

execute, deliver and, if appropriate, to file with the appropriate filing office or offices, such financing statements or other instruments as the Beneficiary may request or require in order to perfect the security interest granted hereby or to continue the effectiveness of the same.

Article V. Negative Covenants.

Section 5.01. Encumbrances. Without the prior written consent of the Beneficiary, the Grantor will not permit the Real Property or the Personalty, or the Leases, Rents and Contracts of Sale, to become subject to any Encumbrances other than the Permitted Encumbrances. The Grantor shall give the Beneficiary Notice of any default under any Lien and Notice of any foreclosure or threat of foreclosure.

Section 5.02. Transfer of the Property. The Grantor will not Transfer, or contract to Transfer, all or any part of the Property or any legal or beneficial interest therein (except for Transfers of the Equipment permitted by Section 5.03).

Section 5.03. Removal, etc. of Equipment and Improvements. Except to the extent permitted by the following sentence, none of the Improvements or Equipment shall be removed, demolished or materially altered, without the prior written consent of the Beneficiary. The Grantor may remove and dispose of, free from the Lien of this Deed of Trust, such Equipment as from time to time becomes worn out or obsolete, provided that, either (a) at the time of, or prior to, such removal, any such Equipment is replaced with other Equipment which is free from Liens other than Permitted Encumbrances and has a value at least equal to that of the replaced Equipment (and by such removal and replacement the Grantor shall be deemed to have subjected such Equipment to the Lien of this Deed of Trust), or (b) so long as a prepayment may be made without penalty pursuant to the Note, such Equipment is sold at fair market value for cash and the net cash proceeds received from such disposition are paid over promptly to the Beneficiary to be applied to the prepayment of the principal of the Note.

Section 5.04. Additional Improvements. The Grantor will not construct any Improvements other than those presently on the Land without the prior written consent of the Beneficiary. The Grantor will complete and pay for, within a reasonable time, any Improvements which the Grantor is permitted to construct on the Land. The Grantor will construct and erect any permitted Improvements (a) strictly in accordance with all applicable Laws and any private restrictive covenants, (b) entirely on lots or parcels of the Land, (c) so as not to encroach upon any easement or right of way or upon the land of others, and (d) wholly within any building restriction lines applicable to the Land.

Section 5.05. Restrictive Covenants, Zoning, etc. Without the prior written consent of the Beneficiary, the Grantor will not initiate, join in, or consent to any change in, any restrictive covenant, easement, zoning ordinance, or other public or private restrictions, limiting or defining the uses which may be made of the Property. The Grantor will (a) promptly perform and observe, and cause to be performed and observed, all of the terms and conditions of all agreements affecting the Property, and (b) do or cause to be done all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and rights in favor of, or constituting any portion of, the Property.

Section 5.06. Prohibition on Hazardous Materials. The Grantor will not cause, commit, permit or allow to continue any violation of any Environmental Requirement by any Person on or with respect to the Property. The Grantor will not place, install, store, spill, leak, dispose of or release, or cause, commit, permit, or allow the placement, installation, storage, spilling, leaking, disposal or release of, any Hazardous Materials on the Property and will keep the Property free of all Hazardous Materials Contamination.

Article VI. Events of Default. The occurrence of any one or more of the following shall constitute an "Event of Default" under this Deed of Trust:

Section 6.01. Accuracy of Information; Representations and Warranties. Any information contained in any financial statement, schedule, report or any other document delivered by the Grantor, the Borrower or any other party or parties to the Beneficiary in connection with the Note proves at any time to be not in all respects true and accurate, or the Grantor, the Borrower or any such other party or parties shall have failed to state any material fact or any fact necessary to make such information not misleading, or any representation or warranty contained in this Deed of Trust, or in any other document, certificate or opinion delivered to the Beneficiary in connection with the Note, proves at any time to be incorrect or misleading in any material respect.

Section 6.02. Payment Obligations. The Borrower or the Grantor fails to promptly pay or cause to be paid any of the Obligations when and as due and payable, and such failure continues uncured for a period of five (5) calendar days.

Section 6.03. Transfer of the Property; Encumbrances. The Grantor fails to comply with Sections 5.01 or 5.02.

Section 6.04. Insurance Obligations. The Grantor fails to promptly perform or comply with any of the terms and conditions set forth in Section 4.02.

Section 6.05. Hazardous Materials. The Grantor fails to promptly perform or comply with any of the terms and conditions set forth in Sections 4.17 or 5.06.

Section 6.06. Other Obligations. The Grantor fails to promptly perform or comply with any of the Obligations (other than those expressly described in other Sections of this Article VI), and such failure continues uncured for a period of thirty (30) days after Notice from the Beneficiary to the Grantor.

Section 6.07. Event of Default Under Other Financing Documents. An Event of Default (as defined therein) occurs under any of the Financing Documents other than this Deed of Trust.

Section 6.08. Change in Zoning or Public Restriction. Any change in any zoning ordinance or regulation or any other public restriction is enacted, adopted or implemented, that limits or defines the uses which may be made of the Property such that the present or intended

use of the Property, as specified in the Financing Documents, would be in violation of such zoning ordinance or regulation or public restriction, as changed.

Section 6.09. Default Under Other Lien Documents. A default occurs under any other mortgage, deed of trust or security agreement covering all or any portion of the Property, including, without limitation, any Permitted Encumbrances.

Section 6.10. Voluntary Bankruptcy, etc. Either the Borrower or the Grantor (a) applies for, or consents in writing to, the appointment of a receiver, trustee or liquidator of the Borrower or the Grantor or of the Property or of all or substantially all of the Borrower's or the Grantor's other assets, or (b) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they become due, or (c) makes a general assignment for the benefit of creditors, or (d) files a petition or an answer seeking a reorganization (other than a reorganization not involving the liabilities of the Borrower or the Grantor) or an arrangement with creditors or takes advantage of any bankruptcy or insolvency law, or (e) files an answer admitting the material allegations of a petition filed against the Borrower or the Grantor in any bankruptcy, reorganization or insolvency proceeding.

Section 6.11. Involuntary Bankruptcy, etc. An order, judgment or decree is entered by any court of competent jurisdiction on the application of a creditor adjudicating the Borrower or the Grantor as bankrupt or insolvent, or appointing a receiver, trustee or liquidator of the Borrower or the Grantor or of the Property, or of all or substantially all of the Borrower's or the Grantor's other assets, and such order, judgment or decree continues unstayed and in effect for a period of sixty (60) days from the date entered.

Section 6.12. Execution; Attachment. Any execution or attachment is levied against the Property, and such execution or attachment is not set aside, discharged or stayed within thirty (30) days after the same is levied.

Section 6.13. Judgment. Unless adequately covered by insurance in the opinion of the Beneficiary, the entry of a final judgment for the payment of money involving more than \$10,000 against the Borrower or the Grantor and the failure by the Borrower or the Grantor to discharge the same, or cause it to be discharged, or bonded off to the Beneficiary's satisfaction, within thirty (30) days from the date of the order, decree or process under which or pursuant to which such judgment was entered.

Section 6.14. Change in Business Status. Unless the written consent of the Beneficiary is previously obtained, the sale of all or substantially all of the business assets of the Borrower or the Grantor, or the commencement of any proceeding to dissolve or liquidate the Borrower, or the occurrence of any change in the form of business entity through which the Borrower or the Grantor presently conducts its business, or the occurrence of any merger or consolidation involving the Borrower.

Section 6.15. Default Under Other Indebtedness. Either the Borrower or the Grantor fails to pay any indebtedness of the Borrower or the Grantor (other than the Note) when and as due and payable (whether by acceleration or otherwise).

Section 6.16. Death; Disability. The Grantor dies or becomes a "Disabled Person" (as defined in Section 13-101 of the Estates and Trusts Article of the Annotated Code of Maryland).

Section 6.17. Default Under Indemnification Agreement. A default shall occur under the terms of a letter of even date herewith from the Grantor and the Borrower to the Beneficiary regarding indemnification of the Beneficiary.

Article VII. Rights and Remedies. Upon the occurrence of any Event of Default, the Beneficiary, or the Trustees at the direction of the Beneficiary, may at any time thereafter exercise any of the following rights, powers or remedies:

Section 7.01. Acceleration. The Beneficiary may declare (without Notice to the Grantor and without presentment, demand, protest or notice of protest or of dishonor, all of which the Grantor hereby waives) the Obligations to be immediately due and payable.

Section 7.02. Foreclosure. The Trustees may take possession of and sell the Property, or any part thereof requested by the Beneficiary to be sold, and in connection therewith the Grantor hereby (a) assents to the passage of a decree for the sale of the Property by the equity court having jurisdiction, and (b) authorizes and empowers the Trustees to take possession of and sell (or in case of the default of any purchaser to resell) the Property, or any part thereof, all in accordance with the Laws or rules of court relating to deeds of trust, including any amendments thereof, or additions thereto, which do not materially change or impair the remedy. In connection with any foreclosure, the Beneficiary and/or the Trustees may (a) procure such title reports, surveys, tax histories and appraisals as they deem necessary, and (b) make such repairs and Additions to the Property as they deem advisable, all of which shall constitute Expenses. In case of any sale under this Deed of Trust, by virtue of judicial proceedings or otherwise, the Property may be sold as an entirety or in parcels, by one sale or by several sales, as may be deemed by the Trustees to be appropriate and without regard to any right of the Grantor or any other Person to the marshalling of assets. Any sale hereunder may be made at public auction, at such time or times, at such place or places, and upon such terms and conditions and after such previous public notice as the Trustees shall deem appropriate and advantageous and as required by Law. Upon the terms of such sale being complied with, the Trustees shall convey to, and at the cost of, the purchaser or purchasers the interest of the Grantor in the Property so sold, free and discharged of and from all estate, title or interest of the Grantor, at law or in equity, such purchaser or purchasers being hereby discharged from all liability to see to the application of the purchase money. The proceeds of such sale or sales under this Deed of Trust, whether under the assent to a decree, the power of sale, or by equitable foreclosure, shall be held by the Trustees and applied as follows: First, to pay (a) all Expenses incurred in connection with such sale or in preparing the Property for such sale including, among other things, a counsel fee of \$2,500 to the attorneys representing the Beneficiary and the Trustees for conducting the proceedings if without contest, but if legal services be rendered to the Trustees and the Beneficiary in connection with any contested matter in the proceedings, then such other counsel fees shall be allowed and paid out of the proceeds of such sale or sales as the court having jurisdiction may deem proper, and (b) a trustees' commission equal to the commission allowed trustees for making sales of property

under decrees of the equity court having jurisdiction; Second, to pay all of the Obligations and all interest then due and accrued thereon, which shall include interest through the date of ratification of the auditor's account; and Lastly, to pay the surplus, if any, to the Grantor or any Person entitled thereto upon surrender and delivery to the purchaser or purchasers of the Property, and less the Expenses, if any, of obtaining possession. Immediately upon the filing of any foreclosure under this Deed of Trust, there shall also become due and owing by the Grantor a commission on the total amount of the Obligations then due equal to one-half of the percentage allowed as commission to trustees making sales under orders or decrees of the equity court having jurisdiction, and no Person shall be required to receive only the aggregate amount of the Obligations to the date of payment unless the same is accompanied by a tender of such commission.

Section 7.03. Taking Possession or Control of the Property. As a matter of right without regard to the adequacy of the security, and to the extent permitted by law without Notice to the Grantor, the Beneficiary shall be entitled, upon application to a court of competent jurisdiction, to the immediate appointment of a receiver for all or any part of the Property and the Rents, whether such receivership be incidental to a proposed sale of the Property or otherwise, and the Grantor hereby consents to the appointment of such a receiver. In addition, to the extent permitted by Law, and with or without the appointment of a receiver, or an application therefor, the Beneficiary may (a) enter upon, and take possession of (and the Grantor shall surrender actual possession of), the Property or any part thereof, without Notice to the Grantor and without bringing any legal action or proceeding, or, if necessary by force, legal proceedings, ejectment or otherwise, and (b) remove and exclude the Grantor and its agents and employees therefrom.

Section 7.04. Management of the Property. Upon obtaining possession of the Property or upon the appointment of a receiver as described in Section 7.03, the Beneficiary, the Trustees or the receiver, as the case may be, may, at their sole option, (a) make all necessary or proper repairs and Additions to or upon the Property, (b) operate, maintain, control, make secure and preserve the Property, (c) receive all Rents, and (d) complete the construction of any unfinished Improvements on the Property and, in connection therewith, continue any and all outstanding contracts for the erection and completion of such Improvements and make and enter into any further contracts which may be necessary, either in their or its own name or in the name of the Grantor (the cost of completing the Improvements shall be Expenses secured by this Deed of Trust and accrue interest as set forth in Section 4.19). In so doing, the Beneficiary, the Trustees or such receiver shall have the right to manage the Property and to carry on the business of the Grantor and may exercise all of the rights and powers of the Grantor, either in the name of the Grantor, or otherwise, including, but without limiting the generality of the foregoing, the right to lease the Property, to cancel, modify, renew or extend any Lease or sub-lease of the Property and to carry on any contracts entered into by the Grantor with respect to the Property. The Beneficiary, the Trustees or such receiver shall be under no liability for, or by reason of, any such taking of possession, entry, holding, removal, maintaining, operation or management, except for gross negligence or willful misconduct. Any Rents received shall be applied (a) first, to pay all Expenses, and (b) the balance, if any, to payment of the other Obligations. The Grantor shall pay on demand to the Beneficiary, the receiver or the Trustees (as the case may be) the amount of any deficiency between (a) the Rents received by the Beneficiary, the receiver or the Trustees, and (b) all Expenses incurred together with interest thereon at the Reimbursement

Rate as provided in Section 4.19. The exercise of the remedies provided in this Section shall not cure or waive any Event of Default, and the enforcement of such remedies, once commenced, shall continue for so long as the Beneficiary shall elect, notwithstanding the fact that the exercise of such remedies may have, for a time, cured the original Event of Default.

Section 7.05. Uniform Commercial Code. The Beneficiary may proceed under the Uniform Commercial Code of the State as to all or any part of the Personalty, and in conjunction therewith may exercise all of the rights, remedies and powers of a secured creditor under the Uniform Commercial Code of the State. Upon the occurrence of any Event of Default, the Grantor shall assemble all of the Equipment and make the same available within the Improvements. Any notification required by Section 9-611 of the Uniform Commercial Code of the State shall be deemed reasonably and properly given if sent in accordance with the Notice provision of this Deed of Trust at least ten (10) days before any sale or other disposition of the Personalty. Disposition of the Personalty shall be deemed commercially reasonable if made pursuant to a public sale advertised at least twice in a newspaper of general circulation in the community where the Property is located. Proceeds from any such sale shall be applied as follows: (a) first, to pay all Expenses incurred in connection with the sale, and (b) the balance, if any, to payment of the other Obligations.

Section 7.06. Other Remedies. The Beneficiary shall have the right from time to time to enforce any legal or equitable remedy against the Grantor and to sue the Grantor for any sums (whether interest, damages for failure to pay principal or any installments thereof, taxes, or any other sums required to be paid under the terms of this Deed of Trust, as the same become due), without regard to whether or not any other of the Obligations shall be due, and without prejudice to the right of the Beneficiary thereafter to enforce any appropriate remedy against the Grantor, including, without limitation, an action of foreclosure or an action for specific performance, for a Default by the Grantor existing at the time such earlier action was commenced.

Section 7.07. Remedies, etc. Cumulative. Each right, power and remedy of the Beneficiary or the Trustees as provided for in this Deed of Trust, or in any of the other Financing Documents or now or hereafter existing by Law, shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Deed of Trust, or in any of the other Financing Documents or now or hereafter existing by Law, and the exercise or beginning of the exercise by the Beneficiary or the Trustees of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Beneficiary or the Trustees of any or all such other rights, powers or remedies.

Section 7.08. No Waiver by Beneficiary etc. No course of dealing or conduct between the Beneficiary, the Trustees and the Grantor shall be effective to amend, modify or change any provisions of this Deed of Trust or the other Financing Documents. No failure or delay by the Beneficiary or the Trustees to insist upon the strict performance of any term, covenant or agreement of this Deed of Trust or of any of the other Financing Documents, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, covenant or agreement or of any such breach, or preclude the Beneficiary or the Trustees from exercising any such right, power or remedy at any later time or times. By

accepting payment after the due date of any of the Obligations, the Beneficiary or the Trustees shall not be deemed to waive the right either to require prompt payment when due of all other Obligations, or to declare an Event of Default for failure to make prompt payment of any such other Obligations. Neither the Grantor nor any other Person now or hereafter obligated for the payment of the whole or any part of the Obligations shall be relieved of such liability by reason of (a) the failure of the Beneficiary to comply with any request of the Grantor or of any other Person to take action to foreclose this Deed of Trust or otherwise enforce any of the provisions of this Deed of Trust, or (b) any agreement or stipulation between any subsequent owner or owners of the Property and the Beneficiary, or (c) the Beneficiary extending the time of payment or modifying the terms of this Deed of Trust or any of the other Financing Documents without first having obtained the consent of the Grantor or such other Person. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate Lien on the Property, the Beneficiary may release any Person at any time liable for any of the Obligations or any part of the security for the Obligations, and may extend the time of payment or otherwise modify the terms of this Deed of Trust or any of the other Financing Documents without in any way impairing or affecting the Lien of this Deed of Trust or the priority of this Deed of Trust over any subordinate Lien. The holder of any subordinate Lien shall have no right to terminate any Lease regardless of whether or not such Lease is subordinate to this Deed of Trust. The Beneficiary may resort to the security or collateral described in this Deed of Trust or any of the other Financing Documents in such order and manner as the Beneficiary may elect in its sole discretion.

Section 7.09. Waivers and Agreements Regarding Remedies. To the full extent the Grantor may do so, the Grantor hereby:

(a) agrees that it will not at any time plead, claim or take advantage of any Laws now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption, and waives and releases all rights of redemption, valuation, appraisal, stay of execution, extension and notice of election to accelerate the Obligations;

(b) waives all rights to a marshalling of the assets of the Grantor, including without limitation, the Property, or to a sale in the inverse order of alienation in the event of a foreclosure of the Property, and agrees not to assert any right under any Law pertaining to the marshalling of assets, the sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents, or other matters whatsoever to defeat, reduce or affect the right of the Beneficiary under the terms of this Deed of Trust to a sale of the Property without any prior or different resort for collection, or the right of the Beneficiary to the payment of the Obligations out of the proceeds of sale of the Property in preference to every other claimant whatsoever;

(c) waives any right to bring or utilize any defense, counterclaim or setoff, other than one which denies the existence or sufficiency of the facts upon which any foreclosure action is grounded. If any defense, counterclaim or setoff, other than one permitted by the preceding clause, is timely raised in a foreclosure action, such defense, counterclaim or setoff shall be dismissed. If such defense, counterclaim or setoff is based on a Claim which could be tried in an action for money damages, such Claim may be brought in a separate action which

shall not thereafter be consolidated with the foreclosure action. The bringing of such separate action for money damages shall not be deemed to afford any grounds for staying the foreclosure action; and

(d) waives and relinquishes any and all rights and remedies which the Grantor may have or be able to assert by reason of the provisions of any Laws pertaining to the rights and remedies of sureties.

Section 7.10. Setoff. The Beneficiary may set off against and apply any funds of the Grantor on deposit with, or under the control of, the Beneficiary to the payment of the Obligations, without Notice and without resort to any judicial proceeding.

Article VIII. The Trustees.

Section 8.01. Liability of the Trustees. The Trustees shall have no liability or responsibility for, and make no warranties in connection with, the validity or enforceability of any of the Financing Documents or the description, value or status of title to the Property. The Trustees shall be protected in acting upon any notice, request, consent, demand, statement, note or other paper or document believed by them to be genuine and to have been signed by the party or parties purporting to sign the same. The Trustees shall not be liable for any error of judgment, nor for any act done or step taken or omitted, nor for any mistakes of law or fact, nor for anything which the Trustees may do or refrain from doing in good faith, nor generally shall the Trustees have any accountability hereunder except for willful misconduct or gross negligence. The powers and duties of the Trustees hereunder may be exercised through such attorneys, agents or servants as they may appoint, and the Trustees shall have no liability or responsibility for any act, failure to act, negligence or willful conduct of such attorney, agent or servant, so long as they were selected with reasonable care. In addition, the Trustees may consult with legal counsel selected by them and the Trustees shall have no liability or responsibility by reason of any act or failure to act in accordance with the opinions of such counsel. The Trustees may act hereunder and may sell or otherwise dispose of the Property or any part thereof as herein provided, although the Trustees have been, may now be or may hereafter be, attorneys, officers, agents or employees of the Beneficiary, in respect of any matter of business whatsoever. The Trustees, however, shall have no obligation to sell all or any part of the Property following an Event of Default or to take any other action authorized to be taken by them hereunder except upon the demand of the Beneficiary.

Section 8.02. Substitution of Trustees, etc. The Beneficiary shall have, and is hereby granted with warranty of further assurances, the irrevocable power to appoint a new or replacement or substitute Trustee or Trustees. Such power may be exercised at any time without notice, without cause and without specifying any reason therefor, by filing for record in the office where this Deed of Trust is recorded a Deed of Appointment. The power of appointment of a successor Trustee or Trustees may be exercised as often as and whenever the Beneficiary may choose, and the exercise of the power of appointment, no matter how often, shall not be an exhaustion thereof. Upon the recordation of such Deed or Deeds of Appointment, the Trustee or Trustees so appointed shall thereupon, without any further act or deed of conveyance, become fully vested with identically the same title and estate in and to the Property and with all the

rights, powers, trusts and duties of their, his or its predecessor in the trust hereunder with like effect as if originally named as Trustees or as one of the Trustees hereunder. Whenever in this Deed of Trust reference is made to the Trustees, it shall be construed to mean the Trustee or Trustees for the time being, whether original or successors or successor in trust. All title, estate, rights, powers, trusts and duties hereunder given or appertaining to or devolving upon the Trustees shall be in each of the Trustees so that any action hereunder or purporting to be hereunder of any one of the original or any successor Trustees shall for all purposes be considered to be, and as effective as, the action of all the Trustees.

Article IX. Miscellaneous.

Section 9.01. Application of Moneys. Whenever it is provided in this Deed of Trust for any moneys to be applied to payment of the Obligations, and no express order of payment is set forth, such moneys shall be applied to the Obligations in such order and manner as the Beneficiary may determine in its sole discretion.

Section 9.02. Further Assurances. At any time, and from time to time, upon request by the Beneficiary, the Grantor will, at the Grantor's expense, (a) correct any defect, error or omission which may be discovered in the form or content of any of the Financing Documents, and (b) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the opinion of the Beneficiary, be necessary or desirable in order to complete, perfect or continue and preserve the Lien of this Deed of Trust. Upon any failure by the Grantor to do so, the Beneficiary may make, execute and record any and all such instruments, certificates and documents for and in the name of the Grantor, all at the sole expense of the Grantor, and the Grantor hereby irrevocably appoints the Beneficiary the agent and attorney-in-fact of the Grantor to do so, this appointment being coupled with an interest. With respect to any financing statement, the Grantor agrees that a carbon, photographic or other reproduction of a security agreement or a financing statement is sufficient as a financing statement for purposes of Section 9-502 of the Uniform Commercial Code of the State.

Section 9.03. Notices. All Notices shall be deemed to have been received when delivered by hand, when delivered to an overnight courier, or when deposited in the mail in the manner provided for in the definition of Notices set forth in Article I above.

Section 9.04. Successors and Assigns. All of the grants, covenants, terms, provisions and conditions of this Deed of Trust shall run with the Land and shall apply to and bind the successors and assigns of the Grantor (including any permitted subsequent owner of the Property), and inure to the benefit of the Beneficiary, its successors and assigns and to the successors in trust of the Trustees.

Section 9.05. No Warranty by Beneficiary or Trustees. By inspecting the Property or by accepting or approving anything required to be observed, performed or fulfilled by the Grantor or to be given to the Beneficiary or the Trustees pursuant to this Deed of Trust or any of the other Financing Documents, the Beneficiary and the Trustees shall not be deemed to have warranted or represented the condition, sufficiency, legality, effectiveness or legal effect of

the same, and such acceptance or approval shall not constitute any warranty or representation with respect thereto by the Beneficiary or the Trustees.

Section 9.06. Amendments. This Deed of Trust may not be modified or amended except by an agreement in writing, signed by the party against whom enforcement of the change is sought.

Section 9.07. Illegality. If fulfillment of any provision of this Deed of Trust or any transaction related hereto shall at any time involve transcending the limit of validity prescribed by Law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provision herein contained, other than the provisions requiring the Grantor to pay the Obligations, operates or would prospectively operate to invalidate this Deed of Trust in whole or in part, then such clause or provision only shall be void, as though not herein contained, and the remainder of this Deed of Trust shall remain operative and in full force and effect; and if such clause or provision requires the Grantor to pay any of the Obligations, then at the sole option of the Beneficiary, all of the Obligations shall become due and payable.

Section 9.08. Governing Law. This Deed of Trust is being executed and delivered in the State and shall be construed, governed and enforced in accordance with the Laws in effect from time to time in the State.

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EXHIBIT "A"

Exhibit A Property Description

All that certain real property lying and being situated in Baltimore City, Maryland, and more particularly described as follows:

BEGINNING for the first thereof at the north side of Redwood Street formerly German Street at the point of beginning described in a deed from Margaret McHenry to John Boyd, dated August 4, 1826 and recorded among the Land Records of Baltimore County now City in Liber W.G. No. 184, folio 191, being one hundred and fifty seven feet six inches easterly from the northeast corner of Calvert and Redwood Streets and running thence northerly parallel with Calvert Street, fifty feet two and one-half inches to the extent of the possession, thence easterly parallel with Redwood Street or nearly so, eighteen feet five inches; thence southerly as possessed one foot three fourths of an inch; thence easterly parallel with Redwood Street or nearly so twenty-nine feet eleven inches, more or less, to an alley nine feet wide as referred to in the deed from John T. Smith and wife to George Rogers; thence southerly on the west side of said alley forty-nine feet seven inches to Redwood Street and thence westerly, bounding on the north side of Redwood Street; forty eight feet three inches, more or less, to the place of beginning.

BEGINNING for the second thereof on the south side of Rogers alley, at the end of the first line of the whole lot of ground described in a deed of assignment from Philip Rogers to Robert Moore bearing date December 2, 1778 and recorded among the Land Records of Baltimore County now City in Liber W.G. No. C folio 233, and running thence easterly, binding on said alley nineteen feet three inches, more or less, to the lot formerly belonging to William Shirley, thence southerly, binding on that lot parallel with Calvert Street thirty-five feet, more or less, to a point in line with the second line of the lot of ground described in the lease from Margaret D. McKim to the Baltimore Stock Exchange Building Company of Baltimore City, dated June 30, 1880 and recorded among the Land Records of Baltimore City in Liber F.A.P. No. 876, folio 152; thence westerly and binding on said second line parallel with Rogers alley nineteen feet three inches, more or less, to the first line assigned as aforesaid by Phillip Rogers to Robert Moore, thence northerly parallel with Calvert Street, and binding on that line thirty-five feet, more or less to the place of beginning.

BEGINNING for the third thereof on the south side of an alley called Rogers alley at a bend or angle in the same at the distance of about twenty-one feet nine inches easterly from the northeast corner of the parcel of ground assigned and set over by Robert Moore to a certain William Wilson by deed dated August 27, 1785 and recorded among the Land Records of Baltimore County in Liber W.G. X folio 260, and running thence westerly bounding on said alley twenty-one feet nine inches, more or less, to the end of the first line of said Wilson's lot; thence southerly, bounding on said lot thirty-four feet nine inches to the end of the second line of said Wilson's lot; thence westerly parallel to Redwood Street formerly German Street two feet; thence southerly parallel to Calvert Street two feet six inches; thence easterly, parallel to Redwood Street Thirty-two feet nine inches, more or less, to a nine foot alley; thence bounding on said alley by a straight line north twenty-nine feet six inches, more or less, to the northeasternmost edge of a

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stone planted at a bend or angle of said nine foot alley, said last given course and distance being taken to the base of said stone and thence northwesterly by a straight line to the place of beginning.

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BEGINNING for the fourth thereof on the line of the north side of Redwood Street, formerly German Street, at the distance of one hundred and fifty-seven feet six inches easterly from the intersection of the north side of Redwood Street and the east side of Calvert Street, at the end of the third line of the second lot described in the deed from Nicholas Rogers to William Wilson aforesaid, and running thence easterly, bounding on the north side of Redwood Street, thirteen and one-fourth inches; thence northerly at right angles to Redwood Street eighty-six feet, more or less, to Rogers alley; thence westerly on the south side of said alley thirteen and one-fourth inches, more or less, to the beginning of the said third line of the second lot in said third line of the second lot in said deed from Nicholas Rogers to William Wilson above to and thence southerly, binding on said third line eighty-six feet, more or less, to the place of beginning. The improvements thereon being known as No. 208-210 E. Redwood Street.

Exhibit F

PLEDGE, ASSIGNMENT AND SECURITY AGREEMENT

THIS PLEDGE, ASSIGNMENT AND SECURITY AGREEMENT (this "Agreement") is made this ____ day of March, 2010, by MARK FRIEDMAN, a Maryland resident (the "Guarantor") for the benefit of David A. Gill, solely in his capacity as the Permanent Receiver (the "Receiver") of Diversified Lending Group, Inc., Applied Equities, Inc., and their subsidiaries and affiliates, including but not limited to MMHIM, Inc., and DLG International).

RECITALS

A. The Guarantor has entered into that certain Guaranty of Payment Agreement dated of even date herewith for the benefit of the Receiver (the "Guaranty"), which guarantees the obligations of FRIEDMAN & MACFADYEN, P.A., a Maryland professional association (the "Borrower") under the terms of that certain Settlement Agreement dated of even date herewith by and between the Borrower and the Receiver (the "Settlement Agreement") and the Borrower's Confessed Judgment Promissory Note, payable to the Receiver, in the original principal amount of Six Million Dollars (the "Note"). It is a condition precedent, among others, to the Receiver's agreement to enter into the Settlement Agreement and to make the financial accommodations thereunder that the Guarantor enter into this Agreement in order to further secure the full and prompt performance all of the "Obligations," as that terms defined in the Indemnity Deed of Trust, Assignment and Security Agreement (the "IDOT") executed and delivered by Guarantor contemporaneously herewith.

C. The Guarantor is a principal of the Borrower and will benefit from the financial accommodations made by the Receiver to the Borrower under the terms of the Settlement Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the Receiver's entering into the Settlement Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guarantor hereby agrees as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions.

As used in this Agreement, the terms defined in the Preamble and Recitals hereto shall have the respective meanings specified therein and capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Guaranty. Further, as used in this Agreement:

"Enforcement Costs" means all expenses, charges, costs and fees whatsoever (including, without limitation, reasonable attorney's fees and expenses) of any nature whatsoever paid or incurred by or on behalf of the Receiver (whether arising before or after the commencement of

any proceedings under the United States Bankruptcy Code or other applicable laws related to insolvency or otherwise and whether or now allowed or allowable as a claim in any such proceeding) in connection with (a) any or all of the Obligations, this Agreement and/or any of the other Settlement Documents, (b) the creation, perfection, collection, maintenance, preservation, defense, protection, realization upon, disposition, sale or enforcement of all or any part of the Stock Collateral, this Agreement or any of the other Settlement Documents, including, without limitation, amounts paid to lessors, processors, bailees, warehousemen, sureties, judgment creditors and others in possession of or with a Lien against or claimed against the Stock Collateral, and (c) the monitoring, administration, processing and/or servicing of any or all of the Obligations, the Settlement Documents, and/or the Stock Collateral.

“GAAP” means generally accepted accounting principles in the United States of America in effect from time to time.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or ~~administrative functions of or pertaining to government and any department, agency or instrumentality thereof.~~

“Holder” and “Holders” shall have the meanings ascribed thereto in Section 3.2(c) of this Agreement.

“Issuer” means the collective reference to the Borrower and any successors thereto, whether by merger or otherwise.

“Laws” means all ordinances, statutes, rules, regulations, orders, injunctions, writs, or decrees of any Governmental Authority.

“Lien” means any mortgage, deed of trust, deed to secure debt, grant, pledge, security interest, assignment, encumbrance, judgment, lien, financing statement, hypothecation, provision in any instrument or other document for confession of judgment, cognovit or other similar right or other remedy, claim, charge, control over or interest of any kind in real or personal property securing any indebtedness, duties, obligations, and liabilities owed to, or a claimed to be owed to, a Person, all whether perfected or unperfected, avoidable or unavoidable, based on the common law, statute or contract or otherwise, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction, excluding the precautionary filing of any financing statement by any lessor in a true lease transaction or by any bailor in a true bailment transaction under the Uniform Commercial Code of any jurisdiction or the agreement to give any financing statement by any lessee in a true lease transaction or by any bailee in a true bailment transaction.

“Person” means and includes an individual, a corporation, a partnership, a joint venture, a limited liability company or partnership, a trust, an unincorporated association, a Governmental Authority, or any other organization or entity.

“Post-Default Rate” means (10%) ten percent per annum.

“Proof of Claim in Bankruptcy”

“Settlement Documents” means at any time collectively this Agreement, the Guaranty, the Note, the IDOT, the Settlement Agreement and any other instrument, agreement or document previously, simultaneously or hereafter executed and delivered by the Borrower, any Guarantor and/or any other Person, singly or jointly with another Person or Persons, evidencing, securing, guarantying or in connection with this Agreement, the Guaranty, the Settlement Agreement and/or any of the Obligations.

“Stock Collateral” means the collective reference to the following, whether now owned or existing or hereafter acquired or arising:

(a) One hundred percent of the shares of the common stock (the “Stock”) of the Issuer;

(b) all stock rights, rights to subscribe, rights to distributions, dividends and other distributions (including, but not limited to, distributions in kind, cash dividends, stock dividends, dividends paid in stock, returns of capital and liquidating dividends) and all other rights, benefits, and property interests with respect to the Stock;

(c) all other or additional (or less) stock or other securities or property (including, without limitation, money or instruments) which may be received, receivable, or otherwise distributed in respect of or in exchange for, or as a replacement of or a substitution for the Stock by way of stock-split, spin-off, split-up, reclassification, combination of shares or similar corporate rearrangement or by reason of any consolidation, merger, exchange of stock, conveyance of assets, liquidation or similar corporate reorganization, or otherwise;

(d) all general intangibles, investment property, financial assets and security entitlements with respect to the foregoing; and

(e) all proceeds (both cash and noncash) of the foregoing.

“Uniform Commercial Code” means, unless otherwise provided in this Agreement, the Uniform Commercial Code as adopted by and in effect from time to time in the State of Maryland or in any other jurisdiction, as applicable.

Section 1.2 Construction.

Unless otherwise defined herein, as used in this Agreement and in any certificate, report or other document made or delivered pursuant hereto, accounting terms not otherwise defined herein, and accounting terms only partly defined herein, to the extent not defined, shall have the respective meanings given to them under GAAP, as consistently applied to the applicable Person. All terms used herein which are defined by the Uniform Commercial Code shall have the same meanings as assigned to them by the Uniform Commercial Code unless and to the extent varied by this Agreement.

The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, subsection, schedule and exhibit references are references to articles, sections or subsections of, or schedules or exhibits to, as the case may be, this Agreement unless otherwise specified. As used herein, the singular number shall include the plural, the plural the singular and the use of the masculine, feminine or neuter gender shall include all genders, as the context may require. Reference to any one or more of the Settlement Documents shall mean the same as the foregoing may from time to time be amended, restated, substituted, extended, renewed, supplemented or otherwise modified.

Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the Receiver or the Guarantor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by both of the parties and their respective counsel and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

~~The headings in this Agreement are included herein for convenience only, shall not constitute a part of this Agreement for any other purpose, and shall not be deemed to affect the meaning or construction of any of the provisions hereof.~~

ARTICLE II SECURITY

Section 2.1 The Stock Collateral.

As security for the prompt and full performance of the Obligations, and as security for the prompt and full performance of all obligations of the Guarantor under this Agreement and all, if any, other obligations of the Guarantor to the Receiver, all of the foregoing, whether now in existence or hereafter created and whether joint, several, or both, primary, secondary, direct, contingent or otherwise, the Guarantor hereby pledges, assigns and grants to the Receiver a security interest in the Stock Collateral.

Section 2.2 Rights of the Receiver in the Stock Collateral.

The Guarantor agrees that with respect to the Stock Collateral the Receiver shall have all the rights and remedies of a secured party under the Uniform Commercial Code, as well as those provided by law and/or in this Agreement, pertaining to (1) the right to receive any profits, income or distributions which would otherwise have been payable by or from the Issuer to Guarantor; and (2) the right to receive any and all proceed from the liquidation or winding down of the Issuer which would otherwise have been due and payable to the Guarantor. Notwithstanding the fact that the proceeds of the Stock Collateral constitute part of the Stock Collateral, the Guarantor may not dispose of the Stock Collateral, or any part thereof, unless and until the Obligations have been indefeasibly paid in full.

Section 2.3 Rights of the Guarantor in the Stock Collateral.

Until an Event of Default (as that term is defined in ARTICLE IV (Default and Rights and Remedies)) occurs, the Guarantor shall be entitled to receive all dividends and other distributions which may be paid on the Stock Collateral and which are not otherwise prohibited

by the Settlement Documents. Any cash dividend or distribution payable in respect of the Stock Collateral which represents, in whole or in part a return of capital or a violation of this Agreement or the other Settlement Documents shall be received by the Guarantor in trust for the Receiver, shall be paid immediately to the Receiver and shall be retained by the Receiver as part of the Stock Collateral.

ARTICLE III
REPRESENTATIONS, WARRANTIES AND COVENANTS

The Guarantor represents and warrants to the Receiver, as follows:

Section 3.1 Stock Interests.

The Stock represents one hundred percent (100%) of the equity interests of the Issuer. The Guarantor has not previously assigned, pledged, or transferred the Stock or Stock Collateral to any Person.

Section 3.2 Delivery and Registration of Stock Collateral.

(a) All certificates or instruments representing or evidencing any of the Stock Collateral shall be immediately delivered by the Guarantor to the Receiver or the Receiver's designee pursuant hereto at a location designated by the Receiver, shall be held by or on behalf of the Receiver pursuant to this Agreement, and shall be in suitable form for transfer by delivery, or shall be accompanied by executed irrevocable, blank stock powers (or other instrument of transfer or assignment in blank) for each of the certificates and instruments, all in number, form and substance satisfactory to the Receiver and its counsel.

(b) Upon the occurrence and during the continuance of an Event of Default, the Receiver shall have the right, at any time in its discretion and without notice to the Guarantor, to transfer to or to register on the books of the Issuer (or of any other Person maintaining records with respect to the Stock Collateral) in the name of the Receiver or any of its nominees any or all of the Stock Collateral. In addition, the Receiver shall have the right at any time to exchange certificates or instruments representing or evidencing Stock Collateral for certificates or instruments of smaller or larger denominations.

(c) If, at any time and from time to time, any Stock Collateral (including any certificate or instrument representing or evidencing any Stock Collateral) is in the possession of a Person other than the Receiver or the Guarantor (a "Holder"), then the Guarantor shall immediately, at the Receiver's option, either cause such Stock Collateral to be delivered into the Receiver's possession, or cause such Holder to enter into a control agreement, in form and substance satisfactory to the Receiver, and take all other steps deemed necessary by the Receiver to perfect by control the security interest of the Receiver in such Stock Collateral, all pursuant to the Uniform Commercial Code or other applicable law governing the perfection of the Receiver's security interest in the Stock Collateral in the possession of such Holder.

(d) If, at any time and from time to time, any Stock Collateral is a security entitlement, then the Guarantor shall immediately cause the financial intermediary with respect to such security entitlement to enter into a control agreement, in form and substance satisfactory

to the Receiver, and take all other steps deemed necessary by the Receiver to perfect the security interest of the Receiver in such security entitlement by control, all pursuant to the Uniform Commercial Code or other applicable law governing the perfection of the Receiver's security interest in the security entitlement.

(e) Any and all Stock Collateral (including, without limitation, dividends, interest, and other cash distributions) at any time received or held by the Guarantor shall be so received or held in trust for the Receiver, shall be segregated from other funds and property of the Guarantor and shall be forthwith delivered to the Receiver in the same form as so received or held, with any necessary endorsements.

(f) If at any time, and from time to time, any Stock Collateral consists of an uncertificated security or a security in book entry form, then the Guarantor shall immediately cause such Stock Collateral to be registered or entered, as the case may be, in the name of the Receiver, or otherwise cause the Receiver's security interest thereon to be perfected in accordance with applicable Laws.

Section 3.3 Defense of Title and Further Assurances.

The Guarantor will do or cause to be done all things necessary to preserve and to keep in full force and effect its interests in the Stock Collateral, and shall defend, at its sole expense, the title to the Stock Collateral and any part thereof. Further, the Guarantor shall promptly, upon request by the Receiver, execute, acknowledge and deliver any financing statement, endorsement, renewal, affidavit, deed, assignment, continuation statement, security agreement, certificate or other document as the Receiver may require in order to perfect, preserve, maintain, protect, continue, realize upon, and/or extend the lien and security interest of the Receiver under this Agreement and the priority thereof. The Guarantor shall pay to the Receiver upon demand all taxes, costs and expenses (including but not limited to reasonable attorney's fees) incurred by the Receiver in connection with the preparation, execution, recording and filing of any such document or instrument mentioned aforesaid.

Section 3.4 Protection of Stock Collateral.

The Guarantor agrees that the Receiver may at any time take such steps as the Receiver deems reasonably necessary to protect the Receiver's interest in, and to preserve the Stock Collateral. The Guarantor agrees to cooperate fully with the Receiver's efforts to preserve the Stock Collateral and will take such actions to preserve the Stock Collateral as the Receiver may in good faith direct. All of the Receiver's expenses of preserving the Stock Collateral, including, without limitation, reasonable attorneys' fees, shall be part of the Enforcement Costs.

Section 3.5 Certain Notices.

The Guarantor will promptly notify the Receiver in writing of any Event of Default and of any litigation, regulatory proceeding, or other event which materially and adversely affects the value of the Stock Collateral, the ability of the Guarantor or the Receiver to dispose of the Stock Collateral, or the rights and remedies of the Receiver in relation thereto. Upon receipt by the Guarantor of any material notice, report, or other communication from the Issuer or any Holder relating to all or any part of the Stock Collateral, deliver such notice, report or other

communication to the Receiver as soon as possible, but in no event later than five (5) days following the receipt thereof by the Guarantor.

Section 3.6 Books and Records; Information.

(a) The Guarantor shall maintain proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to the Stock Collateral and which reflect the Lien of the Receiver thereon.

(b) The Guarantor agrees that the Receiver may from time to time and at its option (i) require the Guarantor to, and the Guarantor shall, periodically deliver to the Receiver records and schedules, which show the status of the Stock Collateral and such other matters which affect the Stock Collateral; (ii) verify the Stock Collateral and inspect the books and records of the Guarantor and make copies thereof or extracts therefrom; (iii) notify any prospective buyers or transferees of the Stock Collateral or any other Persons of the Receiver's interest in the Stock Collateral; and (iv) disclose to prospective buyers or transferees from the Receiver any and all information regarding the Issuer, the Stock Collateral and/or the Guarantor.

Section 3.7 Disposition of Stock Collateral.

The Guarantor will not sell, discount, allow credits or allowances, assign, extend the time for payment on, convey, lease, assign, transfer or otherwise dispose of the Stock Collateral or any part thereof.

Section 3.8 Survival.

All representations and warranties contained in or made under or in connection with this Agreement and the other Settlement Documents shall survive the incurring of any other Obligations and the other obligations secured by this Agreement.

ARTICLE IV
DEFAULT AND RIGHTS AND REMEDIES

Section 4.1 Events of Default.

The occurrence of any one or more of the following events shall constitute an "Event of Default" under the provisions of this Agreement:

4.1.1 Default under Guaranty.

An Event of Default shall occur under the Guaranty.

4.1.2 Default under this Agreement.

The Guarantor shall fail to duly perform, comply with or observe any of the terms, conditions, covenants or agreements contained in of this Agreement.

4.1.3 Default under Settlement Documents

A default or event of default (as therein defined or described) shall occur under any of the Settlement Documents.

Section 4.2 Remedies.

Upon the occurrence of an Event of Default, the Receiver may at any time thereafter exercise any one or more of the following rights, powers or remedies:

4.2.1 Uniform Commercial Code.

(a) The Receiver shall have all of the rights and remedies of a secured party under the applicable Uniform Commercial Code and other applicable Laws. Upon demand by the Receiver, the Guarantor shall assemble the Stock Collateral and make it available to the Receiver, at a place designated by the Receiver. The Receiver or its agents may without notice from time to time enter upon the Guarantor's premises to take possession of the Stock Collateral, to remove it, or otherwise to prepare it for sale, or to sell or otherwise dispose of it.

4.2.2 Specific Rights With Regard to Stock Collateral.

In addition to all other rights and remedies provided hereunder or as shall exist at law or in equity from time to time, the Receiver may (but shall be under no obligation to), without notice to the Guarantor, and the Guarantor hereby irrevocably appoints the Receiver as its attorney-in-fact, with power of substitution, in the name of the Receiver or in the name of the Guarantor or otherwise, for the use and benefit of the Receiver, but at the cost and expense of the Guarantor and without notice to the Guarantor:

(a) compromise, extend or renew any of the Stock Collateral or deal with the same as it may deem advisable;

(b) make exchanges, substitutions or surrenders of all or any part of the Stock Collateral;

(c) copy, transcribe, or remove from any place of business of the Guarantor all books, records, ledger sheets, correspondence, invoices and documents, relating to or evidencing any of the Stock Collateral or without cost or expense to the Receiver, make such use of the Guarantor's places of business as may be reasonably necessary to administer, control and collect the Stock Collateral;

(d) demand, collect, receipt for and give renewals, extensions, discharges and releases of any of the Stock Collateral;

(e) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, any of the Stock Collateral;

(f) settle, renew, extend, compromise, compound, exchange or adjust claims in respect of any of the Stock Collateral or any legal proceedings brought in respect thereof;

(g) endorse or sign the name of the Guarantor upon any items of payment, certificates of title, instruments, securities, powers, documents,

documents of title, or other writing relating to or part of the Stock Collateral and on any Proof of Claim in Bankruptcy against an account debtor; and

(h) take any other action necessary or beneficial to realize upon or dispose of the Stock Collateral.

4.2.3 Application of Proceeds.

Any proceeds of sale or other disposition of the Stock Collateral will be applied by the Receiver to the payment of the Enforcement Costs, and any balance of such proceeds will be applied by the Receiver to the payment of the balance of the Obligations and the other obligations secured by this Agreement in such order and manner of application as the Receiver may from time to time in its sole and absolute discretion determine. If the sale or other disposition of the Stock Collateral fails to fully satisfy the Obligations and the other obligations secured by this Agreement, the Guarantor shall remain liable to the Receiver for any deficiency.

4.2.4 Performance by Receiver.

If the Guarantor shall fail to perform, observe or comply with any of the conditions, covenants, terms, stipulations or agreements contained in this Agreement or any of the other Settlement Documents, the Receiver without notice to or demand upon the Guarantor and without waiving or releasing any of the Obligations or any Default or Event of Default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of the Guarantor, and may enter upon the premises of the Guarantor for that purpose and take all such action thereon as the Receiver may consider necessary or appropriate for such purpose and the Guarantor hereby irrevocably appoints the Receiver as its attorney-in-fact to do so, with power of substitution, in the name of the Receiver or in the name of the Guarantor or otherwise, for the use and benefit of the Receiver, but at the cost and expense of the Guarantor and without notice to the Guarantor. All sums so paid or advanced by the Receiver together with interest thereon from the date of payment, advance or incurring until paid in full at the Post-Default Rate and all costs and expenses, shall be deemed part of the Enforcement Costs, shall be paid by the Guarantor to the Receiver on demand, and shall constitute and become a part of the Obligations.

4.2.5 Other Remedies.

The Receiver may from time to time proceed to protect or enforce its rights by an action or actions at law or in equity or by any other appropriate proceeding, whether for the specific performance of any of the covenants contained in this Agreement or in any of the other Settlement Documents, or for an injunction against the violation of any of the terms of this Agreement or any of the other Financing Documents, or in aid of the exercise or execution of any right, remedy or power granted in this Agreement, the Settlement Documents, and/or applicable Laws.

Section 4.3 Costs and Expenses.

The Guarantor shall pay on demand all costs and expenses (including reasonable attorney's fees), all of which shall be deemed part of the Obligations, incurred by and on behalf

of the Receiver incident to any collection, servicing, sale, disposition or other action taken by the Receiver with respect to the Stock Collateral or any portion thereof.

Section 4.4 Receipt Sufficient Discharge to Purchaser.

Upon any sale or other disposition of the Stock Collateral or any part thereof, the receipt of the Receiver or other Person making the sale or disposition shall be a sufficient discharge to the purchaser for the purchase money, and such purchaser shall not be obligated to see to the application thereof.

Section 4.5 Remedies, etc. Cumulative.

Each right, power and remedy of the Receiver as provided for in this Agreement or in any of the other Settlement Documents or in any related instrument or agreement or now or thereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or in the other Settlement Documents or in any related document, instrument or agreement or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Receiver of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Receiver of any or all such other rights, powers or remedies.

Section 4.6 No Waiver, etc.

No failure or delay by the Receiver to insist upon the strict performance of any term, condition, covenant or agreement of this Agreement or of any of the other Settlement Documents or of any related documents, instruments or agreements, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, condition, covenant or agreement or of any such breach, or preclude the Receiver from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any amount payable under this Agreement or under any of the other Settlement Documents or under any related document, instrument or agreement, the Receiver shall not be deemed to waive the right either to require prompt payment when due of all other amounts payable under this Agreement or under any other of the Settlement Documents, or to declare a default for failure to effect such prompt payment of any such other amount.

ARTICLE V
MISCELLANEOUS

Section 5.1 Notices.

All notices, requests and demands to or upon the parties to this Agreement shall be in writing and shall be deemed to have been given or made in the manner provided for the giving of notices under the Guaranty.

Section 5.2 Guaranty Provisions.

The provisions of Article 11 of the Guaranty (including, without limitation, the waiver of trial by jury) are hereby incorporated by reference into this Agreement.

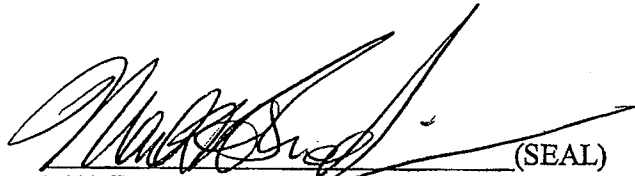
Section 5.3 Severability. If any provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, such invalidity, illegality or unenforceability shall not effect any other provision of this Agreement.

WHEREOF, the Guarantor has caused this Agreement to be executed, sealed and delivered, as of the day and year first written above.

WITNESS:



A handwritten signature in cursive script, appearing to read "A. S. ...", written over a horizontal line.



A handwritten signature in cursive script, appearing to read "Mark Friedman", written over a horizontal line.

(SEAL)

MARK FRIEDMAN, Individually

JOINDER

THE UNDERSIGNED hereby acknowledges and agrees to the terms of this Agreement. To the extent the terms of this Agreement conflict with the organizational documents of the undersigned, the undersigned agrees that the terms of this Agreement shall control and this Agreement shall be deemed to be an amendment and modification to such organizational documents. The person executing below personally represents and warrants that he has the ability and power to bind the undersigned entity.

FRIEDMAN & MACFADYEN, P.A.

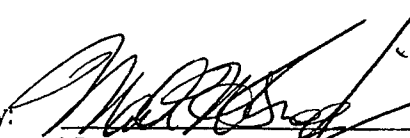
By:  (SEAL)
Name: MANCH FRIEDMAN
Title: PARTNER

Exhibit 2

1 GEORGE E. SCHULMAN (State Bar No. 064572)
 gschulman@dgdgk.com
 2 KATHY BAZOIAN PHELPS (State Bar No. 155564)
 kphelps@dgdgk.com
 3 GILBERT MIKALIAN (State Bar No. 244690)
 gmikalian@dgdgk.com
 4 DANNING, GILL, DIAMOND & KOLLITZ, LLP
 2029 Century Park East, Third Floor
 5 Los Angeles, California 90067-2904
 Telephone: (310) 277-0077
 6 Facsimile: (310) 277-5735

7 Attorneys for David A. Gill, Receiver

8 **UNITED STATES DISTRICT COURT**
 9 **CENTRAL DISTRICT OF CALIFORNIA**
 10 **WESTERN DIVISION**

12 SECURITIES AND EXCHANGE)
 COMMISSION,)
 13)
 Plaintiff,)
 14)
 vs.)
 15)
 16 DIVERSIFIED LENDING GROUP,)
 INC.; APPLIED EQUITIES, INC.; AND)
 BRUCE FRIEDMAN,)
 17)
 Defendants,)
 18)
 and)
 19)
 20 TINA M. PLACOURAKIS,)
)
 21 Relief Defendant.)

Case No. CV 09-01533-R-SS

**[PROPOSED] ORDER RE
 RECEIVER'S EX PARTE
 APPLICATION TO APPROVE
 SETTLEMENT AGREEMENT
 WITH MARK FRIEDMAN AND
 FRIEDMAN & MACFADYEN P.A.**

[No hearing requested]

22
 23 There came before this Court the *Receiver's Ex Parte Application to Approve*
 24 *Settlement Agreement with Mark Friedman and Friedman & MacFadyen P.A.*, filed
 25 by David A. Gill, the Receiver (the "Receiver") in the above-captioned case. The
 26 Application having been considered by the Court and, good cause appearing,

27 **IT IS HEREBY ORDERED** that:

- 28 1. The Application is GRANTED in its entirety.

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2. The terms and conditions set forth in the Settlement Agreement and Mutual Limited Release, attached as Exhibit "1" to the Declaration of David A. Gill in support of the Application is hereby approved.

3. The Receiver is hereby authorized to execute all documents and otherwise take all actions the Receiver deems necessary and appropriate to effectuate the settlement.

4. The form and manner of notice of the Application provided by the Receiver is appropriate.

Dated:

MANUEL L. REAL
United States District Judge

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PROOF OF SERVICE

I, Patricia Morris, declare:

I am employed by the law firm of DANNING, GILL, DIAMOND & KOLLITZ, LLP, in the County of Los Angeles, State of California. I am employed in the office of a member of the bar of this court at whose direction the service was made. I am over the age of 18 years and am not a party to the within action. My business address is 2029 Century Park East, Third Floor, Los Angeles, California 90067-2904.

On March 10, 2010, I served the following document(s):

RECEIVER'S EX PARTE APPLICATION TO APPROVE SETTLEMENT AGREEMENT WITH MARK FRIEDMAN AND FRIEDMAN & MACFADYEN P.A.; DECLARATIONS OF DAVID A. GILL AND KATHY BAZOIAN PHELPS

on the interested parties addressed as follows:

[SEE ATTACHED SERVICE LIST.]

(By Mail) I placed the document for collection and deposit in the mail. I am familiar with this firm's practice for the collection and processing of correspondence for mailing. Under that practice, the document would be placed in a sealed envelope and deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at 2029 Century Park East, Third Floor, Los Angeles, California 90067-2904, in the ordinary course of business. The documents served were placed in sealed envelopes and placed for collection and mailing following ordinary business practices.

I declare under penalty of perjury under the laws of the State of California and of the United States of America that the foregoing is true and correct.

Executed on March 10, 2010, at Los Angeles, California.

Patricia Morris
(Type or print name)

Patricia Morris
(Signature)

SERVICE LIST

**Attorneys for U.S. Securities
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