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5 Attorneys for Mortgages Ltd. 401(k) Plan
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7
8 IN THE UNITED STATES BANKRUPTCY COURT
9 FOR THE DISTRICT OF ARIZONA

10 In re
11 MORTGAGES LTD.,
12
13 Debtor.

Chapter 11
Case No. 2:08-bk-07465-RJH

**DECLARATION OF
JAMES CORDELLO**

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16
17 James Cordello (“Declarant”) declares as follows:

- 18 1. Declarant has firsthand knowledge of the matters set forth herein.
19 2. Declarant is a current trustee and fiduciary of the Mortgages Ltd. 401(k)
20 Plan.
21 3. Mr. Furst is a participant in the 401(k) Plan, but he is not a Trustee of the
22 401(k) Plan.
23 4. The Trustees of the Mortgages Ltd. 401(k) Plan filed a Complaint in the
24 United States District Court for the District of Arizona on August 30, 2010, seeking
25 relief pursuant to 29 U.S.C. § 1132(a)(3) against ML Manager and the Board of
26 Members of ML Manager.

1 5. The 401(k) Plan never executed a Subscription Agreement or Agency
2 Agreement under the Private Offering Memorandum (“POM”).

3 6. The only document ever executed by the 401(k) Plan pertaining to the
4 POM is an account agreement, and it relates only to “loan originated or acquired by
5 Mortgages Ltd. with respect to the Programs set forth below.” A true and correct copy
6 of the account agreement is attached hereto as Exhibit 1.

7 7. The GP Loan was not “originated or acquired by Mortgages Ltd.” with
8 respect to any of the Programs listed in the POM.

9 8. The 401(k) Plan never invested in any of the Programs listed in the
10 POM.

11 9. The 401(k) Plan, Mortgages Ltd. and the borrower entered into a
12 Servicing Agent Agreement with respect to the GP Loan. A true and correct copy of
13 the Servicing Agent Agreement is attached hereto as Exhibit 2.

14 10. True and correct copies of the GP Loan Promissory Note, the Promissory
15 Note Indorsements from the Plan, and the Loan Application are attached hereto as
16 Exhibit 3.

17 11. Mortgages Ltd had considered the effect on the prohibited transaction
18 provisions of ERISA, and correctly concluded that if it were to retain any economic
19 benefit on a loan made by the 401(k) Plan, it would have engaged in a prohibited
20 transaction.

21 12. Mortgages Ltd. recognized that its retention of an interest spread on an
22 undivided interest in a loan assigned to it by the 401(k) Plan would be a prohibited
23 transaction under ERISA § 406.

24 13. For that reason, if the accrual interest rate assigned to Mortgages Ltd. by
25 the 401(k) Plan was greater than the rate assigned by Mortgages Ltd. to an investor,
26 Mortgages Ltd. recognized that it could not retain the “interest spread” and would

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account back to the 401(k) Plan for that spread.

14. Attached hereto as Exhibit 4 is a true and correct copy of a letter from Mark Winkleman, Chief Operating Officer of ML Manager, to the investors in the GP Property, dated November 3, 2009.

15. Mortgages Ltd. retained no beneficial interest under the Deed of Trust, because the entire undivided beneficial interest under the Deed of Trust assigned to Mortgages Ltd. was in turn assigned by Mortgages Ltd. to investors.

16. A true and correct copy of the December 23, 2004 Master Agency Agreement between the 401(k) Plan and Mortgages Ltd. is attached hereto as Exhibit 5.

17. Attached hereto as Exhibit 6 is a true and correct copy of the Trustee's Deed for the property that secured the GP Loan showing that title to the property as vested in the 401(k) Plan as to an undivided 46.864% interest.

18. Attached hereto as Exhibit 7 are a true and correct copies of the termination notices sent by Chris Olson on May 29, 2009 and by Declarant on August 30, 2010.

19. I declare under penalty of perjury that the foregoing is true and correct.

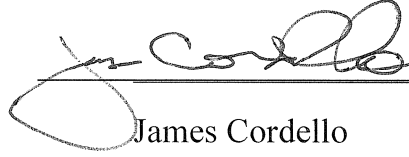
KELLER ROHRBACK, P.L.C.

ATTORNEYS AT LAW

NATIONAL BANK PLAZA, SUITE 1400
3101 NORTH CENTRAL AVENUE
PHOENIX, ARIZONA 85012-2643
TEL. (602) 248-0088 FAX (602) 248-2822

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DATED this 30th day of August, 2010.



James Cordello

Ex. 1

MD Signature
 CCO Signature
 Officer Signature

For Mortgages Ltd. Securities .L.L.C use only
MLS Account Number MO04
Managing Director HSE
Other active account numbers established by this investor, and account group:

MORTGAGES LTD.

EXISTING INVESTOR ACCOUNT AGREEMENT

This Agreement relates to Pass-Through Loan Participations (“Participations”) in loans (“Loan”) originated or acquired by Mortgages Ltd. with respect to the Capital Opportunity® Loan Program, the Annual Opportunity™ Loan Program, the Opportunity Plus® Loan Program, the Revolving Opportunity™ Loan Program, and the Performance Plus™ Loan Program. Participations in Loans with respect to the various programs are being offered from time to time pursuant to that certain Private Placement Memorandum dated July 10, 2006, which describes the Participations, the loans, the programs, investments risks, and related matters. This Agreement should be returned to:

MORTGAGES LTD. SECURITIES, L.L.C.
55 East Thomas Road
Phoenix, Arizona 85012
Telephone: (602) 443-3888

Please be sure that your name appears in exactly the same way in each signature and in each place where it is indicated in this Agreement. If you have any questions concerning the completion of this Agreement, please contact Mortgages Ltd. Securities, L.L.C. at (602) 443-3888.

Mortgages Ltd., which is the issuer of the Participations, and Mortgages Ltd. Securities, L.L.C., which is the licensed broker-dealer for the offering of the Participations, are commonly controlled by Scott M. Coles, who is the Chairman and Chief Executive Officer of Mortgages Ltd. and the Managing Member of Mortgages Ltd. Securities, L.L.C.

MORTGAGES LTD.
EXISTING INVESTOR ACCOUNT AGREEMENT

1. **Programs Covered.** This Agreement relates to Pass-Through Loan Participations (“Participations”) in loans originated or acquired by Mortgages Ltd. with respect to the Programs set forth below described in that certain Private Offering Memorandum dated July 10, 2006. The offering of Participations is being made through Mortgages Ltd. Securities, L.L.C. (“MLS”).

The undersigned is participating in the Program or Programs set forth below:

_____	Capital Opportunity® Loan Program - minimum investment of \$50,000.
_____	Annual Opportunity™ Loan Program - minimum investment of \$100,000.
_____	Opportunity Plus® Loan Program - minimum investment of \$100,000.
_____	Revolving Opportunity™ Loan Program - minimum investment of \$500,000.
_____	Performance Plus™ Loan Program - minimum investment of \$500,000.

2. **Representations and Warranties.** By executing this Agreement, the undersigned:

(a) Represents and warrants that the Account Application and any other personal and financial information previously provided, provided herewith, or subsequently provided by the undersigned to Mortgages Ltd. or MLS was, is, or will be true and correct.

(b) Acknowledges that the undersigned has received, and is familiar with and understands the Private Offering Memorandum dated July 10, 2006 or an earlier private offering memorandum provided by Mortgages Ltd. and MLS (together the “Memorandum”), including the section captioned “Risk Factors.”

(c) Acknowledges that the undersigned is fully familiar with Mortgages Ltd. and its business, affairs, and operating policies and has had access to any and all material information, including all documents, records, and books pertaining to Mortgages Ltd., that the undersigned deems necessary or appropriate to enable the undersigned to make an investment decision in connection with the purchase of Participations.

(d) Acknowledges that the undersigned has been encouraged to rely upon the advice of the undersigned’s legal counsel, accountants, and other financial advisors with respect to the purchase of Participations, including the tax considerations with respect thereto.

(e) Represents and warrants that the undersigned, in determining to purchase Participations, has relied and will rely solely upon the Memorandum and the advice of the undersigned’s legal counsel, accountants, and other financial advisors with respect to the purchase of Participations (including the tax aspects thereof) and has been offered the opportunity to ask such questions and inspect such documents as the undersigned has requested so as to understand more fully the nature of the investment and to verify the accuracy of the information supplied.

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

(g) Represents and warrants that the undersigned 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” and that the undersigned will inform Mortgages Ltd. and MLS of any change in such accredited investor status.

(h) Represents and warrants that the Participations owned by the undersigned have been, and any Participations acquired by the undersigned in the future will be, acquired for the undersigned’s own account

without a view to public distribution or resale and that the undersigned with no contract, undertaking, agreement, or arrangement to sell or otherwise transfer or dispose of any Participations or any portion thereof to any other person.

(i) Represents and warrants that the undersigned (i) can bear the economic risk of the Participations, including the loss of the undersigned'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 an investment in Participations or that the undersigned is being advised by others (acknowledged by the undersigned as being the "Purchaser Representative(s)" of the undersigned) such that they and the undersigned together are capable of making such evaluation.

(j) Represents and warrants, if subject to the Employee Retirement Income Security Act ("ERISA"), that the undersigned 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 the undersigned has concluded that the purchase of Participations is prudent.

(k) Understands that the undersigned may be required to provide additional current financial and other information to Mortgages Ltd. and Mortgages Ltd. Securities, L.L.C. to enable them to determine whether the undersigned is qualified to purchase Participations.

(l) 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.

(m) Agrees that the undersigned 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 the undersigned obtains an opinion of counsel that it is satisfactory to Mortgages Ltd. and MLS that such Participations may be sold in reliance on an exemption from such registration requirements.

(n) Understands that (i) there is 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) the undersigned 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.

(o) Represents and warrants that neither Mortgages Ltd. or MLS nor anyone purportedly acting on behalf of either of them has made any representations or warranties respecting the Participations except those contained in the Memorandum nor has the undersigned relied on any representations or warranties in the belief that they were made on behalf of any of the foregoing, nor has the undersigned relied on the absence of any such representations or warranties in reaching the decision to purchase Participations.

(p) Represents and warrants that (i) if an individual, the undersigned is at least 21 years of age; (ii) the undersigned satisfies the suitability standards set forth in the Memorandum; (iii) the undersigned has adequate means of providing for the undersigned's current needs and contingencies; (iv) the undersigned has no need for liquidity in the undersigned's investments; (v) the undersigned maintains the undersigned's business or residence at the address provided to Mortgages Ltd. and MLS; (vi) all investments in and commitments to non-liquid investments including Participations currently owned are, and after any further acquisitions of Participations will be, reasonable in relation to the undersigned's net worth and current needs; and (vii) any financial information previously provided, provided herewith, or subsequently provided at the request of Mortgage Ltd. or MLS did, does, or will accurately reflect the undersigned's financial sophistication and condition with respect to which the undersigned does not anticipate any material adverse change.

(q) 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 Participations, or made any finding or determination as to the fairness of the Participations for investment.

(r) Understands that the Participations are sold in reliance on specific exemptions from the registration requirements of federal and state laws and that Mortgages Ltd. and MLS are relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgements, and understandings of the undersigned in order to determine the suitability of the undersigned to acquire Participations.

(s) Represents, warrants, and agrees that, if the undersigned has acquired in the past or acquires in the future 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 Mortgages Ltd. and MLS deem appropriate shall be furnished regarding such person or persons.

(t) Represents and warrants that the information set forth herein, or contained in the undersigned's Account Application, is true and complete and agrees that Mortgages Ltd. and MLS may rely on the truth and accuracy of the information for purposes of assuring that Mortgages Ltd. and MLS 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 Mortgages Ltd. and MLS 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 Mortgages Ltd. or MLS are a party or by which either of them may be bound.

(u) Understands and acknowledges that the Participations 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; 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 Mortgages Ltd. The undersigned further understands and acknowledges that the 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.

(v) Understands and acknowledges that the representations and warranties contained in this Agreement must remain true and correct at any time that the undersigned purchases any additional Participations and that the payment for any additional Participations will constitute such a reconfirmation of the truth and correctness of the representations and warranties contained in this Agreement.

(w) Understands and acknowledges that the success of any investment is impossible to predict and that no representations or warranties of any kind are made by Mortgages Ltd. or MLS or any of their affiliates with respect to the prospects of the investment or the ultimate rate of return on the Participations.

3. **General Information.** Purchaser Representative. Please check (a) or (b) below:

- (a) The undersigned is not relying upon the advice of a Purchaser Representative, such as an attorney, accountant, or other advisor, in making a final investment decision to purchase Participations. The undersigned believes that the undersigned has sufficient knowledge and experience in financial and

business matters to be capable of evaluating the merits and risks of an investment in the Participations.

- (b) () The undersigned does not have sufficient knowledge and experience in financial and business matters as required above. The undersigned intends to rely on and hereby designates as the undersigned's Purchaser Representative the individual(s) named below to assist the undersigned in evaluating the risks and merits of an investment in Participations. The undersigned authorizes Mortgages Ltd. to furnish such person with a Purchaser Representative Questionnaire requesting certain information regarding his or her expertise and background and the undersigned agrees to furnish such questionnaire to Mortgages Ltd.

Name of Purchaser Representative: _____

Address: _____

Occupation: _____

Employer: _____

If Item 3(b) is checked, each Purchaser Representative must complete a Purchaser Representative Questionnaire.

4. **Adoption of the Agency Agreement.** By executing this Subscription Agreement, the undersigned accepts and agrees to be bound by the Agency Agreement provided to the undersigned, which is an exhibit to the Memorandum. The undersigned further hereby irrevocably constitutes and appoints Mortgages Ltd., with full power of substitution, as the undersigned's true and lawful attorney and agent, with full power and authority in the undersigned's name, place, and stead, to make, execute, swear to, acknowledge, deliver, file, and record the following:

(a) The Agency Agreement and amendments thereto;

(b) Any Assignments of Beneficial Participation in Deeds of Trust, Promissory Note Endorsements, Assignments of Assignment of Deeds, Leases and Profits, and Assignments of Assignments of Rents that Mortgages Ltd. deems necessary and appropriate to effectuate the purposes of the Programs and the purchase of Participations.

(c) 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 Mortgages Ltd. deems appropriate or necessary to carry on the objects and intent of the Programs and the purchase of Participations;

(d) All conveyances and other instruments that Mortgages Ltd. deems appropriate to effect the transfer of Participations.

The undersigned hereby authorizes Mortgages Ltd. to be named as the lender/payee/beneficiary as agent for the undersigned in the deed of trust or deeds of trust or mortgage or mortgages securing the Loan or Loans and other documentation relating to the Loans.

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 the undersigned, and shall survive the delivery of an assignment by the undersigned of all or any portion of the undersigned's Participations or any interest therein except that, when the assignee thereof has been approved by

Mortgages Ltd. as a Participation holder, the power shall survive the delivery of such assignment with respect to the assigned interest only for the purpose of enabling Mortgages Ltd. to execute, acknowledge, and file any instruments necessary to effect such substitution.

5. **Authorization to Purchase Following Verbal or Email Instructions.** The undersigned hereby authorizes Mortgages Ltd. Securities, L.L.C., as the undersigned's agent, to accept the undersigned's oral or email instructions (a) to purchase Participations in Loans secured by deeds of trusts or mortgages on the properties underlying the Loans so long as the Participations are within the parameters described in the Memorandum and (b) to apply payoff proceeds of Participations to purchase Participations in other Loans within the parameters described in the Memorandum or to forward the cash proceeds thereof to the undersigned. By executing this Agreement, the undersigned also acknowledges and confirms the following:

(a) The undersigned understands and acknowledges that Mortgages Ltd. will have the authority, based upon the undersigned's oral or email instructions, to make various determinations and take various actions with Loans with respect to the Participations currently owned or owned in the future by the undersigned, including extending the terms of the Loans, modifying the payment terms of the Loans, accepting prepayments on the Loans, releasing a portion of the collateral securing the Loans, and otherwise dealing with the Loans on behalf of the undersigned.

(b) To the extent that the undersigned requests with respect to a Loan, the undersigned understands that the undersigned will have the opportunity to (i) review the Property Information Sheet for the Loan, which describes material information about the Loan and the deed of trust or mortgage securing the Loan, (ii) to review Mortgage Ltd.'s entire loan file with respect to the Loan, which contains information and documentation concerning the Loan, the real property underlying the Loan, and the Borrower under the Loan; (iii) to ask any questions the undersigned has about the Loan and such documentation; and (iv) the undersigned will receive answers to any questions that the undersigned may have.

To the extent that a representative of Mortgages Ltd. Securities, L.L.C. is unable to contact the undersigned following the payoff of a Loan with respect to which the undersigned owns Participations, the undersigned authorizes Mortgages Ltd. Securities, L.L.C. to apply such proceeds to the Capital Opportunity Loan Program for its minimum investment period pending oral or email instructions from the undersigned for the application of such proceeds after such minimum period.

6. **Grant of Discretion.** Until revoked at any time in writing, the undersigned hereby grants discretion to Mortgages Ltd., in its sole discretion, to select for purchase and sale the Loan or Loans with respect to which the undersigned acquires Participations. Without limiting the foregoing, the undersigned understands that this grant of discretion will give Mortgages Ltd. the authority, in its sole discretion, to make various determinations and take various actions with Loans with respect to Participations to be acquired, acquired, or sold by the undersigned, including extending the terms of the Loans, modifying the payment terms of the Loans, accepting prepayments on the Loans, releasing a portion of the collateral securing the Loan, and otherwise dealing with the Loans on behalf of the undersigned.

7. **Disclosure of Existing Power of Attorney.** Please indicate if the undersigned has granted a power of attorney with respect to Mortgages Ltd. investment products.

Yes

No

If yes, please attach a copy of the document.

8. **Miscellaneous.**

(a) **Choice of Law.** This Agreement and all questions relating to its validity, interpretation, performance, and enforcement, will be governed by and construed in accordance with the laws of the state of Arizona, notwithstanding any Arizona or other conflict-of-law provision to the contrary.

(b) **Binding Agreement.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and the respective heirs, personal representatives, successors, and assigns of the parties hereto, except that the undersigned may not assign or transfer any rights or obligations under this Subscription Agreement without the prior written consent of the Mortgages Ltd.

(c) **Entire Agreement.** This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements, or conditions, express or implied, oral or written, except as herein contained.

(d) **Dispute Resolution.**

(i) This section applies to any controversy or claim arising from, relating to, or in any way connected with this Agreement, the offering of Participations, the Loans, the Agency Agreement, or any other documents relating to the Loans.

(ii) In the event of any such controversy or claim, the parties shall use their best efforts to settle the controversy or claim. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of 60 days, then, upon notice by either party to the other, all such controversies or claims shall be submitted to mediation administered by the American Arbitration Association under its Commercial Mediation Procedures.

(iii) In the event that mediation does not result in a resolution, any party that still wishes to pursue a controversy or claim shall first notify the other party in writing within 60 days after the mediation. Upon receipt of such notice, the receiving party shall elect, in its sole and absolute discretion, to compel the dispute either to court for litigation pursuant to this section or to arbitration pursuant to this section. The receiving party shall notify the other party of the election within 10 days after receipt of the notice.

(iv) In the event that the dispute is compelled to arbitration, the parties agree to submit the unresolved controversies or claims to arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Within 15 days after the commencement of arbitration, each party shall select one person to act as arbitrator and the two selected shall select a third arbitrator within ten days of their appointment. If the arbitrators selected by the parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the American Arbitration Association. The arbitrators will have no authority to award punitive or other damages not measured by the prevailing party's actual damages, except as may be required by statute. The arbitrators shall not award consequential damages. Any award in an arbitration initiated under this clause shall be limited to monetary damages and shall include no injunction or direction to any party other than the direction to pay a monetary amount. The arbitrators shall award to the prevailing party, if any, as determined by the arbitrators, all of its costs and fees. "Costs and fees" mean all reasonable pre-award expenses of the arbitration, including the arbitrators' fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees, and attorneys' fees. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of the other parties. The place of arbitration shall be Phoenix, Arizona.

(v) In the event that the dispute is compelled to court for litigation, the parties agree that the unresolved controversies or claims shall be determined in federal or state court sitting in the city of Phoenix, and they agree to waive the defense of inconvenient forum and any right to jury trial.

IN WITNESS WHEREOF, intending to irrevocably bind the undersigned and the heirs, personal representatives, successors, and assigns of the undersigned and to be bound by this Agreement, the undersigned is executing this Agreement on the date indicated.

Dated: April 12, 2007

For Mortgages Ltd. Securities .L.L.C use only

[Signature]
Signature of Managing Director

[Signature]
Signature of Chief Compliance Officer

4/19/07

Name in which Individual Investment Is to Be Registered:

Scott M. Coles, Trustee of The Mortgages Ltd. 401(k) Plan

Print Name of Individual Investor:

SCOTT M. COLES

Signature of Individual Investor:

[Signature]

Print Name of Individual Co-Investor:

Signature of Individual Co-Investor:

Name of corporate, partnership, limited liability company, trust, qualified pension, profit sharing, stock/Keogh, or 401k Plan Investor:

By: _____
(Name of first executing party)

By: _____
(Signature of first executing party)

Its: _____

By: _____
(Name of second executing party)

By: _____
(Signature of second executing party)

Its: _____

ACCEPTED:

MORTGAGES LTD.

By: [Signature]

Its: Ryan P. Walter
Investment Operations Manager
Registered Principal

Rev: 060908

Ex. 2

SERVICING AGENT AGREEMENT

Loan No. 860206

July 18, 2007

“Borrower” (individually and collectively):

GP Properties Carefree Cave Creek, L.L.C., an Arizona limited liability company

“Lender”: Scott M. Coles or Christopher J. Olson, Trustees of the Mortgages Ltd. 401(k) Plan

“Servicing Agent”: Mortgages Ltd., an Arizona corporation.

In consideration of the reciprocal promises contained herein, Borrower, Lender and Servicing Agent (collectively, the “Parties”) hereby agree to the following.

1. APPOINTMENT AND AUTHORITY OF SERVICING AGENT

Trustor and Beneficiary hereby appoint Mortgages Ltd. to act as the Servicing Agent with regard to the Loan. Servicing Agent is authorized to perform any and all of the following tasks:

- a. Hold the originals of the Promissory Note, Deed of Trust, Fee Schedule and all other documents executed by the Borrower or any other party in connection with the Loan (collectively, the “Loan Documents”).
- b. Service and administer the Loan in any manner provided by the Loan Documents.
- c. Process any and all Loan payments from Borrower or other payor.
- d. Assess and process all fees and charges set forth in the Loan Documents including, but not limited to, administrative fees, notice fees and late charges.
- e. Apply any funds received by Servicing Agent to the fees and costs incurred or assessed by Beneficiary before applying the funds to the amounts owing under the Loan Documents (including notice fees, service fees, administrative fees, inspection fees, appraisal fees, expert fees, attorneys’ fees, litigation costs, forced placed insurance premiums, late charges and guarantor collection expenses (*as described herein*)). Any insurance placed by Servicing Agent may be placed with an affiliate of servicing Agent or a captive insurance company.
- f. Retain deposits received under the Loan Documents as impounds for the payment of the following:
 - (1) Future payments due;
 - (2) Taxes and assessments;
 - (3) Construction;
 - (4) Insurance premiums;
 - (5) Extension fees;
 - (6) Administration fees; **and**
 - (7) Any other expenditure required under the Loan Documents.


(Any impound account may be held in the name of Servicing Agent for the benefit of Lender and others, and Servicing Agent may apply and/or disburse any such deposits in accordance with the Loan Documents).

g. Evaluate, effectuate and process an assumption of the Loan, and assess and receive an assumption fee and/or an interest rate increase.

h. Sign, file and record all documents which are reasonable or desirable to facilitate servicing or the loan, including:

- (1) deeds of release and reconveyance (full and partial);
- (2) endorsements and assignments of Loan Documents (including assignments of all or a portion of the beneficial interest of any deed of trust included in the Loan Documents);
- (3) corrections, amendments, **modifications** and extensions of Loan Documents;




initials

SERVICING AGENT AGREEMENT

Loan No. 860206

July 18, 2007

Page 2

- (4) disclaimers;
- (5) financing statements; and
- (6) assumptions and various certifications.

i. Incur all fees, costs and expenses deemed necessary by Servicing Agent to protect Beneficiary's interests under the Loan Documents;

j. Incur all fees, costs and expenses deemed necessary by Servicing Agent to protect the property securing the Loan (the "Trust Property"), including insurance premiums, receiver fees, property manager fees, maintenance expenses and security expenses.

k. Obtain forced placed insurance on any portion of the Trust Property in the event the Borrower fails to maintain insurance as required by the Loan Documents.

l. Sign, file and record any and all documents reasonable or desirable to protect Lender's interests and/or pursue Lender's remedies upon default, including:

- (1) a statement of breach or non-performance;
- (2) a substitution of trustee;
- (3) a notice of election to foreclose;
- (4) a notice of trustee's sale;
- (5) an affidavit of non-military service;
- (6) a notice of proposed disposition of collateral and various verifications.

m. In the event of default and at Servicing 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:

- (1) pursuing an action against any borrower or guarantor of the Loan;
- (2) pursuing injunctive relief, the appointment of a receiver, provisional remedies or a deficiency judgment;
- (3) pursuing claims in bankruptcy court;
- (4) pursuing an appeal;
- (5) collecting rents; and
- (6) taking possession or operating the Trust Property).

n. In the event of default and at Servicing Agent's discretion effect a sale of Lender's interest, in whole or in part, in the Loan Documents at the expense of Trustor which expense shall be secured by the Deed of Trust.


o. 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 Servicing Agent deems reasonable and desirable.

p. Incur and pay such costs, expenses and fees as Servicing Agent deems appropriate in undertaking and pursuing enforcement of the Loan Documents and/or collection of amounts owed thereunder, including attorney fees, receiver fees, trustee fees, expert fees and any fees, costs and expenses incurred in an effort to collect against any borrower or any guarantor of the Loan.

2. ACCOMMODATION.

Servicing Agent provides its services as an accommodation only, and shall incur no responsibility or liability to any person, including, Borrower and Lender for any act or omission by Servicing Agent or any person or entity active for Servicing Agent.




initials

SERVICING AGENT AGREEMENT

Loan No. 860206

July 18, 2007

Page 3

3. ASSIGNMENT, RESIGNATION AND TERMINATION.

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

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

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

b. If that the ownership of the Trust Property becomes vested in the Lender by trustee's sale, judicial foreclosure or otherwise, then this Agreement shall automatically terminate and Servicing Agent will have no further duties or liabilities hereunder.

c. Upon Servicing Agent's assignment or resignation, or termination of this Agreement, Borrower shall immediately reimburse Lender for all fees, costs and expenses incurred hereunder. After such reimbursement and payment, Borrower shall remain obligated to indemnify, in accordance with Section 4 hereof, for liabilities which accrued prior to such resignation or termination.

4. INDEMNITY

a. Lender and Borrower shall immediately indemnify and hold Servicing Agent harmless for, from and against any and all liabilities incurred by Servicing Agent in performing under the terms of this Agreement or otherwise arising, directly or indirectly, from the Loan or Loan Documents, including all attorneys' fees, insurance premiums, expenses, costs, damages and expenses.

b. In the event that Servicing Agent requests that Lender and/or Borrower pay any amount owed hereunder, Lender and/or Borrower shall remit that amount to Servicing Agent within 5 business days of Servicing Agent's request.

5. BORROWER'S OBLIGATIONS

a. **Standard Fees and Costs.** Borrower shall pay to Servicing Agent, for the account of Beneficiary, its current fees and costs, including those items set forth in the Fee Schedule received by Borrower. The Fee Schedule is subject to change without notice as to the amounts and items included therein. Borrower shall pay a servicing set-up fee of **\$1,500.00**, and a monthly servicing fee of **\$30.00**. When the Loan is paid in full, Borrower shall pay a Close Out Fee of **\$1,500.00**, which is in addition to the monthly servicing fee. There will be a **\$30.00** charge to Borrower for each payoff request.

b. **Late Fees and Notices.** In the event that a regular payment is not received by Servicing Agent on or before the fifth calendar day after the due date, a late charge of **35%** of the monthly Principal and Interest payment will be charged and Borrower shall pay that amount to Servicing Agent, for the account of Lender. The parties agree that this late payment charge is intended to compensate Lender for losses incurred as a result of the late payment and that such late payment charge does not constitute and shall not be construed as a penalty. Servicing Agent will charge **\$125.00**, plus postage, for each notice sent regarding late payments, nonpayment of taxes, assessments, insurance premiums or any other matter that affects the Trust Property. Servicing Agent will charge **\$25.00** for each notice sent regarding returned checks, plus any actual charges assessed by the financial institution of the Servicing Agent as a result of each returned check. These notice fees are subject to change at the Servicing Agent's discretion. In the event that the Loan is not paid in full by the maturity date, Borrower acknowledges that a late charge will be assessed, for the account of Lender, in the amount of **3%** of the remaining principal balance of the Loan on the first day after Borrower's failure to pay and on the same day each month thereafter, until the final payment is received by Servicing Agent. All fees and charges are independent of one another and any default interest assessed; thus, a matured loan shall accrue default interest, maturity late fees and any other applicable fees and charges.

c. **Payment Statements.** Servicing Agent, as a convenience only, will provide to Borrower a monthly payment statement. Borrower acknowledges and agrees that it is obligated to make all payments when due under the Loan Documents, whether or not such payment statement is received by Borrower.




initials

SERVICING AGENT AGREEMENT

Loan No. 860206

July 18, 2007

Page 4

6. PARTIAL AND FINAL PAYMENTS

a. Partial Payments. In the event that Servicing Agent receives and processes a partial payment of any amount due under the Loan Documents, such act shall not constitute full payment, estoppel or a waiver of any right of Lender or Servicing Agent to recover the deficiency or to require future payments to be made in full.

b. Final Payment. In the event that the final sum to pay the principal balance in total is received by Servicing Agent **after 1:00 p.m.**, interest shall be charged through the next normal business day.

7. GENERAL PROVISIONS

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

b. This Agreement and the benefits hereunder are **not** assignable or transferable by Borrower. Lender may assign Lender's rights and obligations under this Agreement without prior notice to Borrower. Lender, however, must give Servicing Agent prior written notice. After assignment, Lender shall have no further duties or liabilities to Borrower.

c. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Arizona, without regard to the choice of law rules of the State of Arizona. The Parties hereby submit to the exclusive 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 waive the defense of an inconvenient forum.

d. The Parties voluntarily, knowingly, irrevocably and unconditionally waive the right to a jury trial on any contested matters arising from this Agreement or the Loan Documents.

e. This Agreement sets forth the entire agreement and understanding of the Parties with respect to the subject matter hereof and is to be read in consistency and accordance with the other Loan Documents.

f. This Agreement may be amended, modified, superseded, canceled, renewed or extended and the terms and covenants hereof may be waived only by a written instrument signed by all of the parties hereto. The failure of Servicing Agent or Beneficiary at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of Servicing Agent at a later time to enforce the same. No waiver by Beneficiary or Servicing 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 Servicing Agent or Lender 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 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. As used in this Agreement, the word "include(s)" means "Include(s), without limitation," and the word "Including" means "including, but without limitation."




initials

SERVICING AGENT AGREEMENT

Loan No. 860206

July 18, 2007

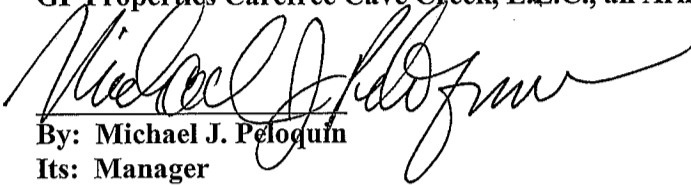
Page 5

i. No remedy herein conferred upon or reserved to Servicing Agent is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

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

BORROWER:

GP Properties Carefree Cave Creek, L.L.C., an Arizona limited liability company

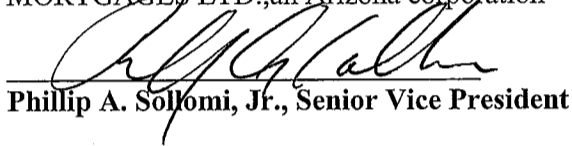


By: Michael J. Pelouquin

Its: Manager

SERVICING AGENT:

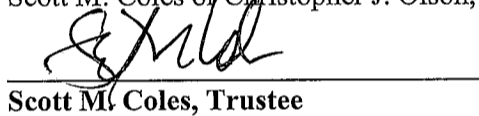
MORTGAGES LTD., an Arizona corporation



Phillip A. Sollomi, Jr., Senior Vice President

LENDER:

Scott M. Coles or Christopher J. Olson, Trustees of the Mortgages Ltd. 401(k) Plan



Scott M. Coles, Trustee

Ex. 3

SERVICING AGENT AGREEMENT

Loan No. 859705

June 27, 2007

"Borrower" (individually and collectively):

Ecco Holdings, L.L.C., an Arizona limited liability company

"Lender": **Scott M. Coles or Christopher J. Olson, Trustees of the Mortgages Ltd. 401(k) Plan**

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

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

1. APPOINTMENT AND AUTHORITY OF SERVICING AGENT

Trustor and Beneficiary hereby appoint Mortgages Ltd. to act as the Servicing Agent with regard to the Loan. Servicing Agent is authorized to perform any and all of the following tasks:

- a. Hold the originals of the Promissory Note, Deed of Trust, Fee Schedule and all other documents executed by the Borrower or any other party in connection with the Loan (collectively, the "Loan Documents").
- b. Service and administer the Loan in any manner provided by the Loan Documents.
- c. Process any and all Loan payments from Borrower or other payor.
- d. Assess and process all fees and charges set forth in the Loan Documents including, but not limited to, administrative fees, notice fees and late charges.
- e. Apply any funds received by Servicing Agent to the fees and costs incurred or assessed by Beneficiary before applying the funds to the amounts owing under the Loan Documents (including notice fees, service fees, administrative fees, inspection fees, appraisal fees, expert fees, attorneys' fees, litigation costs, forced placed insurance premiums, late charges and guarantor collection expenses *(as described herein)*). Any insurance placed by Servicing Agent may be placed with an affiliate of servicing Agent or a captive insurance company.
- f. Retain deposits received under the Loan Documents as impounds for the payment of the following:
 - (1) Future payments due;
 - (2) Taxes and assessments;
 - (3) Construction;
 - (4) Insurance premiums;
 - (5) Extension fees;
 - (6) Administration fees; and
 - (7) Any other expenditure required under the Loan Documents.

(Any impound account may be held in the name of Servicing Agent for the benefit of Lender and others, and Servicing Agent may apply and/or disburse any such deposits in accordance with the Loan Documents).

- g. Evaluate, effectuate and process an assumption of the Loan, and assess and receive an assumption fee and/or an interest rate increase.
- h. Sign, file and record all documents which are reasonable or desirable to facilitate servicing of the loan, including:
 - (1) deeds of release and reconveyance (full and partial);
 - (2) endorsements and assignments of Loan Documents (including assignments of all or a portion of the beneficial interest of any deed of trust included in the Loan Documents);




Initials

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MLPLAN-004944

SERVICING AGENT AGREEMENT

Loan No. 859705
June 27, 2007
Page 2

- (3) corrections, amendments, **modifications** and extensions of Loan Documents;
- (4) disclaimers;
- (5) financing statements; and
- (6) assumptions and various certifications.

i. Incur all fees, costs and expenses deemed necessary by Servicing Agent to protect Beneficiary's interests under the Loan Documents;

j. Incur all fees, costs and expenses deemed necessary by Servicing Agent to protect the property securing the Loan (the "Trust Property"), including insurance premiums, receiver fees, property manager fees, maintenance expenses and security expenses.

k. Obtain forced placed insurance on any portion of the Trust Property in the event the Borrower fails to maintain insurance as required by the Loan Documents.

l. Sign, file and record any and all documents reasonable or desirable to protect Lender's interests and/or pursue Lender's remedies upon default, including:

- (1) a statement of breach or non-performance;
- (2) a substitution of trustee;
- (3) a notice of election to foreclose;
- (4) a notice of trustee's sale;
- (5) an affidavit of non-military service;
- (6) a notice of proposed disposition of collateral and various verifications.

m. In the event of default and at Servicing 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:

- (1) pursuing an action against any borrower or guarantor of the Loan;
- (2) pursuing injunctive relief, the appointment of a receiver, provisional remedies or a deficiency judgment;
- (3) pursuing claims in bankruptcy court;
- (4) pursuing an appeal;
- (5) collecting rents; and
- (6) taking possession or operating the Trust Property).

n. In the event of default and at Servicing Agent's discretion effect a sale of Lender's interest, in whole or in part, in the Loan Documents at the expense of Trustor which expense shall be secured by the Deed of Trust.

o. 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 Servicing Agent deems reasonable and desirable.

p. Incur and pay such costs, expenses and fees as Servicing Agent deems appropriate in undertaking and pursuing enforcement of the Loan Documents and/or collection of amounts owed thereunder, including attorney fees, receiver fees, trustee fees, expert fees and any fees, costs and expenses incurred in an effort to collect against any borrower or any guarantor of the Loan.

2. ACCOMMODATION.

Servicing Agent provides its services as an accommodation only, and shall incur no responsibility or liability to any person, including, Borrower and Lender for any act or omission by Servicing Agent or any person or entity active for Servicing Agent.



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SERVICING AGENT AGREEMENT

Loan No. 859705

June 27, 2007

Page 3

3. ASSIGNMENT, RESIGNATION AND TERMINATION.

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

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

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

b. If that the ownership of the Trust Property becomes vested in the Lender by trustee's sale, judicial foreclosure or otherwise, then this Agreement shall automatically terminate and Servicing Agent will have no further duties or liabilities hereunder.

c. Upon Servicing Agent's assignment or resignation, or termination of this Agreement, Borrower shall immediately reimburse Lender for all fees, costs and expenses incurred hereunder. After such reimbursement and payment, Borrower shall remain obligated to indemnify, in accordance with Section 4 hereof, for liabilities which accrued prior to such resignation or termination.

4. INDEMNITY

a. Lender and Borrower shall immediately indemnify and hold Servicing Agent harmless for, from and against any and all liabilities incurred by Servicing Agent in performing under the terms of this Agreement or otherwise arising, directly or indirectly, from the Loan or Loan Documents, including all attorneys' fees, insurance premiums, expenses, costs, damages and expenses.

b. In the event that Servicing Agent requests that Lender and/or Borrower pay any amount owed hereunder, Lender and/or Borrower shall remit that amount to Servicing Agent within 5 business days of Servicing Agent's request.

5. BORROWER'S OBLIGATIONS

a. Standard Fees and Costs. Borrower shall pay to Servicing Agent, for the account of Beneficiary, its current fees and costs, including those items set forth in the Fee Schedule received by Borrower. The Fee Schedule is subject to change without notice as to the amounts and items included therein. Borrower shall pay a servicing set-up fee of \$1,500.00, and a monthly servicing fee of \$30.00. When the Loan is paid in full, Borrower shall pay a Close Out Fee of \$1,500.00, which is in addition to the monthly servicing fee. There will be a \$30.00 charge to Borrower for each payoff request.

b. Late Fees and Notices. In the event that a regular payment is not received by Servicing Agent on or before the fifth calendar day after the due date, a late charge of 35% of the monthly Principal and Interest payment will be charged and Borrower shall pay that amount to Servicing Agent, for the account of Lender. The parties agree that this late payment charge is intended to compensate Lender for losses incurred as a result of the late payment and that such late payment charge does not constitute and shall not be construed as a penalty. Servicing Agent will charge \$125.00, plus postage, for each notice sent regarding late payments, nonpayment of taxes, assessments, insurance premiums or any other matter that affects the Trust Property. Servicing Agent will charge \$25.00 for each notice sent regarding returned checks, plus any actual charges assessed by the financial institution of the Servicing Agent as a result of each returned check. These notice fees are subject to change at the Servicing Agent's discretion. In the event that the Loan is not paid in full by the maturity date, Borrower acknowledges that a late charge will be assessed, for the account of Lender, in the amount of 3% of the remaining principal balance of the Loan on the first day after Borrower's failure to pay and on the same day each month thereafter, until the final payment is received by Servicing Agent. All fees and charges are independent of one another and any default interest assessed; thus, a matured loan shall accrue default interest, maturity late fees and any other applicable fees and charges.

c. Payment Statements. Servicing Agent, as a convenience only, will provide to Borrower a monthly payment statement. Borrower acknowledges and agrees that it is obligated to make all payments when due under the Loan Documents, whether or not such payment statement is received by Borrower.



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SERVICING AGENT AGREEMENT

Loan No. 859705

June 27, 2007

Page 4

6. PARTIAL AND FINAL PAYMENTS

a. **Partial Payments.** In the event that Servicing Agent receives and processes a partial payment of any amount due under the Loan Documents, such act shall not constitute full payment, estoppel or a waiver of any right of Lender or Servicing Agent to recover the deficiency or to require future payments to be made in full.

b. **Final Payment.** In the event that the final sum to pay the principal balance in total is received by Servicing Agent after 1:00 p.m., interest shall be charged through the next normal business day.

7. GENERAL PROVISIONS

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

b. This Agreement and the benefits hereunder are **not** assignable or transferable by Borrower. Lender may assign Lender's rights and obligations under this Agreement without prior notice to Borrower. Lender, however, must give Servicing Agent prior written notice. After assignment, Lender shall have no further duties or liabilities to Borrower.

c. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Arizona, without regard to the choice of law rules of the State of Arizona. The Parties hereby submit to the exclusive 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 waive the defense of an inconvenient forum.

d. The Parties voluntarily, knowingly, irrevocably and unconditionally waive the right to a jury trial on any contested matters arising from this Agreement or the Loan Documents.

e. This Agreement sets forth the entire agreement and understanding of the Parties with respect to the subject matter hereof and is to be read in consistency and accordance with the other Loan Documents.

f. This Agreement may be amended, modified, superseded, canceled, renewed or extended and the terms and covenants hereof may be waived only by a written instrument signed by all of the parties hereto. The failure of Servicing Agent or Beneficiary at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of Servicing Agent at a later time to enforce the same. No waiver by Beneficiary or Servicing 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 Servicing Agent or Lender 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 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. As used in this Agreement, the word "include(s)" means "Include(s), without limitation," and the word "Including" means "including, but without limitation."

i. No remedy herein conferred upon or reserved to Servicing Agent is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.



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MLPLAN-004947

SERVICING AGENT AGREEMENT

Loan No. 859705

June 27, 2007

Page 5

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

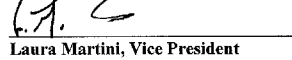
BORROWER:

Ecco Holdings, L.L.C., an Arizona limited liability company


By: Eric E. Capranca
Its: Manager

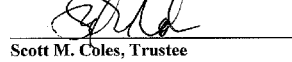
SERVICING AGENT:

MORTGAGES LTD., an Arizona corporation


Laura Martini, Vice President

LENDER:

Scott M. Coles or Christopher J. Olson, Trustees of the Mortgages Ltd. 401(k) Plan


Scott M. Coles, Trustee



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MLPLAN-004948

CONSTRUCTION LOAN AGREEMENT

Loan No. 859705

June 27, 2007

"Lender": Scott M. Coles or Christopher J. Olson, CPA, Trustees of the Mortgages Ltd. 401(k) Plan, and its successors and assigns

"Borrower" (individually and collectively):

Ecco Holdings, L.L.C., an Arizona limited liability company

In consideration of Lender's commitment to make the above-referenced loan (the "Loan") secured by a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing of even date herewith (the "Deed of Trust"), Borrower agrees with Lender to the following.

1. LOAN DOCUMENTS

Borrower or some third party will execute and deliver to Lender on Lender's form a Promissory Note and Deed of Trust, together with all other documents required by Lender in connection with the Loan (collectively, the "Loan Documents"), and if Borrower is a corporation, limited liability company, partnership or trust, it will supply Lender with certified copies of all appropriate documents, such as corporate resolutions, partnership agreements and trust documents, which authorize the Loan and the execution of the Loan Documents.

2. PERMANENT COMMITMENT

At the option of Lender, Borrower shall assign the commitment from the permanent lender, if any, to Lender as additional collateral for the Loan and obtain the acceptance of the assignment by the permanent lender, if required. Borrower shall fully comply with and meet all of the requirements made by the permanent lender so that the commitment of the permanent lender will remain in full force and effect.

3. FIXTURES

All items which might be determined to be fixtures as defined in the Uniform Commercial Code and the laws of the State of Arizona will be fully paid for prior to installation so that no one has or will have a security interest therein. On demand, Borrower shall furnish or cause to be furnished to Lender or Lender's agent with a waiver or release of security interest on all such fixtures executed by all persons who might have a security interest therein. If any financing statement or security agreement on fixtures is filed, Borrower shall immediately obtain a release of the same. At its discretion, Lender may, out of the loan proceeds in the construction account, apply any portion thereof to the direct payment of any security interest on any fixture installed or to be installed on the Property. In the event a fixture is removed or attempted to be removed from the Property either before the final disbursement of the Loan proceeds or at any time thereafter by anyone claiming a security interest prior and superior to the lien of the Deed of Trust to Lender, Borrower shall obtain a release of such security and will indemnify, defend, protect and hold Lender harmless for, from and against any and all losses and expenses arising therefrom, including Lender's attorney's fees and costs. On request of Lender or Lender's agent, Borrower shall furnish to Lender a list of all fixtures to be incorporated into the Property, the names of the fixture's installer, supplier, distributor and manufacturer, and the approximate cost of each fixture.

4. USE OF LOAN PROCEEDS

Unless otherwise specified in writing, the proceeds of the Loan and interest earned, if any, on Loan proceeds, will be used solely to pay actual costs of constructing the building and improvements and for no other purpose, except that after a default all Loan proceeds held in a Construction Loan Account, as defined herein, may be applied as set forth in the Loan Documents.



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CONSTRUCTION LOAN AGREEMENT

Loan No. 859705

June 27, 2007

Page 2

5. INSURANCE

Borrower shall carry or cause a third party to carry such insurance on the building and improvements as required by Lender, which may include, *inter alia*, course of construction insurance, to be in an amount determined at Lender's sole discretion, with Lender's loss-payable endorsement attached. The Deed of Trust contains additional provisions related to the insurance required by lender.

6. PLANS AND SPECIFICATIONS

The building and improvements to be constructed on the Property shall be constructed and completed in accordance with the plans and specifications filed with Lender **on or before nine months** from the date of this Agreement (the "Completion Date"), free and clear of all liens and in a manner satisfactory to Lender and all appropriate regulatory agencies, associations or other entities. No changes will be made in the plans or specifications without Borrower first obtaining Lender's written consent.

7. DEFAULTS AND REMEDIES

a. Among other things constituting default under the provisions of the Loan Documents, Borrower shall be deemed in default upon the occurrence of any of the following events.

- (1) The building and improvements are not completed by the Completion Date;
- (2) The construction work is abandoned or stopped for a period of 30 days (except for a temporary stoppage due to a strike or an act of God);
- (3) Borrower or any third party Trustor breaches any provisions of this Agreement or any other provisions contained in the Loan Documents;
- (4) The permanent lender withdraws or cancels its commitment, or Borrower fails to comply with that commitment;
- (5) The building or improvements on the Property are damaged or destroyed by fire or other casualty;
- (6) The death or incapacity of any Borrower;
- (7) If Lender, in its judgment, determines that the remaining Loan funds are insufficient to pay the remaining costs of construction;
- (8) Borrower or Borrower's contractor abandons the construction job;
- (9) A petition in bankruptcy or any arrangement of composition with creditors for reorganization is filed by or against Borrower or any of Borrower's contractors;
- (10) A mechanic's or materialmen's lien or any other claim of lien is filed or recorded against the Property;
- (11) A stop notice is served upon Borrower, Lender or any of its agents;
- (12) Any suit or legal action is filed affecting the Property or Borrower;
- (13) Borrower is delinquent on Borrower's payments or obligations under the Loan Documents; **or**
- (14) Any default exists under any of the other Loan Documents

b. In the event of default, Lender may, at its option and without notice, do one or more of the following:

- (1) Incur and assess such fees as set forth in the Loan Documents, such as, *inter alia*, stop notice fees, administrative fees and attorneys' fees.
- (2) Withhold making further disbursements;
- (3) Declare the amount of the Loan immediately due and payable;
- (4) Apply any amount of the Loan proceeds remaining in the construction loan account to the Loan balance;
- (5) Take possession of the Property, seize all personal property thereon (e.g., supplies, materials, inventory, etc.) and cause the building and/or improvements to be completed or secured at the expense of Borrower, which sums shall be secured by the Deed of Trust;
- (6) Immediately foreclose the Deed of Trust or cause the Trustee to exercise the power of sale granted therein;
- (7) Apply any remaining Loan funds to the direct payment of bills, claims, stop notices or liens of laborers or materialmen, which Lender, in its sole judgment, believes to be valid, without recourse against Lender in the event they are not valid;
- (8) File suit for any sums owing under the Loan Documents or for damages caused by Borrower's default;
- (9) Take such other action as Lender may deem necessary to protect Lender's interests; **or**



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CONSTRUCTION LOAN AGREEMENT

Loan No. 859705

June 27, 2007

Page 3

(10) Exercise any other right or remedy provided by any of the Loan Documents or provided at law or in equity.

8. CONSTRUCTION LOAN ACCOUNT

a. The Loan proceeds and the interest earned, if any, thereon, shall be held by Lender in a Construction Loan Account. Progress payments may be disbursed by checks made payable, in Lender's sole discretion, to Borrower and/or any of Borrower's contractors, subcontractors and suppliers. Each of the progress payments shall be made by Lender only after a satisfactory progress inspection report is made by Lender's inspector and upon the furnishing to Lender of receipts, waivers, releases or other proof satisfactory to Lender that all prior disbursements have been applied to the cost of construction. **In the event Lender's loan requires more than 5 inspections, Lender may charge an additional fee for each inspection.**

b. The final disbursement of the Loan proceeds, after deducting all Loan expenses and fees, shall be disbursed by Lender when the construction work is 100% complete, occupancy is authorized by the appropriate regulatory entity and Lender has been furnished with such satisfactory inspections, reports, affidavits, receipts, waivers, releases, notices of completion or other documents as Lender may require for its protection. Borrower authorizes Lender to file a notice of completion on Borrower's behalf.

c. Any inspections or determinations made by Lender, or waivers, releases or other instruments obtained by Lender, are made or obtained solely for Lender's own benefit and not in any way for the benefit or protection of the undersigned Borrower. Lender may accept and rely on any statements, figures, or representations of any contractor, builder, architect and/or any Borrower regarding labor and materials furnished or incorporated in the work and the cost thereof and as to matters relating to the construction work without the necessity of verifying the same. Any statement or representation by Borrower shall bind all Borrowers, if more than one. At its discretion, Lender may waive any inspections and make disbursements of the Loan proceeds solely upon the statements and representations of any contractor, builder, architect and/or Borrower. Lender has no obligation to Borrower for the performance of any contractor, builder or architect in carrying out the construction or improvements on the Property. Borrower shall make Borrower's own contractual arrangements with any contractor he/she/it employs, shall make Borrower's own arrangements with such contractor for any bonds required and shall be responsible for furnishing any receipts, releases and/or waivers Borrower may require for Borrower's protection. **Lender, at its sole and absolute discretion, may require Borrower to post a bond of any nature and in any amount Lender deems necessary for its protection. Additionally, Lender shall approve and receive proof of any and all performance and/or completion bond coverage and be named as Additional Insured on such Bonding, to be determined at Lender's sole and absolute discretion.**

d. **In the event that Lender's estimated cost of completing any construction line item exceeds the remaining amount budgeted for that line item or that Lender's total estimated cost of completing the construction of the building and/or improvements exceeds the remaining amount of the Construction Loan Account (the "construction deficiency"), Borrower shall, on Lender's demand and at Lender's election, either:**

(1) Deposit an amount equal to the construction deficiency with Lender; or

(2) Pay the construction deficiency towards the construction of the building and/or improvements prior to obtaining any further disbursements from Lender, and furnish Lender with proof, satisfactory to Lender, of Borrower's expenditure (*i.e.*, paid invoices, receipts, lien waivers, releases, *etc.*)

9. BENEFIT

This Agreement is made for the sole protection of Borrower, Lender, and Lender's assignees, if any, and no other person shall have any right of action hereunder. Loan proceeds held in the Construction Loan Account are not held for the benefit of any of Borrower's laborers, materialmen, contractors or any other persons.



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MLPLAN-004951

CONSTRUCTION LOAN AGREEMENT

Loan No. 859705

June 27, 2007

Page 4

10. CONSTRUCTION DISBURSEMENT POLICY

a. When the Loan is closed, the balance of the Loan funds will be deposited in an adequately insured financial institution (the "Construction Loan Account"). Lender shall have the option of depositing said funds into either a savings account, which allows only six disbursements per month, or a regular, non-interest bearing, checking account with unlimited disbursements. If any interest is earned, it will accrue to Borrower to be applied in accordance with Section 4 of this Agreement.

b. The initial disbursement from the Construction Loan Account will not be available to Borrower until Lender has been informed by the selected financial institution that the Construction Loan Account is open and the funds deposited therein are available for withdrawal. (This may be up to one week after the Loan records.)

c. Funds will be disbursed according to the construction budget approved by Lender. Any changes affecting disbursements under the construction budget must have prior written approval from Lender.

d. Lien waivers must be obtained from all subcontractors, material suppliers and all casual labor. Lender will provide Borrower with blank lien waivers for all reimbursement items. Checks issued by Lender will have lien waivers attached.

e. Lender will require signed lien waivers for all casual labor for which reimbursement is requested and paid receipts for all material reimbursements. Subject to Lender's discretion, reimbursements will be made in the amount of \$400 or more.

f. To avoid any delay in processing the construction disbursement, Borrower must follow these procedures:

(1) Disbursement requests received in Lender's office by noon on Wednesday of any particular week will cause a disbursement to be available for Borrower to pick up after 3:00 p.m. on Friday of that week; or, if not picked up, then that disbursement will be mailed to Borrower. (Due to the large volume of disbursement requests, there will be no exceptions to this disbursement policy.)

(2) Borrower's request must include the following:

- (a) The name shown on Borrower's account;
- (b) Borrower's loan number;
- (c) Check amount, to whom check is payable and purpose of disbursement (e.g., electrical material, drywall labor, etc.);
- (d) All supporting documentation (e.g., invoices, proposals, estimates, lien waivers, etc.);
- (e) Legal description of Property and/or its address; and
- (f) Whether check is to be picked-up by Borrower or mailed.

g. Before additional disbursements will be made, Lender must have in its possession, all paid bills and lien waivers for all prior checks issued.

h. Anything charged on charge cards, credit lines or credit cards shall be Borrower's responsibility to pay; Lender will not reimburse for these expenditures. Lender will not issue checks to Borrower's credit card company.

i. Lender will erect a construction sign on the Property which must remain on display throughout the course of construction.

j. Disbursement checks issued by Lender are valid for 60 days from the date of issue. A stop payment will be issued on all lost or stolen checks and all checks which have not cleared the financial institution within 60 days from the date of issue. A stop payment fee will be charged against the Construction Loan Account for each applicable check.

11. GENERAL

a. This Agreement is binding on Lender and Borrower (collectively, the "Parties") and their heirs, personal representatives, successors, permitted assigns, beneficiaries and trustees.

b. This Agreement and the benefits hereunder are not assignable or transferable by Borrower. However, Lender may assign its rights and obligations under this Agreement and the other Loan Documents without prior notice to Borrower.



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CONSTRUCTION LOAN AGREEMENT

Loan No. 859705

June 27, 2007

Page 5

- c. Borrower acknowledges that Mortgages Ltd. is Lender's Loan Administrator
- d. Borrower specifically represents that there are no restrictions or zoning regulations which will restrict or prevent the proposed construction and intended use of the Property.
- e. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Arizona, without regard to the choice of law rules of the State of Arizona. Borrower hereby submits 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. Borrower hereby waives the defense of an inconvenient forum.
- f. This Agreement sets forth the entire agreement and understanding of the Parties and supersedes all prior agreements, arrangements and understandings, written or oral, between the Parties.
- g. 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 both Parties. The failure of Lender at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of Lender at a later time to enforce the same. No waiver by Lender 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 Lender of any such breach, or a waiver of the breach of any other term or covenant contained in this Agreement.
- h. 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.

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

BORROWER:

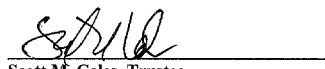
Ecco Holdings, L.L.C., an Arizona limited liability company



By: Eric E. Capranica
Its: Manager

LENDER:

Scott M. Coles or Christopher J. Olson, CPA, Trustees of the Mortgages Ltd. 401(k) Plan



Scott M. Coles, Trustee



Ex. 4

ML MANAGER LLC
14050 N.83rd Ave., Suite 180
Peoria, AZ 85381

November 3, 2009

RE: 860206 - GP Properties Carefree Cave Creek, L.L.C.

As many of you are aware, the Trustee's Sale for the above loan was held on October 21, 2009 and the beneficiaries were the successful bidder and now own the property in Carefree.

As confirmed by the bankruptcy judge's orders during the past two weeks, ML Manager, LLC is the agent for each of the individual investors and continues to act in this capacity. The Mortgages Ltd. 401(k) plan also owns a significant percentage of the property, but ML Manager is not the agent for the 401(k) plan. The overall ownership group is responsible for the cost of maintaining the property, including, but not limited to, property insurance and payment of real property taxes. The Guarantee of the loan is unaffected by the foreclosure and Mr. Peloquin continues to have personal liability for the deficiency.

ML Manager, L.L.C. has obtained property insurance coverage on your behalf. Additionally, minor environmental remediation regarding three areas on the property is being completed. A copy of the Trustee's Deed evidencing your ownership of the property has been attached to this email. Please be sure to contact us if you require a hard copy sent to your address on file with us.

There appears to be interest in scheduling a meeting of the investors and you will be receiving information about this meeting in the near future by separate email.

Thank you.

Sincerely,

Mark Winkleman
Chief Operating Officer
ML Manager, L.L.C.

ML Manager LLC
14050 N 83rd Ave. Suite 180
Peoria, Arizona 85381

www.mtg ltd.com

This email and any attachments are confidential and may not be forwarded, copied or distributed beyond the named recipient(s) without prior permission of the sender. We do not waive confidentiality by mis-transmission. If you have received this email in error, please contact the sender. Thank you.

Ex. 5

MASTER AGENCY AGREEMENT

Effective: December 23, 2004

"Beneficiary": **Scott M. Coles, Trustee of The Mortgages Ltd. 401(k) Plan**

"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.

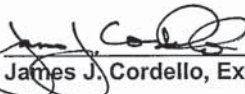
BENEFICIARY:

Scott M. Coles, Trustee of The Mortgages Ltd. 401(k) Plan



Scott M. Coles, Trustee

AGENT:
MORTGAGES LTD.



James J. Cordello, Executive Vice President

Ex. 6

Unofficial Document

Magnus Title Agency

**When recorded return to and
forward Tax Statements to:**

c/o ML Manager, L.L.C.
14050 N 83rd Avenue,
Suite 180
Peoria, Arizona 85381
Attention: Mark Winkleman

4001933A-711-VE

1/1

TRUSTEE'S DEED AND AFFIDAVIT OF SALE

**THIS DEED IS EXEMPT FROM AFFIDAVIT AND FEE PURSUANT TO
A.R.S. § 11-1134 B-1.**

Christopher M. McNichol, a member of the State Bar of Arizona, of Gust Rosenfeld P.L.C., 201 East Washington, Suite 800, Phoenix, Arizona 85004-2327 ("**Trustee**"), as the duly appointed successor trustee of the Deed of Trust described below, does hereby grant and convey, without covenant or warranty, express or implied, to the parties set forth on **Exhibit A** attached hereto, all as tenants in common in the percentage interests set forth on such Exhibit A (collectively, "**Grantee**"), the real property in Maricopa County, Arizona, described on **Exhibit B** attached hereto (the "**Real Property**"), and does hereby give notice of the sale to Grantee, without covenant or warranty as to title, quiet enjoyment or possession, of that personal property described on **Exhibit C** attached hereto (the "**Personal Property**"). The Real Property and the Personal Property are hereinafter collectively referred to as the "**Property.**"

Trustee states that:

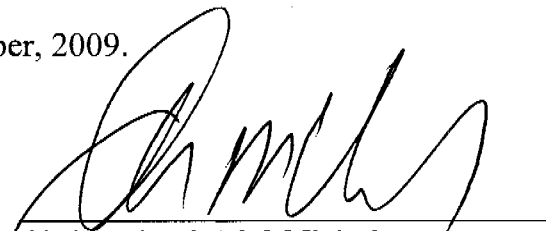
This conveyance of the Property is made pursuant to the powers, including the power of sale, conferred upon Trustee by the Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing made by GP Properties Carefree Cave Creek, L.L.C., an Arizona limited liability company, as Trustor, recorded on July 19, 2007 at Instrument No. 2007-0823304, in the office of the County Recorder of Maricopa County, Arizona.

This disposition of the Personal Property is pursuant to the Notice of Disposition of Collateral dated November 28, 2008 and recorded on December 9, 2008, with the Maricopa County Recorder at Instrument No. 2008-1042865, and the documents and instruments referenced therein.

AMG:amg 1116983.2 10/21/2009

Said Property was sold by Trustee at public auction on October 21, 2009, at the office of Gust Rosenfeld, P.L.C., located at 201 East Washington, Suite 800, Phoenix, Arizona 85004, in Maricopa County, Arizona, the county in which the Property is situated. Grantee, being the highest bidder at such sale, became the purchaser of the Property and made payment therefor to Trustee in the amount bid, namely One Million One-Hundred Thousand and 00/100 (\$1,100,000.00), which payment was made by the pro tanto reduction of the obligations secured by the Deed of Trust.

Dated as of this 30th day of October, 2009.



Christopher M. McNichol
Successor Trustee

Unofficial Document


State of Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this 30th day of October, 2009, by Christopher M. McNichol, Successor Trustee.

(Seal and Expiration Date)





Notary Public

Exhibit A

Athanasios Panagiotakopoulos and Athanasia Panagiotakopoulos, husband and wife as Joint Tenants with Right of Survivorship, as to an undivided 2.356%;

Christo Panagiotakopoulos and Constance Panagiotakopoulos, husband and wife, and Athanasios Panagiotakopoulos, together as Joint Tenants with Right of Survivorship, as to an undivided 7.467%;

Christo Panagiotakopoulos and Constance Panagiotakopoulos, husband and wife as Joint Tenants with Right of Survivorship, as to an undivided 8.309%;

David Brian Stanton, Trustee of the David Brian Stanton Revocable Trust, dated August 25, 2004, and any amendments thereto, as to an undivided 1.429%;

David Furst, Trustee of the DHF Corporation Retirement Trust dated, August 4, 1981, and any amendments thereto, as to an undivided 0.662%;

Erika Carlson, Trustee of The Erika Ann ^{Unofficial Document} Carlson Revocable Living Trust Agreement, and any amendments thereto, as to an undivided 2.747%;

First Trust Company of Onaga, Custodian FBO Jan M. Sterling IRA #41021XXXXX, as to an undivided 0.770%;

First Trust Company of Onaga, Custodian FBO Katalin A. Rader IRA #4102XXXXXX, as to an undivided 2.088%;

First Trust Company of Onaga, Custodian FBO Kathleen K. Tomasulo IRA #41021XXXXX, as to an undivided 0.659%;

First Trust Company of Onaga, Custodian FBO Michael Klimansky IRA #410214XXXXX, as to an undivided 2.418%;

First Trust Company of Onaga, Custodian FBO Patrick S. Mallonee IRA #410213XXXXX, as to an undivided 2.198%;

First Trust Company of Onaga, Custodian FBO Robert K. Rader IRA #4102XXXXXX, as to an undivided 1.275%;

First Trust Company of Onaga, Custodian FBO Scott B. Summers IRA #41021XXXXX, as to an undivided 6.986%;

First Trust Company of Onaga, Custodian FBO Stephen B. Howell IRA #41021XXXXX, as to an undivided 0.440%;

Kevin Goff and Ki Ngo, as Joint Tenants with Right of Survivorship, as to an undivided 1.099%;

Linda A. Reeves, Trustee of The Linda Ann Reeves Trust, dated March 2, 2005, and any amendments thereto, as to an undivided 2.198%;

Paul A. Schultz, Jr. and Jacqueline Schultz, Trustees of the Paul A. Schultz, Jr. and Jacqueline Schultz Trust, dated June 1, 1994, and any amendments thereto, as to an undivided 3.297%;

Robert G. Furst, Trustee of the Robert G. Furst & Associates Defined Benefit Pension Plan, as to an undivided 0.554%;

Robert G. Roden, Trustee of the Robert G. ^{Unofficial Document}Roden Living Trust, dated October 1, 2004, and any amendments thereto, as to an undivided 4.395%;

Christopher J. Olson, James J. Cordello, and Ryan P. Walter, as Co-Trustees of The Mortgages Ltd. 401(k) Plan, as to an undivided 46.864%; and

William J. Miller and Sandra B. Miller, Trustees of the Miller Family Trust, dated February 7, 2000, and any amendments thereto, as to an undivided 1.789%.

Pursuant to A.R.S. Section 33-404, information concerning the beneficiaries of any of the Grantees which are trusts under such Section may be obtained from the following:

c/o ML Manager, L.L.C.
14050 N 83rd Avenue,
Suite 180
Peoria, Arizona 85381
Attention: Mark Winkleman

Exhibit B
Legal Description

That portion of Section 3, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the Southeast corner of said Section 3;

Thence South 89 degrees 49 minutes 00 seconds West along the South line of said Section 3, a distance of 667.16 feet to the TRUE POINT OF BEGINNING;

Thence North 00 degrees 07 minutes 00 seconds East, a distance of 772.63 feet;

Thence South 89 degrees 49 minutes 00 seconds West, parallel with the South line of said Section 3, a distance of 677.16 feet;

Thence South 00 degrees 07 minutes 00 seconds West, parallel to the East line of the within described tract, a distance of 772.63 feet to a point on the South line of said Section 3;

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Thence North 89 degrees 49 minutes 00 seconds East along the South line of said Section 3, to the TRUE POINT OF BEGINNING.

Exhibit C
Personal Property

1. All personal property (including, without limitation, all goods, supplies, equipment, furniture, furnishings, fixtures, machinery, inventory and construction materials) in which GP Properties Carefree Cave Creek, L.L.C. ("Debtor") now or hereafter acquires an interest or right, which is now or hereafter located on or affixed to the real Property described in Exhibit A hereto (the "Real Property"), or to the improvements now or hereafter located on the Real Property (the "Improvements"), or used or useful in the operation, use, or occupancy thereof or in the construction of any additional improvements thereon, together with any interest of Debtor in and to such personal property which is leased by Debtor or is subject to any superior security interest, and all books, records, leases and other agreements, documents, and instruments of whatever kind or character, relating to the Real Property, the Improvements, or such personal property (hereinafter referred to as "Paragraph (a)");
2. All fees, income, rents, issues, profits, earnings, receipts, royalties, and revenues that may accrue from the personal property described in Paragraph 1 above or any part thereof, or from the Real Property ^{Unofficial Document} or the Improvements, or that may be received or receivable by Debtor from any hiring, using, letting, leasing, subhiring, subletting, subleasing, occupancy, operation or use thereof.
3. All of Debtor's present and future rights to receive payments of money, services, or property, including, without limitation, rights to receive capital contributions or subscription payments from the members, partners, shareholders or principals of Debtor, amounts payable on account of the sale of ownership interests in Debtor or the capital stock of Debtor, accounts and other accounts receivable, security deposits, chattel paper, notes, drafts, contract rights, instruments, general intangibles, and principal, interest and payments due on account of goods sold or leased, services rendered, loans made or credit extended, together with title to or interest in all agreements, documents, and instruments, evidencing, securing or guarantying the same;
4. All other intangible property and rights relating to the Real Property, the Improvements, the personal property described in Paragraph 1 above or the operation, occupancy, or use thereof including, without limitation, all governmental and non-governmental permits, licenses (including Debtor's interest in any liquor license related to business operations conducted on the Real Property), and all approvals relating to construction on or operation, occupancy, or use of the Real

Property or the Improvements, all names under or by which the Real Property or the Improvements may at any time be operated of known, all rights to carry on business under any such names, or any variant thereof, all trade names and trademarks relating in any way to the Real Property or the Improvements, and all good will in any way relating to the Real Property or the Improvements;

5. Debtor's rights under all insurance policies covering the Real Property, the Improvements of the personal property described in Paragraph 1 above, and any and all proceeds, loss payments, and unearned premiums payable or refundable regarding the same;
6. All reserves, deferred payments, deposits, impound accounts, refunds cost savings, and payments of any kind relating to the construction of any improvements on the Real Property;
7. All water stock or water rights relating to the Real Property;
8. All architectural, structural, Unofficial Document mechanical, and engineering plans and specifications prepared for construction of improvements on the Real Property, or extraction of minerals or gravel from the Real Property, and all studies, data, and drawings relating thereto; and also all contracts and agreements of the Debtor relating to such plans and specifications or to such studies, data, and drawings, for the construction of improvements on or extraction of minerals or gravel from the Real Property;
9. All proceeds from the sale or other disposition of any of the collateral described above;
10. All of Debtor's rights in the proceeds of the loan made by Grantee to Debtor;
11. All of Debtor's rights to security, cleaning, or other deposits from tenants relating to leases or occupancy agreements for any portion of the Real Property or the Improvements;
12. All of Debtor's rights in any impound account held by or on behalf of Grantee; and
13. All wells, well equipment, rights to wells, permits and licenses, water rights and all other related property used in connection with the operation of any well on the Real Property or appurtenant to the Real Property.

Ex. 7

James A. Bloom

From: Rachel Schwartz and Chris Olson [cosmoaz@earthlink.net]
Sent: Wednesday, June 03, 2009 9:35 PM
To: Nechelle Wimmer; Christine Zahedi; Ryan Walter
Subject: Termination of servicing agreement
Attachments: CCE06032009_00000.jpg

Christine, Nechelle and Ryan,

Pursuant to our discussions, enclosed is notice of servicing agent termination for Mortgages Ltd. as it relates to the Mortgages Ltd. 401k plan. I will call you tomorrow to discuss.

Thank you.

Christopher J. Olson
Plan Trustee

May ²⁹~~20~~, 2009

Christine Zahedi
Chief Operating Officer
Mortgages Ltd.
4455 E. Camelback Road
Phoenix, AZ 85018

Re: Mortgages Ltd. 401k Plan

Dear Christine:

I am writing to inform you that in my capacity as the Trustee of the Mortgages Ltd. 401k Plan ("the Plan"), I am hereby giving notice that the Plan is terminating the Agency Agreement with Mortgages Ltd. in accordance with Section 7(f) of the Agency Agreement adopted by the Mortgages Ltd. 401k Plan on April 12, 2007.

I will be in contact with you to obtain the necessary documents which will be needed to service the Plan assets.

Sincerely,



Christopher J. Olson, CPA
Trustee of the Mortgages Ltd. 401K Plan

Acknowledged:

Mortgages Ltd., an Arizona corporation

By: Christine Zahedi
Its: COO

August 30, 2010

Mr. Mark Winkleman
Chief Operating Officer
ML Manager, L.L.C.
14050 N. 83rd Avenue
Suite 180
Phoenix, AZ 85381

Dear Mark:

As you know, on May 29, 2009, Christopher J. Olson, then-Trustee of the Mortgages Limited 401(k) Plan (the "Plan"), notified Mortgages Ltd. that the Agency Agreement identified in Mr. Olson's letter was terminated. It is my understanding, as current Trustee for the Plan, that ML Manager may nonetheless assert that there is a continuing agency relationship between ML Manager, L.L.C., and the Plan. Please be advised that to the extent not previously terminated, *all* agency relationships between ML Manager, L.L.C. and the Plan, as well as any other claimed grant to ML Manager or any predecessor thereof of authority or control over, or discretion with respect to, any asset of the Plan, are hereby terminated, effective immediately.

Very truly yours,

James Cordello
Trustee
Mortgages Limited 401(k) Plan