



**Borrower Automatic Payment (ACH)
Authorization Form**

Complete and sign this form, then return it, along with a voided check, to the address, email or fax number below. Retain a copy of this form and the Agreement on page 2 for your records. You must continue to make your scheduled monthly payments manually until you receive confirmation that your payments will be debited automatically. It may take up to two billing cycles before your account is set up for ACH payments. Once your account has been set up for ACH payments, if you change banks, you must submit a new Application for ACH to authorize the automated debit from the new account. Please place an "x" in one of the boxes below:

New ACH Authorization Form **Request to Change Information on Current ACH Authorization**

Borrower Information:

Name: _____ Loan Account Number: _____
 Address: _____
 Home Phone: _____ Cell Phone: _____ Work Phone: _____
 Email: _____

Financial Institution Information:

PLEASE BE SURE TO ATTACH A VOIDED CHECK

Name: _____ Address: _____
 City: _____ State: _____ Zip: _____

Routing (ABA) Number: _____ Account Number: _____

(always 9 digits)

Please confirm with your financial institution that your account can accept ACH credits and that you have provided the correct ABA/Routing number.

Your Name			
Your Address			
Your City, State, Zip			0123
Pay to the Order of _____		\$ _____	
Your Bank			Dollars
Memo			
012345678	0123456789	0123	

I have read the terms and conditions set forth on Page 2 and I hereby authorize Sandstone Properties, Inc. to initiate debit entries to my **Checking** **Savings** account indicated above and authorize the depository named above to debit the same to such account.

This authority is to remain in full force and effect until Sandstone Properties, Inc. and the above named depository have received notification from me of its termination in such time and such manner as set forth in the terms and conditions of this agreement. By signing below I represent and warrant that I am legally authorized to access funds from the account specified.

Signature: _____ Date: _____
 Bank Account Owner Signature*: _____ Date: _____

*Required only if the bank account owner is different from the borrower

Automatic Payment Agreement and Disclosure Statement *for recurring debit entry payment*

A. Preauthorized Automatic Payment (ACH)

Sandstone Properties, Inc. ("SP") will automatically transfer funds from the account designated on the Automatic Payment Authorization Form to the loan account(s) of your designation.

B. The Type and Nature of Automatic Payment (ACH)

Each preauthorized automatic payment to the loan account(s) of your designation will be made monthly on the due date of the loan payment(s) in question in an amount equal to your monthly loan installment as shown on your monthly statement. The amount transferred may vary based upon things like the variable interest rate which will be reflected on your monthly statements. You have the right to receive documentation concerning all automatic payments.

C. In Case of Errors or Questions About Your Automatic Payment (ACH)

All questions about automatic payments made under this Agreement must be directed to SP and not to the bank or other financial institution where you have your checking or savings account. SP is responsible for the automatic payment and for resolving any errors associated with the payment(s). You may contact SP in writing at Sandstone Properties, Inc., ACH Authorization, 10877 Wilshire Blvd., Suite 1105, Los Angeles, CA 90024 or by phone at 310-393-9000.

If you believe there are errors with a payment or if you have questions about a payment, contact SP as soon as possible. SP must hear from you no later than sixty (60) days after you have been sent the first bank statement on which the alleged error appeared.

In communicating with SP, you must at a minimum:

1. Provide your name, loan account number(s), and checking or savings account number.
2. Describe the alleged error or the transaction about which you are unsure, and explain why you believe there is an error or why you need more information.
3. Provide the dollar amount of the suspected error or unauthorized transfer.
4. Provide to SP a complete bank statement or letter from your financial institution as evidence of the alleged error.

If you contact SP by phone, you may be required to submit your complaint or question in writing at the address listed above within ten (10) business days following the phone conversation. SP will determine whether an error occurred within ten (10) business days following receipt of your notice regarding the alleged error or question and will correct any error promptly. If SP needs more time, however, it may take up to forty-five (45) days to investigate the alleged error or question(s). If SP decides it will need more than ten (10) days to investigate the alleged error or question(s), it will credit your checking or savings account within ten (10) business days of the receipt of your complaint or inquiry, for the amount you allege is in error, so that you will have use of the money during the time it takes SP to complete its investigation. Please note this will not negate your responsibility to make payments on your loan(s) as required by the terms and conditions of your promissory note(s) during the investigation. If SP requests that you submit the alleged error or question in writing and it does not receive the alleged error or question in writing within ten (10) business days, SP may at its discretion not credit your bank account. SP will notify you of the results of its investigation within three (3) business days after completing its investigation. If SP decides that there was no error, it will send you a written explanation. You may ask for copies of the documents that SP used in its investigation.

D. Your Liability for Unauthorized Payments Arising From This Agreement

If you believe that someone has transferred or may transfer money without your permission from your bank account in violation of your directions to SP under this Agreement, call SP at 310-393-9000 or write to SP at Sandstone Properties, Inc., ACH Authorization, 10877 Wilshire Blvd., Suite 1105, Los Angeles, CA 90024 or by phone at 310-393-9000. SP's business days of operation are Monday through Friday.

Contact SP immediately if you suspect an unauthorized automatic payment. A prompt telephone call is the best way to minimize your potential loss.

If you contacted SP within two (2) business days of the unauthorized payment you can lose no more than \$50.00 if an unauthorized payment has occurred. If you DO NOT contact SP within two (2) business days after you learn of the unauthorized payment, and if SP may prove that it could have stopped someone from transferring funds without your permission if you had told SP sooner, you could lose as much as \$500.00. In addition, if your statement shows preauthorized automatic payments to SP that you did not authorize, contact SP immediately. If you do not contact SP within sixty (60) days after the bank statement was mailed to you, you may not get back any money you lost after the sixty (60) days if SP may prove that it could have prevented someone from making unauthorized automatic payment if you had contacted SP about an unauthorized payment. SP may at its sole discretion extend the time periods mentioned above.

E. How to Stop Preauthorized Automatic Payments or Make Changes to an Existing Account

If you have preauthorized SP to make regular automatic payments from your bank account towards your loan(s) you may stop these payments by providing timely notice to SP. You

must call or write to us at the telephone number or address listed on the Authorization Form in time for us to receive your request before the payment is to be made. Cancellations must be received three (3) business days before the scheduled date of the transfer. If you have made an oral request for a cancellation, you must provide written confirmation of your request no later than fourteen (14) days following your oral request. If you fail to provide written confirmation, your oral request will be considered withdrawn and your automatic payments will resume. If you become past due during the period of time between your oral request and the fourteen (14) day period and your ACH is reinstated, at the time of reinstatement, your account will be debited the past due amount as indicated on your statement.

You will be responsible for making all monthly payments on your loan(s) that you have canceled. If SP receives your request to stop a preauthorized automatic payment within the time periods stated above and SP fails to stop the transfer, it may be liable only for your damages, not to exceed that amount of the transfer in question, unless its failure to stop the transfer was due to circumstances beyond its control.

Changes to your bank information including, but not limited to, your ABA/Routing Number or your checking/savings account number, must be submitted in writing to allow sufficient time for processing.

F. If SP Fails to Make an Automatic Payment

If SP does not make an automatic payment from your bank account on time or in the correct amount according to your directions as established by this Agreement, it will be liable for your losses or damages. However, there are some exceptions to this rule. SP shall not be liable:

1. If, through no fault of SP, you do not have enough money in your bank account to make the transfer; or
2. If the transfer would result in you exceeding the credit line on your overdraft line of credit, if any; or
3. If through no fault of SP, the information for preauthorized automatic payment is not received as scheduled; or
4. If the money in your bank account is subject to legal process other than encumbrances; or
5. If circumstances beyond SP's control, such as fire, flood, power or computer failure, prevent the payment despite reasonable precautions SP has taken.
6. There may be other exceptions not mentioned here.

G. Privacy

SP may disclose information to third parties regarding your bank account, your loan account(s), and/or the automatic payments that you authorize to your loan account(s) under the following circumstances:

1. Where it is necessary for completing a transfer; or
2. In order to comply with criminal justice agencies' requests, subpoenas, lawful discovery under federal or state rules of civil and criminal procedure or court orders; or
3. If you give SP written permission to do so.

H. Other Agreement and Regulations

Preauthorized automatic payments are subject to all charges, rules and regulations governing debits to accounts and all other agreement and disclosures for checking, savings, and overdraft line of credit accounts, and are subject to any future charges. SP will give you at least twenty-one (21) days prior notice of any changes that increase your expenses or limit your use of this service.

I. Termination, Charges, and Assignment

SP reserves the right to make changes to this Agreement or assign the obligation to process automatic payments at any time. SP may terminate preauthorized automatic payments services without cause, and you may permanently terminate this Agreement at any time by giving sufficient notice as indicated above. SP has the option in its sole discretion to terminate or cancel this Agreement or charge a penalty according to the terms and conditions of the Promissory Note if there are any instances of insufficient funds in your checking or savings account. In addition, a Non-Sufficient Funds (NSF) fee will be charged according to the terms of the signed promissory note.

J. Authorization and Agreement

By executing and returning the form on page 1, I hereby authorize preauthorized automatic payments to the loan account(s) indicated from the bank or financial institution named pursuant to the terms and conditions set forth herein and as may be modified from time to time. I have read, understand, and agree to be bound by all of the terms and conditions of this Agreement. My authorization for the preauthorized automatic payments to my designated loan(s) will remain in full force and effect until terminated by Sandstone Properties, Inc. or revoked by me pursuant to the terms and conditions of this Agreement.

Keep a copy of this form for your records