

EXHIBIT "H"



REVOLVING OPPORTUNITY™ LOAN PROGRAM PURCHASE AGREEMENT

THIS REVOLVING OPPORTUNITY LOAN PROGRAM PURCHASE AGREEMENT is entered into as of the "Effective Date" set forth below, by and between MORTGAGES LTD., an Arizona corporation, whose address is 55 East Thomas Road, Phoenix, Arizona 85012 ("Company") and the INVESTOR ("Investor") whose name and address are as set forth at the end of this Agreement.

Section 1. Recitals.

1.1 **The Company.** Company is a mortgage banker licensed by the State of Arizona Banking Department.

1.2 **Business of the Company.** Company originates, makes, and funds loans ("Loans") to various persons, corporations, limited liability companies, partnerships, and other entities ("Borrowers") secured by deeds of trusts or mortgages on residential, commercial, and industrial real estate, the terms of which are defined in a set of documents appropriate to each individual Loan and which provide various rights and protections to both the owners of the Loans and the Borrowers (the "Loan Documents").

1.3 **Revolving Opportunity Loan Program** Company has established its Revolving Opportunity Program (sometimes the "Program") to provide investors with a favorable rate of return through the purchase of interests in Loans and, to a lesser extent, Loans selected by Company.

1.4 **The Investment** Company desires to sell and Investor desires to purchase an interest or interests in Loans or entire loans (together "Participations") up to an aggregate investment amount (the "Investor Commitment") as specifically set forth at the end of this Agreement, which shall be no less than \$500,000 (the "RevOp Minimum"), subject to the terms and conditions contained herein.

Section 2. Selection of Participations.

From time-to-time during the 12-month period immediately following the Effective Date (the "Program Term"), Company, in its sole and absolute discretion, may select Participations for purchase by Investor (the "Initial Investment") and additional Participations in the event of repayment ("Successor Investments"). In the event that more than one Initial Investment or Successor Investment (together "Investments") are outstanding at any one time, the aggregate amount of all such Investments shall not exceed the Investor Commitment.

Section 3. Loan Purchases and Terms.

3.1 **Investment Commitment Period.** Subject to the conditions herein set forth, Investor shall purchase, during the Program Term, Investments up to the amount of the Investor Commitment from time to time as requested by Company.

3.2 **Repayment of Investment.** Each Investment purchased by Investor shall be repaid to Investor through payments on the related Loan or Loans on or prior to the expiration of the RevOp Investment Term (as defined herein), subject to Company's obligation under Section 6.2.

3.3 **Reinvestment of Principal Payments.** Notwithstanding the provisions of Section 3.2, during the Program Term, Investor agrees that any principal payments on an Investment prior to the Repayment Date (as defined herein), including those resulting from scheduled amortization and whole or partial repayments of

the unpaid outstanding principal balance of the related Loan or Loans, shall remain available for reinvestment in Successor Investments until the Repayment Date. Company, in its sole discretion, may elect to reinvest such principal payments, or any portion thereof, in Successor Investments on behalf of Investor, but only for a term equal to the number of days remaining until the Repayment Date.

Section 4. Payment of Purchase Money.

4.1 **Notice to Fund Investment Commitment.** Company shall give notice (the "Payment Notice") to Investor requesting funds pursuant to the Investor Commitment at the address or to the telephone number, facsimile number, or e-mail address of Investor set forth below. The Payment Notice shall identify the amount of money (the "Purchase Money") Investor is to invest. In no event shall Company issue a Payment Notice to Investor for an amount more than the Investor Commitment. Within 10 business days of the Payment Notice, Investor shall deliver to Company the Purchase Money specified in the Payment Notice by cashier's check, certified check, or wire transfer. If the Investor Commitment exceeds the aggregate amount of all outstanding Investments at any time during the Program Term, Company shall have the right to issue one or more additional Payment Notices to Investor. Each Payment Notice and Investment purchased from the Purchase Money shall be subject to a separate Repayment Date, as defined in Section 4.3.

4.2 **Action following Receipt of Purchase Money from Investor.** Upon receipt ("Receipt") by Company of the Purchase Money, Company shall (a) pay or cause the payment of the RevOp Prepaid Interests (as defined below) to Investor; (b) prepare an assignment of beneficial interest of deed(s) of trust securing the related Loan or Loans, an endorsement of the promissory note(s), and, if applicable, assignments of other loan or security instruments for the related Loan or Loans (collectively, the "Loan Assignment Documents"); (c) cause to be recorded, at no expense to Investor, in the official records of the county in which the property securing the related Loan or Loans may be situated any of the Loan Assignment Documents required to be recorded, such as an assignment of the beneficial interest of the deed(s) of trust; and (d) prepare such "blank" assignment documents, directions for release and reconveyance, termination of UCC interests, and other assignment or release instruments as Company determines to be appropriate with respect to the related Loan or Loans (collectively, the "Reassignment and Release Documents").

4.3 **Repayment Date of Individual Investments.** The Repayment Date shall be 120 days from the Receipt, but such funds may be applied to Successor Investments subject to the payment of RevOp Prepaid Interest.

4.4 **RevOp Prepaid Interest.** Based on the amount of capital invested in the Revolving Opportunity Loan Program, the RevOp Prepaid Interest shall equal a specified percentage of the outstanding principal of the Investments according to the following table:

| Capital Invested | RevOp Prepaid Interest |
|---------------------------|------------------------|
| \$500,000 - \$2,999,000 | 0.333% |
| \$3,000,000 - \$5,999,000 | 0.500% |
| \$6,000,000 - \$9,999,000 | 0.666% |
| \$10,000,000 + | 0.917% |

Section 5. Administration of Purchase Loans.

5.1 **RevOp Investment Term.** The "RevOp Investment Term" shall be the time during which Investor's capital is invested in an Initial Investment or Successor Investment, which will be the shorter of (a) the number of days from the Receipt to the Repayment Date (the "Maximum RevOp Investment Term"), or (b) the number of days from the Receipt to earlier of the date on which (i) the Company redeems the Initial Investment, or (ii) the Initial Investment or Successor Investment has been paid in full, in each case including unpaid principal and RevOp Interest. Partial repayments or redemptions of an Initial Investments and/or Successor Investment shall result in multiple RevOp Investment Terms being applicable to portions of the Purchase Money.

5.2 **RevOp Interest Rate.** The RevOp Interest Rate shall be based on the amount of capital invested in the Revolving Opportunity Loan Program according to the following table:

| Capital Invested | RevOp Interest Rate Per Annum |
|---------------------------|-------------------------------|
| \$500,000 - \$2,999,000 | 10.00% |
| \$3,000,000 - \$5,999,000 | 10.50% |
| \$6,000,000 - \$9,999,000 | 11.00% |
| \$10,000,000 + | 11.25% |

5.3 **Payment of RevOp Interest.** From the Receipt until the expiration of each applicable RevOp Investment Term, Investor shall be entitled to receive monthly interest calculated at the RevOp Interest Rate upon the unpaid principal balance of the Investment (the "RevOp Interest") associated with such RevOp Investment Term. Any interest payable or paid upon the related Loan or Loans in excess of the RevOp Interest shall be retained by Company.

5.4 **Repayment of Investments.** Upon expiration of the Maximum RevOp Investment Term, Investor shall be entitled to receive any unpaid amount of any outstanding Investments plus accrued RevOp Interest pursuant to Section 3.2 or Section 6.2.

Section 6. Repurchase of Investments.

6.1 **Repayment of Investments.** In the event any Investment (including RevOp Interest) has been fully paid upon the expiration of the maximum RevOp Investment Term (as a result of payments on the related Loan or Loans), then no further payments to Investor shall be due and Company shall be entitled to file the Reassignment and Release Documents as provided below.

6.2 **Mandatory Repurchase of Investments.** In the event any Investment (including RevOp Interest) has not been fully repaid to Investor upon expiration of the Maximum RevOp Investment Term, Company shall (a) cause the repurchase of or repurchase the Investment from Investor at a price equal to its unpaid principal balance (after crediting all principal payments previously received by Investor thereon) and (b) cause to be paid or pay any accrued and unpaid RevOp Interest at the time the next regularly scheduled payment on the related Loan or Loans.

6.3 **Optional Redemption of Investments.** Notwithstanding the foregoing, Company may, in its sole discretion, redeem an Investment from Investor at any time prior to expiration of the RevOp Investment Term without payment of premium or penalty by tendering to Investor (a) a repurchase price equal to the unpaid principal balance of the Investment (after crediting all principal payments previously received thereon by Investor) and (b) any accrued and unpaid RevOp Interest at the time the next regularly scheduled payment on the related Loan or Loans.

Section 7. Company to Service Loans.

7.1 **Company to Originate and Service Loans.** Company shall underwrite, originate or acquire, and service the Loan or Loans related to the Investments and collect and disburse Loan payments.

7.2 **Filing of Reassignment and Release Documents.** Company shall hold the Reassignment and Release Documents with respect to an Investment until the expiration of each applicable RevOp Investment Term. Upon expiration of the RevOp Investment Term, (a) if an Investment and RevOp Interest has been repaid as a result of payment on the related Loan or Loans, or repurchased from Investor by or on behalf of the Company as set forth herein, then Company is authorized to complete and record (with respect to such documents as should be recorded) the Reassignment and Release Documents; and (b) if an Investment and RevOp Interest thereon has not been repaid to Investor nor repurchased from Investor by or on behalf of Company as provided in this Agreement, then Company shall deliver to Investor the Reassignment and Release Documents.

7.3 **Disbursement of Payments.** During the RevOp Investment Term, Company shall be authorized to receive all payments of principal and interest with respect to any Loan or Loans related to Investments, to reinvest the principal pursuant to Section 3.3 or disburse the principal to Investor, to disburse the RevOp Interest to Investor, and to disburse the balance of any interest in excess of the RevOp Interest to Company.

Section 8. Representations and Warranties.

8.1 **Representations and Warranties of Company.** Company represents and warrants to Investor as follows:

- (a) All recitals and representations set forth in this Agreement are true and correct.
- (b) Company is a corporation formed under the laws of the state of Arizona and is duly organized, validly existing, and in good standing under the laws of such state.
- (c) Company has the corporate power and authority to conduct its business as now being conducted.
- (d) The liens, security interests, and assignments created by the Loan Assignment Documents will result in valid, effective, and enforceable liens, security interests, and assignments.
- (e) Until all Investments have been paid in full and all of Company's obligations hereunder have been fully discharged, Company shall maintain in full force and effect all agreements, rights, and licenses necessary to conduct its business.

8.2 **Representations and Warranties of Investor.** Investor represents and warrants to Company as follows:

- (a) All recitals and representations set forth in this Agreement are true and correct.
- (b) In the event Investor is a corporation, partnership, limited liability company, plan, trust, or other entity, Investor is duly organized, validly existing, and in good standing under the laws of the state of its organization and has full power and authority to carry on its business as now being conducted. In the event Investor is an individual, Investor is either unmarried, or if married, Investor is acting on behalf of Investor's marital community unless Investor is dealing in Investor's sole and separate property and such status is specifically identified on the signature page hereto.
- (c) Acknowledges that Investor has received the Private Offering Memorandum dated June 20, 2006 (the "Memorandum") and is familiar with and understands it, including the section captioned "Risk Factors."
- (d) Acknowledges that Investor is fully familiar with the Program and with Company and its business, affairs, operating policies, and prospects and has had access to any and all material information, including all documents, records, and books pertaining to Company, that Investor deems necessary or appropriate to enable Investor to make an investment decision to participate in the Program and purchase Participations.
- (e) Acknowledges that the Investor has been encouraged to rely upon the advice of Investor's legal counsel, accountants, and other financial advisors with respect to the participation in the Program and the purchase of Participations.
- (f) Represents and warrants that Investor, in determining to participate in the Program and purchase Participations, has relied solely upon this Agreement, the Memorandum, and the advice of Investor's legal counsel, accountants, and other financial advisors and has been offered the opportunity to ask such questions and inspect such documents concerning the Company and its business and affairs and the Program as

Investor has requested so as to understand more fully the Program and the nature of the investment and to verify the accuracy of the information supplied.

(g) Represents and warrants that Investor has full power to execute, deliver, and perform this Agreement and that this Agreement is a legal and binding obligation of, and is enforceable against, Investor in accordance with its terms.

(h) Represents and warrants that Investor is an "accredited investor" as defined in Rule 501(a) under the Securities Act of 1933, as amended (the "Securities Act") and satisfies one of the standards set forth in the Memorandum under the section captioned under "Who May Invest."

(i) Represents and warrants that the Participations being acquired will be acquired for Investor's own account without a view to public distribution or resale and that Investor has no contract, undertaking, agreement, or arrangement to sell or otherwise transfer or dispose of any Participations or any portion thereof to any other person.

(j) Represents and warrants that Investor (i) can bear the economic risk of the purchase of Participations, including the loss of Investor's investment and (ii) has such knowledge and experience in business and financial matters, including the analysis of or participation in private offerings and real estate investments, as to be capable of evaluating the merits and risks of the participation in the Program and an investment in Participations.

(k) Represents and warrants, if subject to the Employee Retirement Income Security Act ("ERISA"), that Investor is aware of and has taken into consideration the diversification requirements of Section 404(a)(3) of ERISA in determining to purchase Participations and that Investor has concluded that the purchase of Participations is prudent.

(l) Understands that Investor may be required to provide current financial and other information to the Company to enable it to determine whether Investor is qualified to purchase Participations.

(m) Understands that the Participations will not be registered under the Securities Act or the securities laws of any state or other jurisdiction and therefore will be subject to substantial restrictions on transfer.

(n) Agrees that Investor will not sell or otherwise transfer or dispose of any Participations or any portion thereof unless such Participations are registered under the Securities Act and any applicable state securities laws or Investor obtains an opinion of counsel that it is satisfactory to Company that such Participations may be sold in reliance on an exemption from such registration requirements.

(o) Understands that (i) Company has no obligation or intention to register any Participations for resale or transfer under the Securities Act or any state securities laws or to take any action (including the filing of reports or the publication of information as required by Rule 144 under the Securities Act) that would make available any exemption from the registration requirements of any such laws, and (ii) Investor therefore may be precluded from selling or otherwise transferring or disposing of any Participations or any portion thereof for an indefinite period of time or at any particular time.

(p) Represents and warrants that neither Company, Mortgages Ltd. Securities, L.L.C. ("MLS"), an affiliate of Company, nor anyone purportedly acting on behalf of either of them has made any representations or warranties respecting the Program or the business, affairs, financial condition, plans, or prospects of the Company except those contained in the Memorandum nor has Investor relied on any representations or warranties in the belief that they were made on behalf of any of the foregoing, nor has Investor relied on the absence of any such representations or warranties in reaching the decision to participate in the Program or purchase Participations.

(q) Represents and warrants that (i) if an individual, Investor is at least 21 years of age; (ii) Investor satisfies the suitability standards set forth in the Memorandum; (iii) Investor has adequate means of providing for Investor's current needs and contingencies; (iv) Investor has no need for liquidity in Investor's investments; (v) Investor maintains the Investor's business or residence at the address shown below; (vi) all investments in and commitments to non-liquid investments are, and after the purchase of Participations will be, reasonable in relation to Investor's net worth and current needs; and (vii) any financial information that is provided by Investor at the request of the Company, does or will accurately reflect Investor's financial sophistication and condition with respect to which Investor does not anticipate any material adverse change.

(r) Understands that no federal or state agency, including the Securities and Exchange Commission or the securities commission or authorities of any state, has approved or disapproved the Participations, passed upon or endorsed the merits of the offering of participation, or made any finding or determination as to the fairness of the Participations for public investment.

(s) Understands that the Participations are being offered and sold in reliance on specific exemptions from the registration requirements of federal and state laws and that Company is relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgements, and understandings set forth herein in order to determine the suitability of Investor to acquire Participations.

(t) Represents, warrants, and agrees that, if Investor is acquiring Participations in a fiduciary capacity (i) the above representations, warranties, agreements, acknowledgements, and understandings shall be deemed to have been made on behalf of the person or persons for whose benefit such Participations are being acquired, (ii) the name of such person or persons is indicated below under the subscriber's name, and (iii) such further information as Company deems appropriate shall be furnished regarding such person or persons.

(u) Represents and warrants that the information set forth herein regarding Investor is true and complete and agrees that the Company may rely on the truth and accuracy of the information for purposes of assuring that Company may rely on the exemptions from the registration requirements of the Securities Act afforded by Section 4(2) of the Securities Act and Regulation D under the Securities Act and of any applicable state statutes or regulations, and further agrees that the Company may present such information to such persons as it deems appropriate if called upon to verify the information provided or to establish the availability of an exemption from registration under Section 4(2) of the Securities Act, Regulation D, or any state securities statutes or regulations or if the contents are relevant to any issue in any action, suit, or proceeding to which Company, MLS, or any agent of any of them is a party or by which any of them may be bound.

(v) Understands and acknowledges that the Participations and the Loans are subject to a number of important risks and uncertainties as set forth under the section captioned "Risk Factors" in the Memorandum, including significant competition; the risks generally incident to the development, ownership operation, and rental of real property; changes in national and local economic and market conditions; changes in the investment climate for real estate investments; the availability and cost of mortgage funds; the obligations to meet fixed and maturing obligations, if any; the availability and cost of necessary utilities and services; changes in real estate tax rates and other operating expenses; changes in governmental rules, fiscal policies, zoning, environmental controls, and other land use regulations; and acts of God, which may result in uninsured losses; conditions in the real estate market; the availability and cost of real estate loans; and other factors beyond the control of Company. Investor further understands and acknowledges that Participations will also be subject to the risks associated with the development of real estate, including the cost of construction, the time it takes to complete such construction, worker strikes and other labor difficulties, energy shortages, material and labor shortages, inflation, adverse weather conditions, subcontractor defaults and delays, changes in federal, state, or local laws, ordinances, or regulations, and other unknown contingencies.

(w) Understands and acknowledges that the future operating results of Company are impossible to predict and that no representations or warranties of any kind are made by Company, or MLS or any of their affiliates with respect to the prospects of Company or the rate of return on the Participations.

Section 9. Default.

9.1 **Default by Company.** The occurrence of any of the following events or conditions shall constitute an "Event of Default" by Company under this Agreement:

(a) The failure by Company to fulfill its obligations under Section 6.2 within 10 days after written notice from Investor;

(b) Any representation, warranty, or statement by Company contained in this agreement shall have been materially false when made or furnished;

(c) The filing by Company of any proceeding under the federal bankruptcy laws or any other similar statute now or hereafter in effect; the entry of an order for relief under such laws with respect to Company; or the appointment of a receiver, trustee, custodian, or conservator of all or any part of the assets of Company;

(d) The insolvency of Company; the execution by Company of an assignment for the benefit of creditors; or a material adverse change in the financial condition of Company;

(e) The admission in writing by Company that it is unable to pay its debts as they mature or that it is generally not paying its debts as they mature; or

(f) The liquidation, termination, or dissolution of Company if Investor is not reasonably reassured of timely performance hereunder.

9.2 **Default by Investor.** The occurrence of any of the following events or conditions shall constitute an "Event of Default" by the Investor under this Agreement:

(a) The failure by Investor to timely pay the Purchase Money;

(b) The failure by Investor to timely execute and return to Company the Loan Assignment Documents, the Reassignment and Release Documents, or such other instruments or documents as reasonably requested by Company, in accordance with the terms of this Agreement within 10 business days after written notice thereof by Company to Investor;

(c) Any representation, warranty, or statement by Investor contained in this agreement shall have been materially false when made or furnished;

(d) The filing by Investor of any proceeding under the federal bankruptcy laws or any other similar statute now or hereafter in effect; the entry of an order for relief under such laws with respect to Investor; or the appointment of a receiver, trustee, custodian, or conservator of all or any part of the assets of Investor;

(e) The insolvency of Investor; the execution by Investor of an assignment for the benefit of creditors; or a material adverse change in the financial condition of Investor;

(f) The admission in writing by Investor that it is unable to pay its debts as they mature or that it is generally not paying its debts as they mature; or

(g) The liquidation, termination, or dissolution of Investor if Company is not reasonably reassured of timely performance hereunder.

9.3 **Remedies of Investor.** Upon the occurrence of any Event of Default caused by Company (and at any time thereafter while such Event of Default is continuing), Investor may do one or more of the following:

(a) Proceed to protect and enforce its rights and remedies under this Agreement, the Loan Documents and the Reassignment and Release Documents; and

(b) Avail itself of any other right, remedy, or relief to which Investor may be legally or equitably entitled, all of which remedies shall be non-exclusive and cumulative and the exercise by Investor of any one such remedy shall not preclude the exercise by Investor of further or additional remedies.

9.4 Remedies of Company. Upon the occurrence of any Event of Default caused by Investor (and at any time thereafter while such Event of Default is continuing), Company may do one or more of the following:

(a) Proceed to protect and enforce its rights and remedies under this Agreement, the Loan Assignment Documents, and the Reassignment and Release Documents;

(b) Demand and receive repayment from Investor of the Placement Fee;

(c) Refuse to allow Investor any further participation in the Revolving Opportunity Program and/or any other investment program offered by Company; and

(d) Avail itself of any other right, remedy, or relief to which Company may be legally or equitably entitled, including without limitation damages or injunctive relief, all of which remedies shall be non-exclusive and cumulative and the exercise by Company of any one such remedy shall not preclude the exercise by Company of further or additional remedies.

Section 10. Action Upon Agreement.

10.1 Beneficiaries of Agreement. This Agreement is made for the sole protection and benefit of the parties hereto, and no other person or organization shall have any rights hereunder.

10.2 Entire Agreement. This Agreement, together with the Loan Assignment Documents and the Reassignment and Release Documents, contain the entire agreement between the parties with regard to the subject matter hereof. There are no representations, promises, warranties, understandings, or agreements, expressed or implied, oral or otherwise, in relation thereto, except those expressly referred to or set forth herein. Each party acknowledges that the execution and delivery of this Agreement is its free and voluntary act and deed, and that said execution and delivery have not been induced by, nor done in reliance upon, any representations, promises, warranties, understandings, or agreements made by the other party, its agents, officers, employees, or representatives.

10.3 Agreements in Writing. No promise, representation, warranty, or agreement made subsequent to the execution and delivery of this Agreement by either party hereto, and no revocation, partial or otherwise, or change, amendment, or addition to or alteration or modification of this Agreement shall be valid unless the same shall be in writing signed by all parties hereto.

10.4 Independent Parties. Investor and Company each have separate and independent rights and obligations under this Agreement. Nothing contained herein shall be construed as creating, forming, or constituting any partnership, joint venture, merger, or similar relationship between Company and Investor for any purpose or in any respect.

Section 11. Adoption of the Agreements.

11.1 Power of Attorney. By executing this Agreement, Investor accepts and agrees to be bound by the Agency Agreement, the Loan Assignment Documents, and the Reassignment and Release Documents. Investor further hereby irrevocably constitutes and appoints the Company, with full power of substitution, as Investor's true and lawful attorney and agent, with full power and authority in the Investor's name, place, and stead, to make, execute, swear to, acknowledge, deliver, file, and record the following:

(a) The Agency Agreement, the Loan Assignment Documents, and the Reassignment and Documents, and any amendments thereto;

(b) All certificates, instruments, documents, and other papers and amendments thereto that may from time to time be required under the laws of the United States of America, the state of Arizona, any other state or jurisdiction, or required by any political subdivision or agency of any of the foregoing or otherwise, or which Company deems appropriate or necessary to carry on the objects and intent of this Agreement and to administer the Revolving Opportunity Loan Program as contemplated by this Agreement;

This power of attorney granted hereby shall be deemed to be a power coupled with an interest, shall survive the death, legal incapacity bankruptcy, merger, sale, dissolution, termination, or other fundamental change of Investor, and shall survive the delivery of an assignment by Investor of all or any portion of Investor's Investments.

11.2 Execution of Documents by Investor. Notwithstanding Section 11.1, to the extent requested by Company upon 10 business days notice, Investor shall execute (and cause signature to be acknowledged before a notary, when appropriate) and deliver to Company any Loan Assignment Documents, Reassignment and Release Documents (but only upon the repayment in full of the related Investment), and such other documents, certificates, and other papers as Company reasonably deems necessary or appropriate to administer the Revolving Opportunity Loan Program as contemplated by this Agreement.

Section 12. General.

12.1 Cooperation. Each party shall reasonably cooperate with the other party, including without limitation the execution or delivery upon request of such other or additional instruments or documents as reasonably necessary or appropriate to accomplish the purposes of this Agreement.

12.2 Notices. All notices required or permitted to be given hereunder shall be in writing, and shall become effective 72 hours after such are deposited in the United States mail, certified or registered, postage prepaid, addressed as shown above or to such other address as such party may from time-to-time designate in writing.

12.3 Governing Law and Venue. This Agreement shall be governed by and construed according to the laws of the state of Arizona. Investor agrees that any controversies relating to this Agreement will be determined in federal or state court sitting in the city of Phoenix, waives the defense of inconvenient forum, and waives any right to jury trial.

12.4 Binding Agreement. This Agreement shall be binding upon the parties hereto and may not be assigned by either party.

12.5 Headings. The headings or captions of sections in this Agreement are for convenience and reference only and in no way define, limit, or describe the scope or intent of this Agreement or the provisions of such sections.

IN WITNESS WHEREOF, the parties have executed this Agreement with respect to the Investor Commitment amount of \$1,000,000.00 as of the Effective Date of November 6, 2006.

MORTGAGES LTD., an Arizona corporation

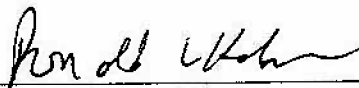
INVESTOR

By: 

Scott M. Coles

Its: Chairman and Chief Executive officer

Address: 55 East Thomas Road
Phoenix, Arizona 85012

By: 

Ronald L. Kohner, an unmarried man

Address: 19820 N. 7th St., Ste., #230
Phoenix, AZ 85024

Phone: (623) 581-5551

Fax: (623) 581-6606

MASTER AGENCY AGREEMENT

Effective: December 22, 2004

"Beneficiary": **Ronald L. Kohner, an unmarried man**

"Agent": **Mortgages Ltd., an Arizona corporation.**

In consideration of the reciprocal promises contained herein, Beneficiary and Agent (collectively, the "Parties") hereby agree to the following.

1. APPOINTMENT AND AUTHORITY OF AGENT

Beneficiary hereby appoints Mortgages Ltd. to act as Beneficiary's Agent with regard to the Loans. Beneficiary authorizes Agent to perform any and all of the following tasks on Beneficiary's behalf at Agent's sole discretion.

a. **Account Servicing.** In order to facilitate Agent's management of Beneficiary's investment in the Loans, Agent may:

(1) Request from Beneficiary, Beneficiary's percentage ratio of any delayed fundings or Equity-Flex™ Advances to Trustor under the Loan Documents, which funds Beneficiary shall deliver to Agent within 3 business days to be held or disbursed by Agent pursuant to the Loan Documents. In the event Beneficiary fails to transmit such funds to Agent within the time period set forth, Agent may, at its option, do the following:

(a) Divide Beneficiary's total funding by the face amount of the Loan to determine Beneficiary's current percentage ratio and transfer to a new investor the difference between the Beneficiary's assigned percentage rate and Beneficiary's current percentage ratio; or

(b) Liquidate Beneficiary's investment in the Loan and transfer all of Beneficiary's assigned percentage ratio in the Loan to a new beneficiary.

(2) Receive and hold the original Promissory Notes, Deeds of Trust and all other documents executed by the Trustor in connection with the Loans (collectively, the "Loan Documents");

(3) Service and administer the Loans in any manner provided by the Loan Documents;

(4) Receive and process any and all Loan payments from Trustors or other payers ("Trustor payment") as follows:

(a) Upon receipt of a Trustor payment, deposit that payment in an account held by Agent, and transmit or deposit the appropriate check to Beneficiary.

(b) At Agent's discretion, Agent may delay disbursing funds to Beneficiary from payments received by Trustor until Trustor's funds are collected by Agent's depository institution.

(c) If a Trustor payment is returned for any reason by the drawee financial institution, Agent may send a notice to Trustor requesting payment of the past due amount at the default interest rate.

(5) Assess, receive and process all fees and charges set forth in the Loan Documents including, but not limited to, administrative fees, notice fees and late charges;

(6) Apply any sums received by Agent to the fees, costs and expenses incurred or assessed by Agent before applying to the balance of the Loan account. These fees, costs and expenses include, but are not limited to, notice fees, service fees, administrative fees, inspection fees, appraisal fees, expert fees, attorneys' fees, litigation costs, force placed insurance premiums, late charges and guarantor collection expenses (as described herein);

(7) Receive and retain deposits under the Loan Documents as impounds for the payment of the following:

- (a) Future payments due;
- (b) Taxes and assessments;
- (c) Construction;
- (d) Insurance premiums;
- (e) Extension fees;
- (f) Administration fees; **and**
- (g) Any other expenditure required under the Loan Documents.

Any impound account may be held in the name of Mortgages Ltd. and the Trustor for the benefit of Beneficiary, and Agent may apply and/or disburse any such deposits in accordance with the Loan Documents;

(8) Evaluate, effectuate and process an assumption of the Loans, and assess and receive an assumption fee and/or an interest increase, as provided in A.R.S. § 33-806.01 or any successor statute; **and**

(9) Execute, file and record any and all documents which, at Agent's discretion, are necessary to facilitate Loan servicing, including, but not limited to, deeds of release and reconveyance (full and partial); indorsements and assignments of Loan Documents; corrections, amendments, modifications and extensions of Loan Documents; disclaimers; financing statements; assumptions and various certifications.

(10) Upon Beneficiary's request, hold funds from the full or partial payoff of the loans in Agent's Trust account pending Beneficiary's written direction as to use of such funds.

b. Collection. In order to protect Beneficiary's interests in the Loans, Agent may:

(1) Correspond directly with Trustors at any time on any matter regarding the Loan Documents including, but not limited to, sending notices of delinquency and default, and demands for payment and compliance.

(2) Incur all fees, costs and expenses deemed necessary by Agent to protect Beneficiary's interests under the Loan Documents.

(3) Incur all fees, costs and expenses deemed necessary by Agent to protect the property securing the Loans (the "Trust Property"), including, but not limited to, insurance premiums, receiver fees, property manager fees, maintenance expenses and security expenses.

(4) Negotiate, accept and/or process partial payments of amounts due and owing under the Loan Documents;

(5) Send Beneficiary a request to deposit sufficient funds for delinquent real estate taxes and insurance premiums (including force placed insurance) relating to the Trust Property;

(6) Obtain force placed insurance on any portion of the Trust Property in the event the Trustor fails to maintain insurance as required by the Loan Documents;

(7) Execute, file and record any and all documents Agent deems necessary to protect Beneficiary's interests and/or pursue Beneficiary's remedies upon default, including, but not limited to, a statement of breach or non-performance, a substitution of trustee, a notice of election to foreclose, an affidavit of non-military service, a notice of proposed disposition of collateral and various verifications;

(8) In the event of default and at Agent's discretion, commence foreclosure of the Trust Property, initiate a trustee's sale and/or institute any proceeding necessary to collect the sums due under the Loan Documents or to enforce any provision therein (including, but not limited to, pursuing an action against any borrower or guarantor of the Loans; pursuing injunctive relief, the appointment of a receiver, provisional remedies and a deficiency judgment; pursuing claims in bankruptcy court; pursuing an appeal; collecting rents; and taking possession or operating the Trust Property;

(9) Negotiate and enter into extensions, modifications and/or forbearances of the Loan Document provisions;

(10) Negotiate and facilitate the sale of Beneficiary's interests in the Loan Documents by communicating with potential purchasers and their agents and by providing information regarding the Loans to third parties, such as, but not limited to, copies of the Loan Documents and Loan accounting information;

(11) Retain attorneys, trustees and other agents necessary to collect the sums due under the Loan Documents, to protect the Trust Property and/or to proceed with foreclosure of the Trust Property, initiate a trustee's sale and/or institute, defend, appear or otherwise participate in any proceeding (legal, administrative or otherwise) that Agent deems necessary;

(12) Incur and pay such costs, expenses and fees as Agent deems appropriate in undertaking and pursuing enforcement of the Loan Documents and/or collection of amounts owed thereunder, including, but not limited to, attorneys' fees, receiver fees, trustee fees, expert fees and any fees, costs and expenses incurred in an effort to collect against guarantors of the Loans; and

(13) Request and receive payments from Beneficiary as advances in order to pay such fees, costs and expenses incurred by Agent in accordance with this Agreement and/or the Loan Documents.

c. **Compensation.** As compensation for the services provided by Agent, Agent may:

(1) Retain any and all fees and charges assessed under the Loan Documents and collected by Agent, including, but not limited to, late charges, maturity late charges, administrative fees, prepayment penalties or premiums, notice fees and services;

(2) Deduct from payments received by Beneficiary an interest participation or minimum service charge equal to the amount set forth in the Direction to Purchase for each Loan to be paid from each monthly payment until paid in full;

(3) Collect and retain any interest on the principal balance of the Loans which is over and above the normal rate set forth in the Promissory Note (the "Note Rate"), including, but not limited to, the Default Interest provided for in the Loan Documents; however, any and all interest, including, but not limited to, Default Interest, collected on any advances (excluding Equity-Flex Advances) made by Beneficiary shall be payable to Beneficiary;

(4) Collect and retain any interest that accrues on any impound accounts;

(5) Collect and retain any assumption fees and charges; and

(6) Collect and retain any extension fees and forbearance fees.

d. **Sale of Interest.** In the event Beneficiary owns less than 100% interest in any loan being serviced by Mortgages Ltd., Agent, in its sole discretion, may liquidate Beneficiary's interest. Upon payment to Beneficiary, Agent will, upon direction of Beneficiary, use its best efforts to reinvest any funds received by Beneficiary in a new Loan.

2. ACCOMMODATION.

Agent provides its services as an accommodation only, and shall incur no responsibility or liability to any person, including, but not limited to, Trustor and Beneficiary, for nonfeasance or malfeasance, misfeasance and nonfeasance.

3. ASSIGNMENT, RESIGNATION AND TERMINATION.

a. Agent shall have the right to assign the collection account or resign as Agent at any time, provided that Agent notifies Beneficiary of such assignment or resignation in writing.

(1) In the event Agent assigns the collection account, Agent will deliver all Loan Documents, directions and account records to assignee, at which time Agent will have no further duties or liabilities hereunder.

(2) In the event Agent resigns, Beneficiary shall have the right to designate a new collection agent and Agent shall deliver to Beneficiary all Loan Documents, directions and account records to Beneficiary or the newly designated collection agent, at which time Agent will have no further duties or liabilities hereunder.

b. In the event that the ownership of the Trust Property becomes vested in the Beneficiary, either in whole or in part, by trustee sale, judicial foreclosure or otherwise, Agent may enter into a real estate broker's agreement on Beneficiary's behalf for the sale of the Trust Property, enter into a management and/or maintenance agreements for management or maintenance of the Trust Property, if applicable, may acquire insurance for the Trust Property,

and may take such other actions and enter into such other agreements for the protection and sale of the Trust Property, all as Agent deems appropriate. Beneficiary may terminate this Agreement after it becomes the owner of the Trust Property by written notice to Agent and payment of the fees, costs and expenses incurred by Agent as provided herein.

c. Upon Agent's assignment or resignation, or termination of this Agreement, **Beneficiary shall immediately reimburse Agent for any and all fees, costs and expenses incurred hereunder and pay Agent all compensation due.** After such reimbursement and payment, Beneficiary shall have no further duties, except indemnification of Agent.

4. INDEMNITY

a. Beneficiary shall immediately indemnify and hold Agent harmless against any and all liabilities incurred by Agent in performing under the terms of this Agreement or otherwise arising, directly or indirectly, from the Loans or Loan Documents, including, but not limited to, all attorneys' fees, insurance premiums, expenses, costs, damages and expenses.

b. In the event that Agent requests that Beneficiary pay any amount owed hereunder, Beneficiary shall remit that amount to Agent within 5 business days of Agent's request.

5. BENEFICIARY'S OBLIGATIONS

a. **Execution of Documents.** As previously set forth herein, Agent is authorized to execute any and all documents Agent deems necessary to facilitate loan servicing or collection. However, in the event that it is necessary, Beneficiary shall execute any and all documents Agent deems necessary to facilitate loan servicing or collection, including, but not limited to, deeds of release and reconveyance (full and partial), indorsements and assignments. If Agent requests Beneficiary execute such a document, then Beneficiary shall execute and deliver that document to Agent within 5 business days of Agent's request.

b. **Failure to Execute Documents.** In the event that Beneficiary fails to execute one of the documents described in paragraph 5.a. above, Agent shall be authorized to execute that document. In the event that Agent is prevented from executing a document due to circumstances beyond Agent's control, then Agent shall be entitled to seek indemnification from Beneficiary for any liabilities Agent may incur as a result.

c. **Assignment.** Beneficiary shall have the right to assign its rights in this Agreement as to any Loan covered by this Agreement at any time upon immediate notification to Agent in writing of any assignment of Beneficiary's rights. **Upon assignment, Beneficiary's shall immediately reimburse Agent for any and all fees, costs and expenses incurred hereunder and pay Agent all compensation due.** After such reimbursement and payment, Beneficiary shall have no further duties, except indemnification of Agent.

d. **Breach.** In the event that Beneficiary breaches this Agreement, by failing to perform or by interfering with the Agent's ability to perform under this Agreement, then Beneficiary shall pay Agent, within 30 days of written notice of breach, administrative fees, attorneys fees, costs, closeout fees and any other fees or charges owed to Agent as compensation hereunder, along with any additional damages incurred by Agent, whether actual, incidental or consequential.

6. CONFIDENTIALITY

a. For the purposes of this Agency Agreement, the term "Confidential Information" as used herein shall include any and all written and verbal information provided by Agent to Beneficiary in connection with the Loans, whether marked or designated as confidential or not, including without limitation any information regarding Agent's underwriting criteria or procedures. Except with respect to Agent's underwriting criteria and procedures, which shall in all events constitute Confidential Information hereunder, the definition of Confidential Information shall not include any information which: (i) is or becomes generally known to third parties through no fault of Beneficiary; or (ii) is already known to Beneficiary prior to its receipt from Agent as shown by prior written records; or (iii) becomes known to Beneficiary by disclosure from a third party who has a lawful right to disclose the information.

b. Beneficiary acknowledges that the Confidential Information is proprietary and valuable to Agent and that any disclosure or unauthorized use thereof may cause irreparable harm and loss to Agent.

c. In consideration of the disclosure to Beneficiary of the Confidential Information and of the services to be performed by Agent on behalf of Beneficiary hereunder, Beneficiary agrees to receive and to treat the Confidential Information on a confidential and restricted basis and to undertake the following additional obligations with respect thereto:

- (i) To use the Confidential Information only in connection with the Loans.
- (ii) Not to duplicate, in whole or in part, any Confidential Information.
- (iii) Not to disclose Confidential Information to any entity, individual, corporation, partnership, sole proprietorship, customer or client, without the prior express written consent of Agent.
- (iv) To return all Confidential Information to Agent upon request therefor and to destroy any additional notes or records made from such Confidential Information.
- (v) Not to give testimony against Agent in any legal proceeding to which Agent is a party, unless compelled to do so by competent legal authority.

d. The standard of care to be utilized by Beneficiary in the performance of its obligations set forth herein shall be the standard of care utilized by Beneficiary in treating Beneficiary's own information that it does not wish disclosed, except that Agent's underwriting criteria and procedures shall be kept absolutely confidential and privileged regardless of whether such knowledge was previously known to Beneficiary or has been or is in the future disclosed to Consultant by third parties.

e. The restrictions set forth in this Section 6 shall be binding upon Beneficiary, its employees, agents, officers, directors and any others to whom any Confidential Information may be disclosed as part of or in connection with the Loan transactions. Beneficiary shall be responsible for any actions of its employees, agents, officers, directors or others to whom it has provided such information with respect to such information.

f. The restrictions and obligations of this Section 6 shall survive any expiration, termination or cancellation of this Agent Agreement and shall continue to bind Beneficiary, its successors and assigns.

g. Beneficiary agrees and acknowledges that the rights conveyed in this Section 6 are of a unique and special nature and that Agent will not have an adequate remedy at law in the event of failure of Beneficiary or anyone acting on Beneficiary's behalf or for whom Beneficiary acted to abide by the terms and conditions set forth herein, nor will money damages adequately compensate for such injury. It is, therefore, agreed between the parties that Agent, in the event of a breach by Beneficiary of its agreements contained in this Section 6, shall have the right, among other rights, to obtain an injunction or decree of specific performance to restrain Beneficiary or anyone acting on Beneficiary's behalf or for whom Beneficiary is acting from continuing such breach, in addition to damages sustained as a result of such breach. Nothing herein contained shall in any way limit or exclude any and all other rights granted by law or equity to either party.

7. GENERAL PROVISIONS

a. This Agreement is binding on the Parties and their agents, representatives, successors, assigns, beneficiaries and trustees.

b. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Arizona. The Parties hereby submit to the jurisdiction of any Arizona State or Federal Court sitting in the City of Phoenix in any action or proceeding arising out of or relating to this Agreement. The Parties hereby waive the defense of an inconvenient forum.

c. The Parties hereby waive the right to a jury trial on any and all contested matters arising from this Agreement.

d. This Agreement sets forth the entire agreement and understanding of the Parties and is to be read in consistency and accordance with the other Loan Documents.

e. This Agreement replaces and supersedes any and all prior agency agreements between Beneficiary and Mortgages Ltd. including, but not limited to, the Supplemental Collection Instructions and Agent Authorizations and the Beneficiary's Supplemental Agreement with Collection Agent (collectively, "Prior Agency Agreements"). As to all existing Loans, any and all Prior Agency Agreements are hereby null and void, and the terms of this Agreement govern the relationship of the Parties.

f. This Agreement may be amended, modified, superseded, canceled, renewed or extended and the terms or covenants hereof may be waived only by a written instrument executed by Agent and Beneficiary. Agent's failure, at any time, to require performance of any provision of this Agreement shall in no manner affect the right of Agent or Beneficiary at a later time to enforce the same. No waiver by Agent of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver by Agent of any such breach, or a waiver of the breach of any other term or covenant contained in this Agreement.

g. If any term or other provision of this Agreement or any other Loan Document is declared invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect.

h. This Agreement may be executed by the Parties in counterparts. The executed signature pages may then be attached together constituting an original copy of the Agreement. Copies of executed signature pages obtained via facsimile shall be effective and binding on the Parties.

i. If there is any arbitration or litigation by or among the parties to enforce or interpret any provisions of this Agency Agreement or any rights arising hereunder, the unsuccessful party in such arbitration or litigation, as determined by the arbitrator or the court, shall pay to the successful party, as determined by the arbitrator or the court, all costs and expenses, including without limitation attorneys' fees and costs, incurred by the successful party, such costs and expenses to be determined by the arbitrator or court sitting without a jury.

This Agreement is effective on the date set forth on the first page.

BENEFICIARY:

Ronald L. Kohner, an unmarried man


Ronald L. Kohner

**AGENT:
MORTGAGES LTD.**

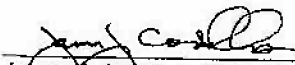

James D. Cordello, Executive Vice President



EXHIBIT "I"



**REVOLVING OPPORTUNITY™
LOAN PROGRAM PURCHASE AGREEMENT**

THIS REVOLVING OPPORTUNITY LOAN PROGRAM PURCHASE AGREEMENT is entered into as of the "Effective Date" set forth below, by and between MORTGAGES LTD., an Arizona corporation, whose address is 55 East Thomas Road, Phoenix, Arizona 85012 ("Company") and the INVESTOR ("Investor") whose name and address are as set forth at the end of this Agreement.

Section 1. Recitals.

1.1 **The Company.** Company is a mortgage banker licensed by the State of Arizona Banking Department.

1.2 **Business of the Company.** Company originates, makes, and funds loans ("Loans") to various persons, corporations, limited liability companies, partnerships, and other entities ("Borrowers") secured by deeds of trusts or mortgages on residential, commercial, and industrial real estate, the terms of which are defined in a set of documents appropriate to each individual Loan and which provide various rights and protections to both the owners of the Loans and the Borrowers (the "Loan Documents").

1.3 **Revolving Opportunity Loan Program** Company has established its Revolving Opportunity Program (sometimes the "Program") to provide investors with a favorable rate of return through the purchase of interests in Loans and, to a lesser extent, Loans selected by Company.

1.4 **The Investment** Company desires to sell and Investor desires to purchase an interest or interests in Loans or entire loans (together "Participations") up to an aggregate investment amount (the "Investor Commitment") as specifically set forth at the end of this Agreement, which shall be no less than \$1,000,000 (the "RevOp Minimum"), subject to the terms and conditions contained herein.

Section 2. Selection of Participations.

From time-to-time during the 12-month period immediately following the Effective Date (the "Program Term"), Company, in its sole and absolute discretion, may select Participations for purchase by Investor (the "Initial Investment") and additional Participations in the event of repayment ("Successor Investments"). In the event that more than one Initial Investment or Successor Investment (together "Investments") are outstanding at any one time, the aggregate amount of all such Investments shall not exceed the Investor Commitment.

Section 3. Loan Purchases and Terms.

3.1 **Investment Commitment Period.** Subject to the conditions herein set forth, Investor shall purchase, during the Program Term, Investments up to the amount of the Investor Commitment from time to time as requested by Company.

3.2 **Repayment of Investment.** Each Investment purchased by Investor shall be repaid to Investor through payments on the related Loan or Loans on or prior to the expiration of the RevOp Investment Term (as defined herein), subject to Company's obligation under Section 6.2.

3.3 **Reinvestment of Principal Payments.** Notwithstanding the provisions of Section 3.2, during the Program Term, Investor agrees that any principal payments on an Investment prior to the Repayment Date (as defined herein), including those resulting from scheduled amortization and whole or partial repayments of the unpaid outstanding principal balance of the related Loan or Loans, shall remain available for reinvestment in

Successor Investments until the Repayment Date. Company, in its sole discretion, may elect to reinvest such principal payments, or any portion thereof, in Successor Investments on behalf of Investor, but only for a term equal to the number of days remaining until the Repayment Date.

Section 4. Payment of Purchase Money.

4.1 **Notice to Fund Investment Commitment.** Company shall give notice (the "Payment Notice") to Investor requesting funds pursuant to the Investor Commitment at the address or to the telephone number, facsimile number, or e-mail address of Investor set forth below. The Payment Notice shall identify the amount of money (the "Purchase Money") Investor is to invest. In no event shall Company issue a Payment Notice to Investor for an amount more than the Investor Commitment. Within 10 business days of the Payment Notice, Investor shall deliver to Company the Purchase Money specified in the Payment Notice by cashier's check, certified check, or wire transfer. If the Investor Commitment exceeds the aggregate amount of all outstanding Investments at any time during the Program Term, Company shall have the right to issue one or more additional Payment Notices to Investor. Each Payment Notice and Investment purchased from the Purchase Money shall be subject to a separate Repayment Date, as defined in Section 4.3.

4.2 **Action following Receipt of Purchase Money from Investor.** Upon receipt ("Receipt") by Company of the Purchase Money, Company shall (a) pay or cause the payment of the RevOp Prepaid Interests (as defined below) to Investor; (b) prepare an assignment of beneficial interest of deed(s) of trust securing the related Loan or Loans, an endorsement of the promissory note(s), and, if applicable, assignments of other loan or security instruments for the related Loan or Loans (collectively, the "Loan Assignment Documents"); (c) cause to be recorded, at no expense to Investor, in the official records of the county in which the property securing the related Loan or Loans may be situated any of the Loan Assignment Documents required to be recorded, such as an assignment of the beneficial interest of the deed(s) of trust; and (d) prepare such "blank" assignment documents, directions for release and reconveyance, termination of UCC interests, and other assignment or release instruments as Company determines to be appropriate with respect to the related Loan or Loans (collectively, the "Reassignment and Release Documents").

4.3 **Repayment Date of Individual Investments.** The Repayment Date shall be 120 days from the Receipt, but such funds may be applied to Successor Investments subject to the payment of RevOp Prepaid Interest.

4.4 **RevOp Prepaid Interest.** Based on the amount of capital invested in the Revolving Opportunity Loan Program, the RevOp Prepaid Interest shall equal a specified percentage of the outstanding principal of the Investments according to the following table:

| Capital Invested | RevOp Prepaid Interest |
|---------------------------|------------------------|
| \$1,000,000 - \$2,999,000 | 0.417% |
| \$3,000,000 - \$5,999,000 | 0.500% |
| \$6,000,000 - \$9,999,000 | 0.666% |
| \$10,000,000 + | 0.917% |

Section 5. Administration of Purchase Loans.

5.1 **RevOp Investment Term.** The "RevOp Investment Term" shall be the time during which Investor's capital is invested in an Initial Investment or Successor Investment, which will be the shorter of (a) the number of days from the Receipt to the Repayment Date (the "Maximum RevOp Investment Term"), or (b) the number of days from the Receipt to earlier of the date on which (i) the Company redeems the Initial Investment, or (ii) the Initial Investment or Successor Investment has been paid in full, in each case including unpaid principal and RevOp Interest. Partial repayments or redemptions of an Initial Investments and/or Successor Investment shall result in multiple RevOp Investment Terms being applicable to portions of the Purchase Money.

5.2

RevOp Interest Rate. The RevOp Interest Rate shall be based on the amount of capital invested in the Revolving Opportunity Loan Program according to the following table:

| Capital Invested | RevOp Interest Rate Per Annum |
|---------------------------|-------------------------------|
| \$1,000,000 - \$2,999,000 | 10.25% |
| \$3,000,000 - \$5,999,000 | 10.50% |
| \$6,000,000 - \$9,999,000 | 11.00% |
| \$10,000,000 + | 11.25% |

5.3 Payment of RevOp Interest. From the Receipt until the expiration of each applicable RevOp Investment Term, Investor shall be entitled to receive monthly interest calculated at the RevOp Interest Rate upon the unpaid principal balance of the Investment (the "RevOp Interest") associated with such RevOp Investment Term. Any interest payable or paid upon the related Loan or Loans in excess of the RevOp Interest shall be retained by Company.

5.4 Repayment of Investments. Upon expiration of the Maximum RevOp Investment Term, Investor shall be entitled to receive any unpaid amount of any outstanding Investments plus accrued RevOp Interest pursuant to Section 3.2 or Section 6.2.

Section 6. Repurchase of Investments.

6.1 Repayment of Investments. In the event any Investment (including RevOp Interest) has been fully paid upon the expiration of the maximum RevOp Investment Term (as a result of payments on the related Loan or Loans), then no further payments to Investor shall be due and Company shall be entitled to file the Reassignment and Release Documents as provided below.

6.2 Mandatory Repurchase of Investments. In the event any Investment (including RevOp Interest) has not been fully repaid to Investor upon expiration of the Maximum RevOp Investment Term, Company shall (a) cause the repurchase of or repurchase the Investment from Investor at a price equal to its unpaid principal balance (after crediting all principal payments previously received by Investor thereon) and (b) cause to be paid or pay any accrued and unpaid RevOp Interest at the time the next regularly scheduled payment on the related Loan or Loans.

6.3 Optional Redemption of Investments. Notwithstanding the foregoing, Company may, in its sole discretion, redeem an Investment from Investor at any time prior to expiration of the RevOp Investment Term without payment of premium or penalty by tendering to Investor (a) a repurchase price equal to the unpaid principal balance of the Investment (after crediting all principal payments previously received thereon by Investor) and (b) any accrued and unpaid RevOp Interest at the time the next regularly scheduled payment on the related Loan or Loans.

Section 7. Company to Service Loans.

7.1 Company to Originate and Service Loans. Company shall underwrite, originate or acquire, and service the Loan or Loans related to the Investments and collect and disburse Loan payments.

7.2 Filing of Reassignment and Release Documents. Company shall hold the Reassignment and Release Documents with respect to an Investment until the expiration of each applicable RevOp Investment Term. Upon expiration of the RevOp Investment Term, (a) if an Investment and RevOp Interest has been repaid as a result of payment or the related Loan or Loans, or repurchased from Investor by or on behalf of the Company as set forth herein, then Company is authorized to complete and record (with respect to such documents as should be recorded) the Reassignment and Release Documents; and (b) if an Investment and RevOp Interest thereon has not been repaid to Investor nor repurchased from Investor by or on behalf of Company as provided in this Agreement, then Company shall deliver to Investor the Reassignment and Release Documents.

7.3 **Disbursement of Payments.** During the RevOp Investment Term, Company shall be authorized to receive all payments of principal and interest with respect to any Loan or Loans related to Investments, to reinvest the principal pursuant to Section 3.3 or disburse the principal to Investor, to disburse the RevOp Interest to Investor, and to disburse the balance of any interest in excess of the RevOp Interest to Company.

Section 8. Representations and Warranties.

8.1 **Representations and Warranties of Company.** Company represents and warrants to Investor as follows:

- (a) All recitals and representations set forth in this Agreement are true and correct.
- (b) Company is a corporation formed under the laws of the state of Arizona and is duly organized, validly existing, and in good standing under the laws of such state.
- (c) Company has the corporate power and authority to conduct its business as now being conducted.
- (d) The liens, security interests, and assignments created by the Loan Assignment Documents will result in valid, effective, and enforceable liens, security interests, and assignments.
- (e) Until all Investments have been paid in full and all of Company's obligations hereunder have been fully discharged, Company shall maintain in full force and effect all agreements, rights, and licenses necessary to conduct its business.

8.2 **Representations and Warranties of Investor.** Investor represents and warrants to Company as follows:

- (a) All recitals and representations set forth in this Agreement are true and correct.
- (b) In the event Investor is a corporation, partnership, limited liability company, plan, trust, or other entity, Investor is duly organized, validly existing, and in good standing under the laws of the state of its organization and has full power and authority to carry on its business as now being conducted. In the event Investor is an individual, Investor is either unmarried, or if married, Investor is acting on behalf of Investor's marital community unless Investor is dealing in Investor's sole and separate property and such status is specifically identified on the signature page hereto.
- (c) Acknowledges that Investor has received the Private Offering Memorandum dated June 20, 2006 (the "Memorandum") and is familiar with and understands it, including the section captioned "Risk Factors."
- (d) Acknowledges that Investor is fully familiar with the Program and with Company and its business, affairs, operating policies, and prospects and has had access to any and all material information, including all documents, records, and books pertaining to Company, that Investor deems necessary or appropriate to enable Investor to make an investment decision to participate in the Program and purchase Participations.
- (e) Acknowledges that the Investor has been encouraged to rely upon the advice of Investor's legal counsel, accountants, and other financial advisors with respect to the participation in the Program and the purchase of Participations.
- (f) Represents and warrants that Investor, in determining to participate in the Program and purchase Participations, has relied solely upon this Agreement, the Memorandum, and the advice of Investor's legal counsel, accountants, and other financial advisors and has been offered the opportunity to ask such questions and inspect such documents concerning the Company and its business and affairs and the Program as

Investor has requested so as to understand more fully the Program and the nature of the investment and to verify the accuracy of the information supplied.

(g) Represents and warrants that Investor has full power to execute, deliver, and perform this Agreement and that this Agreement is a legal and binding obligation of, and is enforceable against, Investor in accordance with its terms.

(h) Represents and warrants that Investor is an "accredited investor" as defined in Rule 501(a) under the Securities Act of 1933, as amended (the "Securities Act") and satisfies one of the standards set forth in the Memorandum under the section captioned under "Who May Invest."

(i) Represents and warrants that the Participations being acquired will be acquired for Investor's own account without a view to public distribution or resale and that Investor has no contract, undertaking, agreement, or arrangement to sell or otherwise transfer or dispose of any Participations or any portion thereof to any other person.

(j) Represents and warrants that Investor (i) can bear the economic risk of the purchase of Participations, including the loss of Investor's investment and (ii) has such knowledge and experience in business and financial matters, including the analysis of or participation in private offerings and real estate investments, as to be capable of evaluating the merits and risks of the participation in the Program and an investment in Participations.

(k) Represents and warrants, if subject to the Employee Retirement Income Security Act ("ERISA"), that Investor is aware of and has taken into consideration the diversification requirements of Section 404(a)(3) of ERISA in determining to purchase Participations and that Investor has concluded that the purchase of Participations is prudent.

(l) Understands that Investor may be required to provide current financial and other information to the Company to enable it to determine whether Investor is qualified to purchase Participations.

(m) Understands that the Participations will not be registered under the Securities Act or the securities laws of any state or other jurisdiction and therefore will be subject to substantial restrictions on transfer.

(n) Agrees that Investor will not sell or otherwise transfer or dispose of any Participations or any portion thereof unless such Participations are registered under the Securities Act and any applicable state securities laws or Investor obtains an opinion of counsel that it is satisfactory to Company that such Participations may be sold in reliance on an exemption from such registration requirements.

(o) Understands that (i) Company has no obligation or intention to register any Participations for resale or transfer under the Securities Act or any state securities laws or to take any action (including the filing of reports or the publication of information as required by Rule 144 under the Securities Act) that would make available any exemption from the registration requirements of any such laws, and (ii) Investor therefore may be precluded from selling or otherwise transferring or disposing of any Participations or any portion thereof for an indefinite period of time or at any particular time.

(p) Represents and warrants that neither Company, Mortgages Ltd. Securities, L.L.C. ("MLS"), an affiliate of Company, nor anyone purportedly acting on behalf of either of them has made any representations or warranties respecting the Program or the business, affairs, financial condition, plans, or prospects of the Company except those contained in the Memorandum nor has Investor relied on any representations or warranties in the belief that they were made on behalf of any of the foregoing, nor has Investor relied on the absence of any such representations or warranties in reaching the decision to participate in the Program or purchase Participations.

(q) Represents and warrants that (i) if an individual, Investor is at least 21 years of age; (ii) Investor satisfies the suitability standards set forth in the Memorandum; (iii) Investor has adequate means of providing for Investor's current needs and contingencies; (iv) Investor has no need for liquidity in Investor's investments; (v) Investor maintains the Investor's business or residence at the address shown below; (vi) all investments in and commitments to non-liquid investments are, and after the purchase of Participations will be, reasonable in relation to Investor's net worth and current needs; and (vii) any financial information that is provided by Investor at the request of the Company, does or will accurately reflect Investor's financial sophistication and condition with respect to which Investor does not anticipate any material adverse change.

(r) Understands that no federal or state agency, including the Securities and Exchange Commission or the securities commission or authorities of any state, has approved or disapproved the Participations, passed upon or endorsed the merits of the offering of participation, or made any finding or determination as to the fairness of the Participations for public investment.

(s) Understands that the Participations are being offered and sold in reliance on specific exemptions from the registration requirements of federal and state laws and that Company is relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgements, and understandings set forth herein in order to determine the suitability of Investor to acquire Participations.

(t) Represents, warrants, and agrees that, if Investor is acquiring Participations in a fiduciary capacity (i) the above representations, warranties, agreements, acknowledgements, and understandings shall be deemed to have been made on behalf of the person or persons for whose benefit such Participations are being acquired, (ii) the name of such person or persons is indicated below under the subscriber's name, and (iii) such further information as Company deems appropriate shall be furnished regarding such person or persons.

(u) Represents and warrants that the information set forth herein regarding Investor is true and complete and agrees that the Company may rely on the truth and accuracy of the information for purposes of assuring that Company may rely on the exemptions from the registration requirements of the Securities Act afforded by Section 4(2) of the Securities Act and Regulation D under the Securities Act and of any applicable state statutes or regulations, and further agrees that the Company may present such information to such persons as it deems appropriate if called upon to verify the information provided or to establish the availability of an exemption from registration under Section 4(2) of the Securities Act, Regulation D, or any state securities statutes or regulations or if the contents are relevant to any issue in any action, suit, or proceeding to which Company, MLS, or any agent of any of them is a party or by which any of them may be bound.

(v) Understands and acknowledges that the Participations and the Loans are subject to a number of important risks and uncertainties as set forth under the section captioned "Risk Factors" in the Memorandum, including significant competition; the risks generally incident to the development, ownership operation, and rental of real property; changes in national and local economic and market conditions; changes in the investment climate for real estate investments; the availability and cost of mortgage funds; the obligations to meet fixed and maturing obligations, if any; the availability and cost of necessary utilities and services; changes in real estate tax rates and other operating expenses; changes in governmental rules, fiscal policies, zoning, environmental controls, and other land use regulations; and acts of God, which may result in uninsured losses; conditions in the real estate market; the availability and cost of real estate loans; and other factors beyond the control of Company. Investor further understands and acknowledges that Participations will also be subject to the risks associated with the development of real estate, including the cost of construction, the time it takes to complete such construction, worker strikes and other labor difficulties, energy shortages, material and labor shortages, inflation, adverse weather conditions, subcontractor defaults and delays, changes in federal, state, or local laws, ordinances, or regulations, and other unknown contingencies.

(w) Understands and acknowledges that the future operating results of Company are impossible to predict and that no representations or warranties of any kind are made by Company, or MLS or any of their affiliates with respect to the prospects of Company or the rate of return on the Participations.

Section 9. Default.

9.1 Default by Company. The occurrence of any of the following events or conditions shall constitute an "Event of Default" by Company under this Agreement:

- (a) The failure by Company to fulfill its obligations under Section 6.2 within 10 days after written notice from Investor;
- (b) Any representation, warranty, or statement by Company contained in this agreement shall have been materially false when made or furnished;
- (c) The filing by Company of any proceeding under the federal bankruptcy laws or any other similar statute now or hereafter in effect; the entry of an order for relief under such laws with respect to Company; or the appointment of a receiver, trustee, custodian, or conservator of all or any part of the assets of Company;
- (d) The insolvency of Company; the execution by Company of an assignment for the benefit of creditors; or a material adverse change in the financial condition of Company;
- (e) The admission in writing by Company that it is unable to pay its debts as they mature or that it is generally not paying its debts as they mature; or
- (f) The liquidation, termination, or dissolution of Company if Investor is not reasonably reassured of timely performance hereunder.

9.2 Default by Investor. The occurrence of any of the following events or conditions shall constitute an "Event of Default" by the Investor under this Agreement:

- (a) The failure by Investor to timely pay the Purchase Money;
- (b) The failure by Investor to timely execute and return to Company the Loan Assignment Documents, the Reassignment and Release Documents, or such other instruments or documents as reasonably requested by Company, in accordance with the terms of this Agreement within 10 business days after written notice thereof by Company to Investor;
- (c) Any representation, warranty, or statement by Investor contained in this agreement shall have been materially false when made or furnished;
- (d) The filing by Investor of any proceeding under the federal bankruptcy laws or any other similar statute now or hereafter in effect; the entry of an order for relief under such laws with respect to Investor; or the appointment of a receiver, trustee, custodian, or conservator of all or any part of the assets of Investor;
- (e) The insolvency of Investor; the execution by Investor of an assignment for the benefit of creditors; or a material adverse change in the financial condition of Investor;
- (f) The admission in writing by Investor that it is unable to pay its debts as they mature or that it is generally not paying its debts as they mature; or
- (g) The liquidation, termination, or dissolution of Investor if Company is not reasonably reassured of timely performance hereunder.

9.3 Remedies of Investor. Upon the occurrence of any Event of Default caused by Company (and at any time thereafter while such Event of Default is continuing), Investor may do one or more of the following:

(a) Proceed to protect and enforce its rights and remedies under this Agreement, the Loan Documents and the Reassignment and Release Documents; and

(b) Avail itself of any other right, remedy, or relief to which Investor may be legally or equitably entitled, all of which remedies shall be non-exclusive and cumulative and the exercise by Investor of any one such remedy shall not preclude the exercise by Investor of further or additional remedies.

9.4 **Remedies of Company.** Upon the occurrence of any Event of Default caused by Investor (and at any time thereafter while such Event of Default is continuing), Company may do one or more of the following:

(a) Proceed to protect and enforce its rights and remedies under this Agreement, the Loan Assignment Documents, and the Reassignment and Release Documents;

(b) Demand and receive repayment from Investor of the Placement Fee;

(c) Refuse to allow Investor any further participation in the Revolving Opportunity Program and/or any other investment program offered by Company; and

(d) Avail itself of any other right, remedy, or relief to which Company may be legally or equitably entitled, including without limitation damages or injunctive relief, all of which remedies shall be non-exclusive and cumulative and the exercise by Company of any one such remedy shall not preclude the exercise by Company of further or additional remedies.

Section 10. Action Upon Agreement.

10.1 **Beneficiaries of Agreement.** This Agreement is made for the sole protection and benefit of the parties hereto, and no other person or organization shall have any rights hereunder.

10.2 **Entire Agreement.** This Agreement, together with the Loan Assignment Documents, and the Reassignment and Release Documents, contain the entire agreement between the parties with regard to the subject matter hereof. There are no representations, promises, warranties, understandings, or agreements, expressed or implied, oral or otherwise, in relation thereto, except those expressly referred to or set forth herein. Each party acknowledges that the execution and delivery of this Agreement is its free and voluntary act and deed, and that said execution and delivery have not been induced by, nor done in reliance upon, any representations, promises, warranties, understandings, or agreements made by the other party, its agents, officers, employees, or representatives.

10.3 **Agreements in Writing.** No promise, representation, warranty, or agreement made subsequent to the execution and delivery of this Agreement by either party hereto, and no revocation, partial or otherwise, or change, amendment, or addition to or alteration or modification of this Agreement shall be valid unless the same shall be in writing signed by all parties hereto.

10.4 **Independent Parties.** Investor and Company each have separate and independent rights and obligations under this Agreement. Nothing contained herein shall be construed as creating, forming, or constituting any partnership, joint venture, merger, or similar relationship between Company and Investor for any purpose or in any respect.

Section 11. Adoption of the Agreements.

JK
11.1 **Power of Attorney.** By executing this Agreement, Investor accepts and agrees to be bound by the Agency Agreement, the Loan Assignment Documents, and the Reassignment and Release Documents. Investor further hereby irrevocably constitutes and appoints the Company, with full power of substitution, as Investor's true and lawful attorney and agent, with full power and authority in the Investor's name, place, and stead, to make, execute, swear to, acknowledge, deliver, file, and record the following:

(a) The Agency Agreement, the Loan Assignment Documents, and the Reassignment and Documents, and any amendments thereto;

(b) All certificates, instruments, documents, and other papers and amendments thereto that may from time to time be required under the laws of the United States of America, the state of Arizona, any other state or jurisdiction, or required by any political subdivision or agency of any of the foregoing or otherwise, or which Company deems appropriate or necessary to carry on the objects and intent of this Agreement and to administer the Revolving Opportunity Loan Program as contemplated by this Agreement;

JK This power of attorney granted hereby shall be deemed to be a power coupled with an interest, shall survive the death, legal incapacity, bankruptcy, merger, sale, dissolution, termination, or other fundamental change of Investor, and shall survive the delivery of an assignment by Investor of all or any portion of Investor's Investments.

11.2 Execution of Documents by Investor. Notwithstanding Section 11.1, to the extent requested by Company upon 10 business days notice, Investor shall execute (and cause signature to be acknowledged before a notary, when appropriate) and deliver to Company any Loan Assignment Documents, Reassignment and Release Documents (but only upon the repayment in full of the related Investment), and such other documents, certificates, and other papers as Company reasonably deems necessary or appropriate to administer the Revolving Opportunity Loan Program as contemplated by this Agreement.

Section 12. General.

12.1 Cooperation. Each party shall reasonably cooperate with the other party, including without limitation the execution or delivery upon request of such other or additional instruments or documents as reasonably necessary or appropriate to accomplish the purposes of this Agreement.

12.2 Notices. All notices required or permitted to be given hereunder shall be in writing, and shall become effective 72 hours after such are deposited in the United States mail, certified or registered, postage prepaid, addressed as shown above or to such other address as such party may from time-to-time designate in writing.

12.3 Governing Law and Venue. This Agreement shall be governed by and construed according to the laws of the state of Arizona. Investor agrees that any controversies relating to this Agreement will be determined in federal or state court sitting in the city of Phoenix, waives the defense of inconvenient forum, and waives any right to jury trial.

12.4 Binding Agreement. This Agreement shall be binding upon the parties hereto and may not be assigned by either party.

12.5 Headings. The headings or captions of sections in this Agreement are for convenience and reference only and in no way define, limit, or describe the scope or intent of this Agreement or the provisions of such sections.

IN WITNESS WHEREOF, the parties have executed this Agreement with respect to the Investor Commitment amount of \$2,180,000.00 as of the Effective Date of September 25, 2007.

MORTGAGES LTD., an Arizona corporation

The Lonnie Joel Krueger Family Trust

By: _____

Scott M. Coles

Its: Chairman and Chief Executive officer

Address: 55 East Thomas Road
Phoenix, Arizona 85012

By: _____

Lonnie J. Krueger

Its: Trustee

Address: 13601 N. 85th St.
Scottsdale, AZ 85260
Phone: Hm (480) 991-6894
E-mail: ljkrueger@cox.net