

GRP LOAN NO.: [REDACTED] ASSET NAME: [REDACTED]

FORBEARANCE AND DEFERRAL AGREEMENT – IN FORECLOSURE

This Forbearance and Deferral Agreement (the "Agreement") is made as of the 14 day of May, 2007, by and between GRP Loan, LLC ("Lender"), having an office at 445 Hamilton Avenue, 8th Floor, White Plains, NY 10601 and Ted [REDACTED] ("Borrower"), having a mailing address of [REDACTED] KY 40422.

This Agreement is made based on the following facts:

1. Lender is the owner and holder of the Note dated July 5, 2006, executed and delivered by Borrower in the principal amount of One hundred forty two thousand five hundred 00/100 Dollars (\$142,500.00) (the "Note") and secured by the mortgage signed on the same date (the "Mortgage") on property located at 724 Yukon Avenue Danville, KY 40422 (the "Premises") (the Note, Mortgage and any other documents executed in connection therewith are the "Loan Documents").

2. Borrower is in default under the Loan Documents in this amount:

(a)	P&I Total arrear:	\$13,391.52
	Monthly P&I: \$1,115.96	
	("Regular Monthly Payment")	
	Number of Months in Default: _12 months	
	(i.e., 09/01/06 through 8/01/07)	
(b)	Late charges:	\$334.80
(c)	Corporate Advances:	\$1,564.40
(d)	NSF Fees:	\$15.00
(e)	Legal Fees:	\$793.00
	Total Amount Due: (the " <u>Arrears</u>):	<u>\$16,098.72</u>

3. As a result of the Arrears, Lender has the right to require that Borrower make immediate payment in full of all monies remaining unpaid under the Loan Documents, including the unpaid principal, and has already commenced foreclosure proceedings to foreclose the Mortgage. Borrower has advised Lender that it has suffered financial setbacks and has requested Lender's forbearance in exercising its rights and remedies under the default provisions of the Loan Documents and with regard to the ongoing foreclosure action, and has requested certain debt relief. Lender is willing to honor Borrower's requests by granting forbearance on the terms set forth herein.

In consideration of the forgoing facts and the mutual covenants herein contained, the parties hereto agree as follows:

1. **Lender's Forbearance.** Provided that there exists no Event of Default (defined herein), Lender shall forbear from exercising any and all of its rights and remedies presently existing or arising during the term of this Agreement under the Loan Documents or the ongoing foreclosure action.

2. **Borrower's Payment of the Arrears.** Borrower shall cure the Arrears in the following manner:

Initial Payment from Borrower upon execution of this Agreement: \$6,200.00 in our offices by August 15, 2007, to be applied towards Corporate Advances, Escrow advances, late charges, fees principle and interest

7(b) Repayment Arrangement:

(1) (a)	Regular Monthly Payment:	(\$1,115.96)
	<u>plus</u>	+
(b)	Monthly payment towards arrears:	(\$1,097.85) =
	Monthly Payment Amount:	\$2,213.81
(2)	First payment is due:	At signing: August 15, 2007
	Second payment is due:	September 15, 2007
(3)	Number of months:	8 (eight) months
(4)	Last payment is due:	March 15, 2008
(5)	Total Repayment Amount:	\$8,872.80

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Total Amount Due: (the "Arrears"): **\$16,098.72**

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3. **Reinstatement.** Regular Monthly Payments under the Note are due as part of the Monthly Payment Amount set forth above. At the termination of this Agreement, the amount to fully reinstate the loan will be determined at the end of the agreement.

4. **Method and Application of Payments.** All payments payable to Lender by Borrower hereunder and under the Loan Documents shall be made by wire or bank or certified check only and made payable to the order of GRP Financial Services Corp. and shall be mailed to 445 Hamilton Avenue, 8th Floor, White Plains, NY 10601. The payments must be received by the Lender on the dates referenced herein. Unless the law requires otherwise, Lender may apply all sums received from Borrower during the term hereof, whether on account of payments of Arrears or Regular Monthly Payments, to any sums of money due Lender from Borrower hereunder or under the Loan Documents, in any order, at its sole discretion.

5. **Event of Default.** If (a) Borrower fails to make any of the payments specified herein on the due date thereof or (b) Borrower fails to keep a promise or agreement or perform or discharge any agreement, covenant, obligation or undertaking created or agreed to by Borrower in the Loan Documents or this Agreement, each shall constitute an event of default ("Event of Default") hereunder and under the Loan Documents. Upon and after the occurrence of an Event of Default, all amounts then remaining unpaid under the Loan Documents and this Agreement shall be immediately due and payable, and Lender shall be free to exercise any or all rights and remedies provided for under the Loan Documents, including, but not limited to, continuance of the foreclosure action, which rights and remedies are incorporated herein by reference as if fully set forth herein. By entering into this Agreement, Lender shall in no way be considered to have waived any or all of its rights and remedies under the Loan Documents. Nothing contained herein shall constitute a waiver of any or all of the Lender's rights or remedies including the right to proceed with the foreclosure action. This Agreement shall not be construed as a discontinuance of the foreclosure action, and any forbearance by the Lender and acceptance of monies hereunder shall not be deemed a prejudice or waiver of Lender's right to proceed with the foreclosure action. Unless and until the terms and conditions of this Agreement have been fully complied with, the lis pendens filed as part of the foreclosure action shall remain of record.

6. **Foreclosure Proceeding.** The Lender may, without further notice to the Borrower, proceed ex parte with all further proceedings in the foreclosure action, inclusive of the order of reference, appointment of a referee, preparing a referee's oath and report and entering final judgment of foreclosure and sale, except that the Lender agrees to forbear in scheduling the foreclosure sale as long as an Event of Default does not exist. In the event there is an Event of Default, the Premises will be sold at a foreclosure sale for the unpaid balance of the monies due Lender. In such event, notice of sale and notice of surplus monies shall be given to the Borrower. Borrower admits and acknowledges the amounts owing to lender under the Loan Documents as indicated in this Agreement, and represents and acknowledges that there are no defenses, offsets or counterclaims of any nature whatsoever to any of the Loan Documents. Borrower acknowledges valid service of the summons and complaint in the foreclosure action, that Borrower does not intend to enter any answer or defenses therein, and specifically waives any rights Borrower might otherwise have to do so. If Borrower has already answered, Borrower hereby withdraws its answer, counterclaims and defenses with prejudice.

7. **Miscellaneous.** Except as modified herein, the Loan Documents are hereby ratified and confirmed and shall remain in full force and effect, including but not limited to, the obligation of the Borrower to maintain hazard insurance for the Premises and to pay real estate taxes on the Premises, as applicable. This Agreement shall be non-transferable by the Borrower. This Agreement sets forth all of the promises, covenants, agreements, conditions and understandings between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, with respect thereto, except as contained or referred to herein. This Agreement may not be amended, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, discharge or termination is sought. If any term or provision of this Agreement or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. Time is of the essence with respect to all dates and time periods herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

"Lender"

[GRP Loan, LLC]

By: _____

Name:

Title:

"Borrower"

Ted _____