

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 29, 2019

LM FUNDING AMERICA, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-37605
(Commission File Number)

47-3844457
(IRS Employer Identification
No.)

1200 West Platt Street, Suite 1000
Tampa, Florida 33606
(Address of principal executive offices, including zip code)

(813) 222-8996
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading symbol	Name of each exchange on which registered
Common Stock par value \$0.001 per share	LMFA	The National Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

EXPLANATORY NOTE

Item 1.01. Entry into a Material Definitive Agreement

LM Funding America, Inc. (“LMFA”) entered into a Loan Agreement and Promissory Note (“Craven Loan”) with Craven House North America, LLC (“Craven”) in which LMFA loaned \$1,500,000.00 to Craven on December 29, 2019. The Craven Loan matures on April 15, 2020 and bears interest at 6% annually. The Craven Note is secured by 640,000 LMFA shares owned by Craven and a general first priority secured interest in the assets of Craven including the Convertible Promissory Note dated January 16, 2018 in principal amount of \$3,461,782 issued by LMFA in favor of Craven (“LMFA Convertible Note”).

Under the terms of the Craven Loan, Craven has agreed to extend the maturity date of the LMFA Convertible Note from January 16, 2020 to April 15, 2021. Craven also agreed to waive restrictions contained in the Convertible Note prohibiting LMFA from undertaking a Fundamental Transaction including a Change of Control transaction and other debt or equity transactions. LMFA has engaged Maxim Group, LLC for investment banking and advisory services.

Forward-Looking Statements

This Current Report on Form 8-K may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainty. Words such as “anticipate,” “estimate,” “expect,” “intend,” “plan,” and “project” and other similar words and expressions are intended to signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various risks and uncertainties. Such statements are based on management’s current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Investors are cautioned that there can be no assurance actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors. Please refer to the risks detailed from time to time in the reports we file with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2018, as well as other filings on Form 10-Q and periodic filings on Form 8-K, for additional factors that could cause actual results to differ materially from those stated or implied by such forward-looking statements. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by law.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
1.1	Craven Secured Promissory Note
1.2	Craven Secured Term Loan Agreement

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LM Funding America, Inc.

/s/ Richard Russell

By: Richard Russell

Chief Financial Officer

Date: January 2, 2020

SECURED

PROMISSORY NOTE

\$1,500,000.00 December 29, 2019
(the "Effective Date")

A. CRAVEN HOUSE NORTH AMERICA, LLC, a Florida limited liability company ("Borrower") and LM FUNDING AMERICA, INC., a Delaware corporation ("Lender") entered into that certain Loan Agreement of even date herewith ("Loan Agreement").

B. This Promissory Note ("Note") is made by Borrower to evidence the loan described in the Loan Agreement ("Loan") and is secured by, among other things, Stock Pledge of Borrower's 640,000 Common Shares of Lender and the Assignment of the assets of Borrower in favor of Lender. (Collectively, Assignment and Stock Pledge, "Security Agreements"). Except as otherwise set forth herein, payment of this Note is governed by the Loan Agreement, the terms of which are incorporated herein by express reference as if full set forth herein. Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Loan Agreement.

FOR VALUE RECEIVED, Borrower promises to pay to the order of Lender the principal sum of One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) or so much thereof as may be advanced from time to time, together with all other amounts added thereto pursuant to this Note or otherwise payable to Lender under the Loan Documents together with interest from the date hereof on the balance of principal from time to time outstanding, in lawful money of the United States of America, at the rates and times described hereafter. Payments shall be made to Lender at 1200 W. Platt St., Suite 1000, Tampa, Florida 33606.

1. **Advances.** On the Execution Date, Lender shall advance to Borrower upon Borrower's written request amounts up to the principal amount of this Loan of One Million and Five Hundred Thousand and No/100 Dollars (\$1,500,000.00).

2. **Payments.** All interest and principal shall be paid at the time as and in the amounts as required by the Loan Agreement, if not sooner due and payable, the entire indebtedness evidenced by this Note shall be due and payable on the Maturity Date, or any earlier date on which such indebtedness may become due, whether by acceleration or otherwise.

3. **Default.** Upon the occurrence of an Event of Default the unpaid balance of the principal amount of this Note, together with all accrued and unpaid interest thereon, may become, or may be declared to be, due and payable in the manner, upon the conditions and with the effect provided in the Loan Agreement. Lender may exercise any and all remedies available to it under the Security Agreement, or any other document given by Borrower or any other party as security for this Note.

4. **Default Rate.** Upon the occurrence of any event of default hereunder, the entire unpaid principal sum shall bear interest from the date of occurrence of such event of default until collection at the "Default Rate", which shall be the highest rate of interest permitted to be paid or collected by the laws of the State of Florida.

5. **Application of Payments.** All payments hereunder shall be applied, at Lender's option, first to any fees, expenses or other costs Borrower is obligated to pay under this Note or the other loan Documents, second to interest due on this Note, and third to any outstanding principal balance of this Note. All payments hereunder which are due on a Saturday, Sunday or Holiday shall be deemed to be payable on the next business day.

6. **Security.** This Note is secured, inter alia, by those certain Security Agreements made by the Borrower for the benefit of Lender, and by any and all collateral presently or hereafter held by Lender from Borrower, plus any and all collateral presently or hereafter held by Lender and given or agreed to be given by any third party or parties for the benefit of Lender. Pursuant to the Security Agreements the Borrower has directed that, until all principal and interest due under this Note has been paid in full, all distributions from the Borrower, including without limitation regular, special and/or capital distributions, which would otherwise be distributable to the Member shall be paid directly to Lender.

7. **Prepayment.** Borrower may prepay the principal amount of this Note in part or in full at any time. Partial prepayments will be first applied to unpaid Accrued Interest and then to principal.

8. **Payment of Costs.** Borrower shall pay all costs incurred by Lender of this Note in enforcing or collecting this Note and enforcing each agreement executed in connection with this Note, including without limitation, all attorneys' fees, costs and expenses incurred in all matters of interpretation, enforcement and collection, before, during and after demand, suit, proceeding, trial, appeal, in post-judgment collection efforts as well as costs and fees incurred by Lender in connection with any bankruptcy, reorganization or similar proceedings (including efforts to obtain relief from any stay) if Borrower or any other person liable for the indebtedness represented by this Note becomes involved in any bankruptcy, reorganization or similar proceeding.

9. **Waivers.** All makers, endorsers, guarantors and sureties hereof jointly and severally waive presentment, protest, notice of protest, notice of dishonor, diligence in collection, the benefit of any exemption under any homestead exemption laws, if applicable, and any and all other notices and matters of a like nature. All makers, endorsers, guarantors and sureties consent to (a) any renewal, extension or modification (whether one or more) of the terms of this Note, including the terms or time of payment under this Note, (b) the granting of any other indulgences to Borrower, and (c) the taking or releasing of other or additional parties primarily or contingently liable hereunder. Any such renewal, extension, modification, release, surrender, exchange or substitution may be made without notice to Borrower and any endorsers, guarantors and sureties hereof and without affecting the liability of said parties hereunder.

10. **Governing Laws - Venue.** This Note shall be construed and enforced in accordance with and governed by the laws of the State of Florida. The Borrower hereby agrees that the exclusive

venue for enforcement of this Note shall be in an appropriate court shall be in an appropriate court in Hillsborough County, Florida, or the Federal District Court for the Middle District of Florida, Hillsborough County, Florida and Borrower hereby irrevocably consents and submits to the jurisdiction of such courts for the purpose of any suit, action or proceeding. Borrower hereby waives and agrees not to assert against Lender (or any assignee thereof), by way of motion, as a defense, or otherwise, in any such suit, action or proceeding (i) any claim that it is not personally subject to the jurisdiction of the above-named courts or that its property is exempt or immune from set-off, execution or attachment, either prior to judgment or in aid of execution, and (ii) to the extent permitted by applicable law, any claim that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper or that this Agreement, the notes or any amendments or replacements hereof or thereof may not be enforced in or by such courts.

11. **Modification**. This Note may not be modified or terminated orally but only by agreement or discharge in writing and signed by Lender. Any forbearance of Lender in exercising any right or remedy hereunder or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Lender of payment of any sum payable hereunder after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums payable hereunder or to declare a default for failure to make prompt payment.

12. **Successors and Assigns**. Whenever Lender is referred to in this Note, such reference shall be deemed to include the successors and assigns of Lender, including, without limitation, any subsequent assignee or Lender of this Note, and all covenants, provisions and agreements by or on behalf of Borrower and any endorsers, guarantors and sureties hereof which are contained herein shall inure to the benefit of the successors and assigns of Lender.

13. **Savings Clause**. Nothing herein, nor any transaction related hereto, shall be construed or so operate as to require Borrower to pay interest at a greater rate than shall be lawful. Should any interest or other charges paid by Borrower in connection with the loan evidenced by this Note result in the computation or earning of interest in excess of the maximum contract rate of interest which is legally permitted under applicable Florida law or federal preemption statutes, if Lender shall elect the benefit thereof, then any and all such excess shall be, and the same is, hereby waived by Lender, and any and all such excess shall be automatically credited against and in reduction of the balance due under this indebtedness and any portion which exceeds the balances due under this Note shall be paid by Lender to Borrower.

14. **Jury Trial Waiver**. Borrower hereby knowingly, voluntarily and intentionally waives the right to trial by jury with respect to any litigation arising out of this note or the indebtedness evidenced hereby, or any course of conduct, course of dealing, statements (whether verbal or written) or any counterclaim or other action by Lender or Borrower. Borrower acknowledges that the foregoing waivers are a material inducement to the transaction contemplated by the agreement.

[SIGNATURE CONTAINED ON NEXT PAGE]

IN WITNESS WHEREOF, Borrower has caused this Note to be executed and delivered as of the date first above written.

CRAVEN HOUSE CAPITAL NORTH AMERICA, LLC, a Florida limited liability company

Witness: ___/s/ Tam Lee

Witness: ___/s/ Mike Drummond

By: /s/ Mark Pajak

Name: Mark Pajak

Title: Manager

(Corporate Seal)

STATE OF
COUNTY OF Loudon

The foregoing instrument was acknowledged before me this 20th day of December 2019, by Mark Pajak, as manager of CRAVEN HOUSE CAPITAL NORTH AMERICA, LLC., a Florida limited liability company, on its behalf.

Print, Type of Stamp Name of Notary

SEAL

Personally known Yes
or Produced Identification and Provided ID
Type of Identification Produced UK Passport

SECURED TERM LOAN AGREEMENT

This Secured Term Loan Agreement is made as of December 29, 2019 (“Effective Date”) by and between LM Funding America, Inc., a Delaware corporation having its principal place of business at 1200 W. Platt St., Tampa, Florida 33606 (collectively with its successors and assigns, “Lender”) and Craven House North America, LLC, a Florida limited liability company having its principal place of business at 107 West Federal Street, Middleburg, VA132 (“Borrower”).

WHEREAS, the Borrower has requested that Lender loan to Borrower the principal sum of up to One Million Five Hundred Thousand and No/100’s Dollars (\$1,500,000.00) (“Loan”); and

WHEREAS, Lender has agreed to make Loan to borrower under the terms and conditions set forth in this Agreement and that certain Promissory Note of even date herewith made by Borrower in the principal amount of One Million Five Hundred Thousand and No/100’s Dollars (\$1,500,000.00) and payable to Lender (the Promissory Note and all amendments thereto and substitutions therefore are hereinafter referred to as the “Note”). The terms and provisions of the Note are hereby incorporated by reference in this Agreement.

WHEREAS, Borrower’s obligations under the Loan will be secured by, among other items, a first priority collateral assignment of the assets of Borrower of even date herewith (“Assignments”) and stock pledges (“Pledges”) of all of Borrower’s common shares of Lender and sole member of Borrower (“Member”). (Collectively, Assignments and Pledges referred to as “Security Agreements”). This Agreement, the Note, the Security Agreements and any other documents evidencing or securing the Loan or executed in connection therewith, and any modifications, renewals and extensions thereof, are referred to herein collectively as the Loan Documents.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings and the terms and conditions contained herein, the parties hereto agree as follows:

1. (a)General Definitions. The foregoing preambles and all other recitals set forth herein are made a part hereof by this reference. When used in this Agreement, the following terms shall have the following meanings:

“Affiliate” of any Person means (a) any Person which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person, or (b) any Person who is a director or officer (i) of such Person, (ii) of any Subsidiary of such Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the power, direct or indirect, (i) to vote five percent (5%) or more of the securities having ordinary voting power for the election of directors of such Person, or (ii) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

“Ancillary Agreements” means all agreements, instruments, and documents including, without limitation, promissory note, deeds of trust, mortgages, pledges, powers of

attorney, consents, assignments, contracts, notices, operating agreements, trust agreements whether heretofore, concurrently, or hereafter executed by or on behalf of Borrower or delivered to Lender, relating to this Agreement or to the transactions contemplated by this Agreement.

“Business Day” means any day other than a day on which commercial banks in Florida are authorized or required by law to close.

“Change of Ownership” means (a) any transfer (whether in one or more transactions) of ownership of not less than fifty percent (50%) of the common stock of Borrower held by the Original Owners (including for the purposes of the calculation of percentage ownership, any shares of common stock into which any capital stock of Borrower held by any of the Original Owners is convertible or for which any such shares of capital stock of Borrower or of any other Person may be exchanged and any shares of common stock issuable to such Original Owner upon exercise of any warrants, options or similar rights which may at the time of calculation be held by such Original Owners) to a Person who is neither an Original Owner nor an Affiliate of an Original Owner or (b) any merger, consolidation or sale of substantially all of the property or assets of Borrower.

“Collateral” means all of the common stock of Lender owned by Borrower and assigned to Lender pursuant to the Assignment and all of the assets of Borrower described in the Assignments, including, but not limited to, the Senior Convertible Promissory Note dated January 16, 2019 in original principal amount USD\$3,581,982.16, as amended, issued by Lender in favor of Borrower (“Convertible Note”).

“Default Rate” means the maximum interest rate allowed by the laws of the State of Florida.

“Event of Default” means the occurrence of any of the events set forth in Section 13.

“Effective Date” means the date of this Agreement, the Note, and Security Agreements.

“GAAP” means generally accepted accounting principles, practices and procedures in effect from time to time.

“Indebtedness” of a Person at a particular date shall mean all obligations of such Person which in accordance with GAAP would be classified upon a balance sheet as liabilities (except membership interests and surplus earned or otherwise) and in any event, without limitation by reason of enumeration, shall include all indebtedness, debt and other similar monetary obligations of such Person whether direct or guaranteed, and all premiums, if any, due at the required prepayment dates of such indebtedness, and all indebtedness secured by a Lien on assets owned by such Person, whether or not such indebtedness actually shall have been created, assumed or incurred by such Person. Any indebtedness of such Person resulting from the acquisition by such Person of any assets subject to any Lien shall be deemed, for the purposes hereof, to be the equivalent of the creation, assumption and incurring of the indebtedness secured thereby, whether or not actually so created, assumed or incurred.

“Loans” means the Term Loan and all other extensions of credit hereunder.

“Maximum Loan Amount” means \$1,500,000.00 plus accrued interest and any amounts paid by Lender in fulfillment of guaranties of Borrower’s Indebtedness.

“Obligations” means and includes all Loans, all advances, debts, liabilities, obligations, covenants, payments made under the Guaranty, and duties owing by Borrower to Lender (or any corporation that directly or indirectly controls or is controlled by or is under common control with Lender) of every kind and description (whether or not evidenced by any note or other instrument and whether or not for the payment of money or the performance or non-performance of any act), direct or indirect, absolute or contingent, due or to become due, contractual or tortious, liquidated or unliquidated, whether existing by operation of law or otherwise now existing or hereafter arising including, without limitation, any debt, liability or obligation owing from Borrower to others which Lender may have obtained by assignment or otherwise and further including, without limitation, all interest, charges or any other payments Borrower is required to make by law or otherwise arising under or as a result of this Agreement and the Ancillary Agreements, together with all reasonable expenses and reasonable attorneys’ fees chargeable to Borrower’s account or incurred by Lender in connection with Borrower’s account whether provided for herein or in any Ancillary Agreement.

“Person” means an individual, limited liability company, partnership, corporation, trust or unincorporated organization, or a government or agency or political subdivision thereof.

“Subsidiary” of any Person means a corporation or other entity of whose shares of stock or other ownership interests having ordinary voting power (other than stock or other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the directors of such corporation, or other Persons performing similar functions for such entity, are owned, directly or indirectly, by such Person.

“Term” means the Effective Date through April 15, 2020 subject to acceleration upon the occurrence of an Event of Default hereunder or other termination hereunder and extension by Lender.

“Term Loan” shall have the meaning set forth in Section 2(a) hereof.

“Term Loan Rate” means an interest rate of 6% per annum.

(b) Accounting Terms. Any accounting terms used in this Agreement which are not specifically defined shall have the meanings customarily given them in accordance with GAAP.

(c) Other Terms. All other terms used in this Agreement and defined in the Uniform Commercial Code as adopted in the State of Florida, shall have the meaning given therein unless otherwise defined herein.

2. Term Loan.

(a) On the Effective Date, Lender shall make a term loan to Borrower as evidenced by the Note dated even date herewith (the "Note") in the aggregate principal amount of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00) ("Term Loan").

(b) Subject to the terms and provisions of this Agreement, the Lender shall disburse to Borrower, upon Borrower's written request, the sum of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00). All disbursements made to Borrower pursuant to this Section 2(b) shall be made as a single disbursement by Lender on the Effective Date.

(c) The entire Obligations including all unpaid principal amount of the Term Loan, together with all accrued and unpaid interest thereon shall be due and payable on the last day of the Term.

(d) All payments made by Borrower in respect of the Term Loan, at Lender's option, first to any fees, expenses or other costs Borrower is obligated to pay under this Note or the other loan Documents, second to interest due on this Note, and third to any outstanding principal balance of this Note. All payments hereunder which are due on a Saturday, Sunday or Holiday shall be deemed to be payable on the next business day.

(e) In addition to all other rights and remedies under this Agreement, the Term Loan, together with all accrued and unpaid interest thereon shall, at Lender's option, be immediately due and payable if this Agreement shall be terminated for any reason whatsoever or upon the occurrence of any Event of Default hereunder.

(f) From and after the funding of the principal amount of the Term Loan, Borrower shall have no right to request, and Lender shall have no obligation to make to Borrower, any other loans, advances or other financial accommodations hereunder.

(g) If Borrower does not pay any interest, fees, costs or charges to Lender when due, Borrower shall thereby be deemed to have requested, and Lender is hereby authorized at its discretion to charge Borrower's account and added to the Obligations in an amount equal to such unpaid interest, fees, costs, charges or commissions.

(h) Any sums expended by Lender due to Borrower's failure to perform or comply with its obligations under this Agreement, including but not limited to, the payment of taxes or insurance premiums shall be charged to Borrower's account and added to the Obligations.

3. Repayment of Term Loan.

(a) Provided that no Event of Default exists, the Obligations shall be due and payable as follows:

(i) Commencing on January 29, 2020, Borrower shall pay Monthly Interest payments of one-half percent (0.5%) interest on the Obligations monthly in arrears;

(ii) Upon the sale by Borrower of any Collateral, Borrower shall pay the net sales proceeds of such sale to Lender;

(b) Borrower shall be required to repay on the expiration of the Term the then aggregate outstanding principal balance of the Term Loan made by Lender to Borrower hereunder together with accrued and unpaid interest, fees, and charges and all other Obligations owed Lender under this Agreement and the Ancillary Agreements in cash, or, in the sole discretion of Borrower, 640,000 shares of LMFA Common Stock registered under a currently effective registration statement of the Company on Registration Statement File No.333-227203 and Registration Statement File No. 333-228048 (the "Registration Statement") ("Common Stock").

4. Interest and Fees.

(a) Interest.

(i) Except as modified by Section 4(a)(v) below, interest shall accrue on the Obligations during the Term at the rate of six percent (6%) per annum comprised of Monthly Interest and Accrued Interest. Monthly interest payments in arrears of one-half percent (0.5%) of the Obligations ("Monthly Interest") shall be made pursuant to Section 3(a)(i). The balance of the interest shall accrue on the Obligations at six percent (6%) per annum ("Accrued Interest") and shall be payable pursuant to Section 3(a)(ii).

(ii) Interest payments hereunder may, at Lender's option, be charged by Lender to Borrower's account. Interest charges shall be computed on the unpaid Obligations for each day they are outstanding at a rate per annum equal to the Term Loan Rate or Default Rate.

(iii) Interest shall be computed on the basis of actual days elapsed over a 360-day year.

(iv) Upon the occurrence and during the continuance of an Event of Default, interest shall be payable at the Default Rate.

(v) Notwithstanding the foregoing, in no event shall interest exceed the maximum rate permitted under any applicable law or regulation, and if any provision of this Agreement or an Ancillary Agreement is in contravention of any such law or regulation, such provision shall be deemed amended to provide for interest at said maximum rate and any excess amount shall either be applied, at Lender's option, to the Obligations in such order as Lender shall determine or refunded by Lender to Borrower.

(vi) Borrower shall pay principal, interest and all other amounts payable hereunder, or under any Ancillary Agreement, without any deduction whatsoever, including, but not limited to, any deduction for any set-off or counterclaim.

5. Security Interest.

(a) To secure the prompt payment to Lender of the Obligations, Borrower, Member, and Member's stockholders shall have executed and delivered the Security Agreements dated even date herewith.

(b) Lender may file one or more financing statements disclosing Lender's security interest in the Collateral without Borrower's signature appearing thereon or Lender may sign on Borrower's behalf. The parties agree that a carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement.

6. Inspections. At all times during normal business hours, Lender shall have the right to (a) visit and inspect Borrower's properties, (b) inspect, audit and make extracts from Borrower's relevant books and records, including, but not limited to, management letters prepared by independent accountants, and (c) discuss with Borrower's principal officers, and independent accountants, Borrower's business, assets, liabilities, financial condition, results of operations and business prospects. Borrower will deliver to Lender any instrument necessary for Lender to obtain records from any service bureau maintaining records for Borrower.

7. Financial Information. Within twenty-five days following the end of each month, Borrower shall deliver to Lender: (i) monthly un-audited operating statements for Borrower, certified as true, complete and correct showing actual sources and uses of cash during the preceding month; (ii) report detailing any property sales made during the previous month; and (iv) any other financial information as reasonably requested by Lender.

8. Additional Representations, Warranties and Covenants. Borrower represents and warrants and covenants that:

(a) Borrower is a limited liability company duly organized and validly existing under the laws of the Florida and duly qualified and in good standing in every other state or jurisdiction in which the nature of Borrower's business requires such qualification;

(b) the execution, delivery and performance of this Agreement and the Ancillary Agreements (i) have been duly authorized, (ii) are not in contravention of Borrower's articles of organization, operating agreement or any indenture, agreement or undertaking to which Borrower is a party or by which Borrower is bound and (iii) are within Borrower's corporate powers;

(c) this Agreement, the Ancillary Agreements, and the Security Agreements executed and delivered by Borrower are Borrower's legal, valid and binding obligations, enforceable in accordance with their terms;

(d) Borrower keeps and will continue to keep all of its books and records concerning borrower at Borrower's executive offices located at the address set forth in the introductory paragraph of this Agreement and will not move such books and records without giving Lender at least thirty (30) days prior written notice;

(e) the operation of Borrower's business is and will continue to be in compliance in all material respects with all applicable federal, state and local laws, including but not limited to all applicable environmental laws and regulations.

(f) there is no pending or threatened litigation, actions or proceeding which involve the possibility of materially and adversely affecting the Borrower's business, assets, operations, condition or prospects, financial or otherwise, or the Collateral or the ability of Borrower to perform this Agreement;

(g) Borrower will pay or discharge when due all taxes, assessments and governmental charges or levies imposed upon it;

(h) Borrower will promptly inform Lender in writing of: (i) the commencement of all proceedings and investigations by or before and/or the receipt of any notices from, any governmental or nongovernmental body and all actions and proceedings in any court or before any arbitrator against or in any way concerning any of Borrower's properties, assets or business, which might singly or in the aggregate, have a materially adverse effect on Borrower; (ii) any amendment of Borrower's articles of organization or operating agreement; (iii) any change in Borrower's business, assets, liabilities, condition (financial or otherwise), results of operations or business prospects which has had or might have a materially adverse effect on Borrower; (iv) any Event of Default; (v) any default or any event which with the passage of time or giving of notice or both would constitute a default under any agreement for the payment of money to which Borrower is a party or by which Borrower or any of Borrower's properties may be bound which would have a material adverse effect on Borrower's business, operations, property or condition (financial or otherwise) of the Collateral; (vi) any change in the location of Borrower's executive offices; and (vii) any change in Borrower's corporate name;

(i) Borrower will not (i) other than in the ordinary course of business, create, incur, assume or suffer to exist any indebtedness whether secured or unsecured other than Borrower's existing indebtedness as of the date hereof and Borrower's indebtedness to Lender; (ii) declare, pay or make any distribution to any member or equity interest holder of Borrower or apply any of its funds, property or assets to the purchase, redemption or other retirement of any equity of borrower; (iii) make advances, loans or extensions of credit to any Person subsequent to the date hereof; (v) become either directly or contingently liable upon the obligations of any Person by assumption, endorsement or guaranty thereof or otherwise; (vi) enter into any merger, consolidation or other reorganization with or into any other Person or acquire all or a portion of the assets or equity of any Person or permit any other Person to consolidate with or merge with it; (vii) form any Subsidiary or enter into any partnership, joint venture or similar arrangement; (viii) materially change the nature of the business in which it is presently engaged; (ix) change its fiscal year or make any changes in accounting treatment and reporting practices without prior written notice to Lender except as required by GAAP or in the tax reporting treatment or except as required by law; (x) enter into any transaction with any Affiliate other than in the ordinary course of business on arms' length terms; or (xi) sell, transfer or lease or otherwise dispose of any of its properties or assets, without notifying Lender;

(j) Borrower will within thirty days of the Effective Date, execute and file, if necessary, all bills of sale, assignments, financing statements, etc. which may be required by Lender.

(k) Borrower shall not commingle the funds from Borrower's operations with any other entity or Person.

(l) Borrower shall at all times be in full compliance and not in default of any obligation of Borrower arising under a Senior Loan, a loan agreement, note, mortgage or other form of indebtedness to any other lender.

(m) Borrower hereby ratifies and acknowledges all waivers and consents required of Lender by Borrower in Sections 5, 7, and 10 of the Convertible Note and extends all such waivers and consents through the Maturity Date. Borrower and Lender agree to extend the Maturity Date of the Convertible Note until April 15, 2021.

9. Expenses. Borrower shall pay all of Lender's out-of-pocket costs and expenses, including without limitation all fees and all reasonable fees and disbursements of counsel retained or employed by Lender and appraisers, in connection with the preparation, execution and delivery of this Agreement, Security Agreements, and the Ancillary Agreements. Borrower shall pay all recording taxes including documentary stamps and all of Lender's out-of-pocket costs and expenses including reasonable disbursements of counsel retained by Lender and Appraisers in connection with the prosecution or defense of any action, contest, dispute, suit or proceeding concerning any matter in any way arising out of, related to or connected with this Agreement or any Ancillary Agreement. Borrower shall also pay all of Lender's out-of-pocket costs and expenses, including without limitation reasonable fees and disbursements of counsel retained or employed by Lender, in connection with (a) the preparation, execution and delivery of any waiver, any amendment thereto or consent proposed or executed in connection with the transactions contemplated by this Agreement, Security Agreements, or the Ancillary Agreements, (b) Lender's obtaining performance of the Obligations under this Agreement, the Security Agreements and any Ancillary Agreements, including, but not limited to, the enforcement or defense of Lender's security interests, assignments of rights and liens hereunder as valid perfected security interests, and (c) any attempt to inspect, verify, protect, collect, sell, liquidate or otherwise dispose of any Collateral. Borrower shall also pay Lender's then standard price for furnishing Borrower or its designees copies of any statements, records, files or other data (collectively, "Reports") requested by Borrower or its designees, other than reports of the kind furnished to Borrower and Lender's other borrowers on a regular, periodic basis in the ordinary course of Lender's business. Borrower shall also pay Lender's customary bank charges, including, without limitation, all wire transfer fees incurred by Lender, for all bank services performed or caused to be performed by Lender for Borrower at Borrower's request. All such costs and expenses together with all filing, recording and search fees, taxes and interest payable by Borrower to Lender shall be payable on demand and shall be secured by the Collateral.

10. Assignment. Lender may assign any or all of the Obligations together with any or all of the security therefor and any transferee shall succeed to all of Lender's rights with respect thereto. Upon such transfer, Lender shall be released from all responsibility for the Collateral to

the extent same is assigned to any transferee. Lender may from time to time sell or otherwise grant participations in any of the Obligations and the holder of any such participation shall, subject to the terms of any agreement between Lender and such holder, be entitled to the same benefits as Lender with respect to any security for the Obligations in which such holder is a participant. Borrower agrees that each such holder may exercise any and all rights of banker's lien, set-off and counterclaim with respect to its participation in the Obligations as fully as though Borrower were directly indebted to such holder in the amount of such participation. Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Lender, and no such assignment or transfer of any such obligation shall relieve Borrower thereof unless Lender shall have consented to such release in a writing specifically referring to the obligation from which Borrower is to be released.

11. Waivers. Borrower waives presentment and protest of any instrument and notice thereof, notice of default and all other notices to which Borrower might otherwise be entitled.

12. Term of Agreement. This Agreement shall continue in full force and effect until the expiration of the Term. Borrower may terminate this Agreement at any time upon payment in full of the Obligations. Lender may terminate this Agreement and all obligations hereunder including the Term Loan at any time upon thirty days notice of the occurrence of an Event of Default which goes uncured.

13. Events of Default. The occurrence of any of the following shall constitute an Event of Default:

- (a) failure to make payment of any of the Obligations when required hereunder or under any Security Agreement or Ancillary Agreement;
- (b) failure to pay any taxes when due after expiration of all extensions unless such taxes are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been provided on Borrower's books;
- (c) failure to perform under and/or committing any breach of this Agreement, Security Agreement, or any Ancillary Agreement or any other agreement between Borrower and Lender;
- (d) occurrence of a default under any agreement to which Borrower is a party with third parties which has a material adverse affect upon Borrower's business, operations, property or condition;
- (e) any representation, warranty or statement made by Borrower hereunder, in any Security Agreement, Ancillary Agreement, any certificate, statement or document delivered pursuant to the terms hereof, or in connection with the transactions contemplated by this Agreement should at any time be false or misleading in any material respect;
- (f) an attachment or levy is made upon any of Borrower's assets having an aggregate value in excess of \$25,000, or a judgment is rendered against Borrower or any of Borrower's property involving a liability of more than \$25,000, which shall not have been

vacated, discharged, stayed or bonded pending appeal within thirty (30) days from the entry thereof;

(g) any change in Borrower's condition or affairs (financial or otherwise) which in Lender's sole discretion is believed to impair the Collateral, or any part thereof, or the ability of Borrower to perform its Obligations;

(h) any lien created hereunder or under any Security Agreement or Ancillary Agreement for any reason ceases to be or is not a valid and perfected lien having a first priority interest in any or all of the Collateral;

(i) if Borrower shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (ii) make a general assignment for the benefit of creditors, (iii) commence a voluntary case under the federal bankruptcy laws (as now or hereafter in effect), (iv) be adjudicated a bankrupt or insolvent, (v) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vi) acquiesce to, or fail to have dismissed, within thirty (30) days, any petition filed against it in any involuntary case under such bankruptcy laws, or (vii) take any action for the purpose of effecting any of the foregoing;

(j) Borrower shall admit in writing its inability, or be generally unable to pay its debts as they become due or cease operations of its present business;

(k) any Affiliate or any Subsidiary or any Guarantor shall (i) apply for or consent to the appointment of, or the taking possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under the federal bankruptcy laws (as now or hereafter in effect), (v) be adjudicated a bankrupt or insolvent, (vi) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vii) acquiesce to, or fail to have dismissed, within thirty (30) days, any petition filed against it in any involuntary case under such bankruptcy laws, (viii) take any action for the purpose of effecting any of the foregoing;

(l) any breach of any Senior Loan, note, loan agreement or between Borrower and a secured lender; and

(m) any Change of Ownership.

14. Remedies. (a) Upon the occurrence of an Event of Default pursuant to Section 13, Lender's rights, remedies and powers, as provided herein and the other Loan Documents, are cumulative and concurrent, and may be pursued single, successively or together against Borrower, Member, and any guarantor of the Loan, the security described in the Loan Documents, and any other security given at any time to secure the payment hereof, all at the sole discretion of Lender. Additionally, Lender may resort to every other right or remedy available at law or equity without first exhausting the rights and remedies contained herein, all in Lender's sole discretion. Failure of Lender, for any period of time or on more than one occasion, to exercise its option to accelerate the due date of all Obligations shall not constitute a waiver of the

right to exercise the same at any time during the continued existence of any Event of Default or any subsequent Event of Default. At any time after the occurrence of any Event of Default, Lender may pursue any one or more of the following remedies concurrently or successively, it being the intent hereof that none of such remedies shall be to the exclusion of any other:

(a) Take possession of the Borrower's properties and do anything that is necessary or appropriate in its sole judgment to fulfill the obligations of Borrower under this Agreement and the other Loan Documents. Without restricting the generality of the foregoing and for the purposes aforesaid, Borrower hereby appoints and constitutes Lender its lawful attorney-in-fact with full power of substitution in the properties to use un-advanced funds remaining under the Note or which may be reserved, escrowed or set aside for purposes hereunder at any time, or to advance funds in excess of the face amount of the Note, to pay, settle or compromise all existing bills and claims, which may be liens or security interests, or to avoid such bills and claims becoming liens against the properties of Borrower, to execute all applications and certificates in the name of Borrower to prosecute and defend all actions or proceedings in connection with improvements on the properties of Borrower, and to do any and every act which the Borrower might do in its own behalf; it being understood and agreed that this power of attorney shall be a power coupled with an interest and cannot be revoked;

(b) Declare the Note or the Obligations to be immediately due and payable;

(c) Use and apply any monies or letters of credit deposited by Borrower with Lender regardless of the purposes for which the same was deposited, to cure any such default or to apply on account of any Obligation under this Agreement which is due and owing to Lender;

(d) Exercise or pursue any other remedy or cause of action permitted under this Agreement or any other Loan documents, or conferred upon Lender by operation of Law.

Notwithstanding the foregoing, upon the occurrence of any Event of Default under Section 13(i, j, or k) all Obligations shall automatically become due and payable, without any presentment, demand, protest or notice of any kind to Borrower.

15. Revival. Borrower further agrees that to the extent Borrower makes a payment or payments to Lender, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy act, state or federal law, common law or equitable cause, then, to the extent of such payment or repayment, the obligation or part thereof intended to be satisfied shall be revived and continued in full force and effect as if said payment had not been made.

16. Casualty and Condemnation. In the event of any casualty to the properties of Borrower or any condemnation or any other taking of the properties of Borrower or a portion thereof (individually and collectively referred to as "Insurance Proceeds"), Borrower shall pay all Insurance Proceeds according to the requirements of the Senior Loans. Any Insurance Proceeds remaining after repayment of the Senior Loans shall be paid by Borrower to Lender up to the amount of the Obligations. Any remaining Obligations shall remain due and payable pursuant to the terms hereof.

18. Limitation of Liability. Borrower acknowledges and understands that in order to assure repayment of the Obligations hereunder Lender may be required to exercise any and all of Lender's rights and remedies hereunder and agrees that neither Lender, its officers, managers, principals, employees, nor any of Lender's agents shall be liable for acts taken or omissions made in connection herewith or therewith except for actual bad faith.

19. Entire Understanding. This Agreement contains the entire understanding between Borrower and Lender and any promises, representations, warranties or guarantees not herein contained shall have no force and effect unless in writing, signed by the Borrower's and Lender's respective officers. Neither this Agreement, the Ancillary Agreements, nor any portion or provisions thereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by the party to be charged.

20. Modification. This Agreement constitutes the complete agreement between the parties with respect to the subject matter hereof and thereof and may not be modified, altered or amended except by an agreement in writing signed by the parties hereto and thereto.

21. Severability. Wherever possible each provision of this Agreement or the Ancillary Agreements shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement or the Ancillary Agreements shall be prohibited by or invalid under applicable law such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions thereof.

22. Captions. All captions are and shall be without substantive meaning or content of any kind whatsoever.

23. Counterparts. This Agreement may be executed in one or more counterparts, each of which taken together shall constitute one and the same instrument and faxed signatures shall have the same effect as originals upon the time and date received.

24. Construction. The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments, schedules or exhibits thereto.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first above written.

CRAVEN HOUSE CAPITA NORTH AMERICA,

/s/ Mark Pajak

By: Mark Pajak

Its: Manger

LM FUNDING AMERICA, INC.

By: /s/ Bruce Rodgers

Bruce M. Rodgers, CEO