all rights, remedies and recourse available to it under the Note, the Mortgage or any other documents

evidencing or securing the Loan, the right (a) to appoint a receiver for the purpose of preserving the Property and protecting the rights of Lender, (b) to accelerate the maturity of the Note and enforce collection by foreclosure of the Deed of Trust or other action, c) to take exclusive possession to the Property which the Lender may hold or have access to belonging to Borrower and convert the same, without the consent of Borrower and use the proceeds of such collateral to pay any debt or expenses required to be paid by Borrower hereunder, or to apply such proceeds against the amounts owing on the Note, (d) to use any funds of Borrower to complete the improvements, (e) to prosecute and defend all actions or proceedings relating to the construction of the Improvements (f) to pay, sell of and compromise all existing bills and claims which are or may be liens against the property, (g) to do any and every act with respect to the construction of the improvements (if applicable) which Borrower, may do in its own behalf (h) exercise any other right or remedy available to Lender as may be provided by applicable law and (I) contact the tenants on the property directly and require them to make all future rent payments directly to the Lender (if applicable). For these purposes, Borrower, jointly and severally, hereby constitute and appoint Lender their true and lawful attorney-in-fact with full power of substitution to take all of the above described action, which power of attorney shall be deemed to be coupled with an interest and shall be deemed to be advances hereunder and shall be secured by the Mortgage. Upon the happening on any such event of default all obligations (if any) of Lender, hereunder, including specifically the obligation to advance funds hereunder, shall immediately be suspended.

12. **Notices.** All notices, demands, requests and other communications required or permitted hereunder shall be in writing, and shall be deemed to have given when presented personally or deposited in a regularly maintained receptacle for the United States Postal Service, postage prepaid, first class mail, addressed to Borrower, Guarantor or Lender as the case may be at the respective address set forth herein or such other addresses as may from time to time be designed by written notice given in conformance herewith.

13. **New Appraisals.** Borrower and Guarantor hereby agree that in the event any Loans secured by the herein described Property are classified substandard then the Lender will require that new appraisals of the Property be conducted at Borrower's expense every six (6) months until the loan is no longer classified as substandard.

14. **Waiver.** Failure by Lender to enforce, in any one or more instances, any term, provision or covenant contained herein shall not constitute a waiver of the right to enforce the same as to any future performance but the obligation of Borrower as to such future performance shall continue in full force and effect, except as otherwise set forth by written agreement between the parties hereto.

15. **Taxes.** Borrower shall pay all franchise, income, unemployment, withholding, social security, ad valorem, sales and other taxes and assessments levied against or payable by Borrower, at such times and in the manner required by applicable laws and regulations. If requested, Borrower will provide the Lender with evidence that all such taxes have been paid in a timely manner, provided, however, that nothing contained in this paragraph shall require the payment of taxes which are diligently and in good faith being contested by Borrower and as to which taxes Borrower shall have established on its books reserves deemed adequate by the Lender. With regard to the payment of ad valorem taxes, Borrower shall provide the Lender with paid tax receipts or tax certificates evidencing

the payment of all ad valorem taxes imposed against the Improvements, said receipts to be provided on or before March 1<sup>st</sup> of each year during the term hereof.

16. **Waste of Assets.** Borrower will take all reasonable and lawful actions necessary to protect all assets of Borrower from waste or loss or diminution in value.
17. **Environmental.** If the Lender shall determine in good faith that an environmentally hazardous condition may exist with respect to the Property, the Lender may request and Borrower shall be obligated to obtain, at Borrower's sole expense, a current environmental audit and hazardous waste site assessment, said audit to be in a form and substance and prepared by a qualified engineer acceptable to the Lender. If such audit and assessment shall disclose the existence of any hazardous wastes or other contamination of the Property in excess of allowable limits, Borrower shall promptly undertake steps to remove and clean up all hazardous wastes identified in such audit, such cleanup to be handled in a manner which complies with all governmental laws and regulations applicable to such clean up, and Borrower does hereby indemnify and hold the Lender harmless with respect to such cleanup costs.
18. **Books and Records.** Borrower will representatives of the Lender to inspect the books and records of Borrower to make reasonable abstracts therefrom, and to inspect the assets and operations of Borrower upon reasonable notice and at reasonable times and furnish the Lender with such information and statements which the Lender may reasonably request concerning the business affairs of Borrower and the performance of the obligations of Borrower contained in this Loan Agreement and the Loan Documents.
19. **Notice of Litigation.** Within five (5) business days of acquiring knowledge of any litigation or administrative proceeding affecting Borrower, Borrower will notify the Lender in writing, (I) if the amount of damages claimed in any such proceeding against Borrower is \$10,000.00 or more, or (ii) if the proceeding in question could otherwise result in any material adverse change in the business or assets or in the condition, financial or otherwise, of Borrower will take or cause to be taken all such steps as are necessary or appropriate to defend any such litigation or proceedings.
20. **Material Change.** Within five (5) business days of acquiring knowledge of any material adverse change in the assets, liabilities, financial condition, business, operations, affairs or circumstances of Borrower will notify the Lender in writing thereof, setting forth the nature of such change in reasonable detail. Borrower will take all such steps as may be necessary or appropriate to remedy promptly any such change.
21. **Additional Loan Expenses.** Whether or not the transactions contemplated by this Loan Agreement shall be consummated, the Borrower shall pay all reasonable and necessary out-of-pocket expenses (including, without limitations, the reasonable and necessary fees and expenses of the Lender's counsel) in connection with the negotiation, preparation, execution, filing, recording, refiling, re-recording, modification, supplementing of the Loan Agreement and the making, servicing and collection of the Loan.



22. **Indemnification.** The Borrower(s) and Guarantor(s) agree to indemnify, defend and hold the Lender harmless from and against any and all loss, liability, obligation, damage, penalty, judgment, claim, deficiency and expense (including interest, penalties, reasonable and necessary attorney's fees and amounts paid in settlement) to which the Lender may become subject as a consequence of making this Loan.
23. **Expenses.** Borrower will, on demand, pay all expenses of any nature, including attorney's fees, incurred or paid by the Lender in connection with the creation, enforcement, or preservation of the Lender's rights and/or the collection of the amounts now or hereafter owing on the Loan, including any legal fees incurred by the Lender in preparing the Loan Documents and closing the Loan.
24. **Representations and Warranties.** All representations, warranties and covenants contained herein or made in writing by or on behalf of Borrower and Guarantor in connection herewith shall survive the execution and delivery of this Loan Agreement.
25. **Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successor and assigns, where permitted herein.
26. **Governing Law.** This Agreement and the instruments executed in connection therewith shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Webb County, Texas.
27. **Waiver.** No failure to exercise and no delay on the part of the Lender in exercising any power or right hereunder or under any other instruments executed in connection herewith shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or shall any single or partial exercise of any such right or power, or shall any abandonment or discontinuance of steps to enforce such a right or power preclude any other or further exercise thereof. The rights granted to the Lender herein shall be in addition to all other rights provided by law. No dealings between Borrower and the Lender shall operate as a waiver of any right of the Lender.
28. **Interest Rate Adjustment.** Borrower and Guarantor hereby agree and consent that in the event that Borrower or Guarantor are in default with any provisions of this Loan Agreement or if any payments due under the Loan are more than 30 days past due then the Lender at its option may increase the interest rate of this Loan by two percentage points (2.00%) until all defaults are cured. Furthermore, in the event that there are to (2) 30 day payment defaults in any twelve (12) month period during the term of this Loan (or any renewal and/or extensions) the interest rate under this Loan shall at Lender's option increase by two percentage points (2.00%) whether the note is a fixed rate loan or a floating rate with a floor. Any adjustments in the interest rate shall result in adjustments of the monthly principal and interest payment accordingly.
29. **Participation of Loans.** Borrower acknowledges and agrees that Lender may, at its option, sell interest in the Loan evidenced by this Instrument and its rights under the Deed of Trust to another financial institution or institutions and, in connection with each such sale, Lender may disclose

financial and other information available to Lender concerning Borrower, Maker, Grantor, and any Guarantor to each perspective purchaser.

30. **Patriot Act Compliance.** To Borrower's knowledge, neither Borrower nor any partner in Borrower or member of such partner nor any owner of a direct or indirect interest in Borrower (a) is listed on any Government Lists (as defined below), (b) is a person who has been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC (as defined below) or in any enabling legislation or other Presidential Executive Orders in respect thereof, (c) has been previously indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any Patriot Act Offense (as defined below), or (d) is currently under investigation by any governmental authority for alleged criminal activity. For purposes hereof, the term "Patriot Act Offense" means any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (a) the criminal laws against terrorism; (b) the criminal laws against money laundering, (c) the Bank Secrecy Act, as amended, (d) the Money Laundering Control Act of 1986, as amended, or the (e) Patriot Act. "Patriot Act Offense" also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense. For purposes hereof, the term "Government Lists" means (i) the Specially Designated Nationals and Blocked Persons Lists maintained by Office of Foreign Assets Control ("OFAC"), (ii) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC that Lender notified Borrower in writing is now included in "Governmental Lists", or (iii) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other government authority or pursuant to any Executive Order of the President of the United States of America that Lender notified Borrower in writing is now included in "Governmental Lists".

31. **Capital from the Project or Real Property.** Borrower(s) and Guarantor(s) understand and agree that all contributed or internally generated capital must remain in the real property and improvements (the project) until subject Indebtedness is converted to permanent financing or it is paid in full. Borrower(s) and Guarantor(s) shall not withdraw any existing capital contribution from the Real Property or Improvements, or any capital subsequently generated from the Land and Improvements prior to any of the following events:

- 1) Converting subject Loan/Indebtedness to satisfactory permanent financing to Lender, as determined by Lender's sole, subjective discretion,
- 2) Selling the Real Property and Improvements and paying off the related Loan/Indebtedness in its entirety, or
- 3) Paying off the Loan/Indebtedness in its entirety.

Any such withdrawal of capital by Borrower (s) or Guarantor(s) shall be a default under this Loan Agreement, the Deed of Trust securing the Loan and all other documents executed in connection with the Loan described herein.

32. **Imaging Notice.**

(a) Borrower (i) understands and agrees that Lender's document retention policy involves the imaging of executed Loan Documents and the destruction of the paper originals; and (ii) waives any right that it may have to claim that the imaged copies of the Loan Documents are not originals. Borrower agrees that any executed facsimile (faxed) or scanned and emailed copy of each Loan Document shall be deemed to be of the same force and effect as the original, manually executed documents.

(b) The Loan Documents delivered in electronic form shall, for all purposes, be the same as if, and shall have the same validity, force and effect as if such Loan Documents have been delivered in paper or other tangible form. Each Loan Document delivered in electronic form shall be deemed to have been originally signed by Borrower for all purposes (including all purposes and interpretations of federal and state law), whether or not there is an electronic name or signature of Borrower thereon, and Borrower waives any right it may have to claim that the electronic documents are not original documents or valid documents.

(c) Borrower shall deliver Loan Documents to Lender in, and only in, a format that Lender may both retain in its own records (*i.e.* save as a file on its own system) and print. In the event that at any time, under the electronic format then currently used by Lender, Lender is unable to save or print Loan Documents delivered in electronic form, Borrower shall no longer be permitted to deliver Loan Documents in electronic form.

(d) This section constitutes an agreement between the parties to conduct transactions by electronic means pursuant to the Texas Uniform Electronic Transactions Act, Chapter 322, Texas Business & Commerce Code (the "*Act*"), and the provisions of the Act shall be applicable to the delivery of Loan Documents by Borrower to Lender in electronic form.

**THIS 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 OF THE PARTIES.**

Executed as of the date first stated above.

**BORROWER(S)/MAKER(S):**

**HYG Homes LLC, a Texas limited liability company**


**By: Constructora HYG del Bajío SAPI de CV, Member/Manager**

By:   
\_\_\_\_\_  
Carlos Eduardo Garza Herrera,  
Administrador Unico

**GUARANTOR(S):**


  
\_\_\_\_\_  
Carlos Eduardo Garza Herrera

**Constructora HYG del Bajío SAPI de CV**

By:   
\_\_\_\_\_  
Carlos Eduardo Garza Herrera,  
Administrador Unico

**LENDER:**

**FALCON INTERNATIONAL BANK**

By:   
\_\_\_\_\_  
Title: V.P. Lending  
\_\_\_\_\_