

# **EXHIBIT**

## **B**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF ARIZONA

In re: ) Chapter 11 Proceedings  
Mortgages Ltd., ) Case No.  
Debtor, ) 2:08-bk-07465-RJH  
\_\_\_\_\_ )

DEPOSITION OF JUSTIN LAMAR

Phoenix, Arizona  
November 7, 2008  
5:35 p.m.

PREPARED FOR:  
KEITH HENDRICKS, ESQ.

(CERTIFIED COPY)

REPORTED BY:  
PAMELA JOY GIFFIN, RPR  
AZ CR #50106  
CA CSR #8651

**BROWN  
& TOLEU Ltd.**  
Court Reporters

4500 S. Lakeshore Dr., Suite 280  
Tempe, Arizona 85282

Telephone (602) 254-5479 or (480) 491-8500  
FAX (602) 254-5013 or (480) 491-8506

1 Q. 85 percent of the 5 million?

2 A. I would imagine so.

3 Q. How about Roosevelt? How much out of  
4 pocket -- or how much has the Roosevelt I put in?

5 A. Roosevelt Gateway I?

6 Q. Yeah.

7 A. North of four million.

8 Q. And how much of that is new money out of  
9 pocket?

10 A. About 55 percent.

11 Q. And Roosevelt II?

12 A. A few hundred thousand.

13 Q. How much of that was new money?

14 A. No, allow me to correct that. There's about  
15 \$2 million of Roosevelt II of which 1.7 was accrued and  
16 about a few hundred thousand, maybe about three, four  
17 hundred thousand was actual cash invested.

18 Q. When you say 1.7 was accrued, what do you  
19 mean?

20 A. From deferred development fees.

21 Q. And they would be deferred development fees  
22 from what project?

23 A. The Roosevelt Gateway II project. It was  
24 untitled at the time.

25 Q. Roosevelt Gateway II, now -- okay. Let's go

1 back to University & Ash.

2 A. Okay.

3 Q. How much in development fees has University &  
4 Ash or any of its principals or affiliates, any of the  
5 controlling people, by that I mean, whether it's the  
6 entity itself, your father, Mr. Kowallis, Mr. Mackey,  
7 you know, any of the investors, how much money have they  
8 taken out in development fees, any type of commission,  
9 anything like that?

10 A. I guess clarify your question. Can you  
11 clarify the part "taken out"?

12 Q. Well --

13 A. Development fees distributed to the  
14 principals as in like owner's draws, profit. I don't  
15 get what you are asking.

16 Q. That's a fair comment. Let's back up.

17 University & Ash, what does it consist of?  
18 What's the asset?

19 A. The asset?

20 Q. Um-hmm.

21 A. Of University & Ash is the land, and prior to  
22 the -- to the project being dead, I guess, all of the  
23 work in progress.

24 Q. It's fair to say that it was not an  
25 income-producing project?

1 A. No, not yet.

2 Q. No, it's not fair or no, you are agreeing  
3 with me?

4 A. Yeah, I'm sorry. I'm agreeing with you.

5 Q. So to the extent that any money came out of  
6 University & Ash, is it fair to say that it came out of  
7 the loans?

8 A. Again, I disagree with the statement money  
9 came out. No money came out.

10 Q. I'm trying not to quibble with you. I'm  
11 trying to find a way --

12 A. That connotates to me I'm taking money out  
13 and going to an island with it, so if you could rephrase  
14 it, I guess.

15 Q. I'm not trying to imply that there's anything  
16 wrong or improper. Developers take development fees.  
17 Nothing wrong or improper about that. What I'm trying  
18 to say is how much money came out of -- strike that.

19 Other than the loan, is there any other  
20 cash -- strike that.

21 Other than the loan and the money put in by  
22 University & Ash or its principals and affiliates, is  
23 there any other cash available for that project up until  
24 this point in time?

25 A. No.

1 Q. So the money coming in was either the loans  
2 from Mortgages Ltd. or the investments from University &  
3 Ash or its principals; is that fair?

4 A. Yes.

5 Q. So you got the money coming in on one side.  
6 Then money from that, money went out -- you can look at  
7 track registers, and I've seen things went out for  
8 advertising, went out to lawyers and things like that.

9 A. Correct.

10 Q. The money going out, and I'm not using that  
11 in any pejorative sense, but the money being taken out  
12 from either the loans or the investments, money that  
13 went out and went to -- we will get to the purpose in a  
14 minute, but just went to any of the principals of  
15 University & Ash, how much?

16 A. Zero.

17 Q. Okay. There were development fees, correct?

18 A. There were.

19 Q. How much development fees were -- I know you  
20 don't like the word taken out -- were there?

21 MR. SCHULMAN: Expended.

22 BY MR. HENDRICKS:

23 Q. Expended.

24 A. Better word.

25 I don't have that figure in front of me, but

1 it would have been consistent with whatever the monthly  
2 draws, you know, we were supporting at the time.

3 Q. Let's look at Exhibit 1, because we have some  
4 of the monthly draws after the big loan on July -- on  
5 June 11. Were there development fees expended in the  
6 initial -- in the November 2005 time frame?

7 A. No.

8 Q. Were there any development fees expended as a  
9 result of the Roosevelt I \$5.7 million acquisition and  
10 development loan?

11 A. No.

12 Q. The first 3.5 million for University & Ash,  
13 what was it used for?

14 A. 50,000 was used for assignment of the  
15 contract from the previous company that had that site in  
16 escrow, and I believe the remainder went to the  
17 acquisition of the property and all related expenses,  
18 closing costs, legal fees, et cetera.

19 Q. What was the -- so the 3.5 million to  
20 acquisition, was there -- did that cover a hundred  
21 percent of the acquisition costs or was there some  
22 portion that wasn't covered by the 3.5 million?

23 A. I believe there was some portion that was not  
24 covered that was needed because it was a phased  
25 acquisition. We had to subsequently -- that was for the

1 acquisition of what was previously the co-op site. We  
2 had to do a subsequent acquisition of a smaller piece  
3 from what we called the Chase parcel. It was a high  
4 profile parking lot from the Chase parking garage  
5 immediately adjacent to the north.

6 Q. Are you saying the co-op, the loan used, was  
7 used to acquire the co-op piece, but other funds were  
8 used to acquire the Chase parcel; is that what you're  
9 saying?

10 A. Yes, to the best of my knowledge.

11 Q. And do you know how much the acquisition of  
12 the Chase parcel was?

13 A. I don't recollect that.

14 Q. February 16, 2006, the acquisition of  
15 Roosevelt I, do you know what the purchase price for the  
16 Roosevelt I parcel was?

17 A. 5.7.

18 Q. That was all for land? That was the actual  
19 cost of the land?

20 A. That was the acquisition of the site,  
21 correct.

22 Q. On the chart it says acquisition and  
23 development of Roosevelt I, and what I was wondering,  
24 what was the breakdown between acquisition and  
25 development?



1           A.     I don't know what the meaning of the word  
2 "development" was then in this instance.

3           Q.     Your recollection, however, is that the  
4 purchase price was actually 5.7 million?

5           A.     Correct. The extent of development  
6 activities on the site at that time were done for free.  
7 I mean, there were things that needed to be done. There  
8 was a -- you know, an advertising billboard on the site  
9 that we had to terminate the lease on, the land lease.  
10 We had to secure the site. We started doing  
11 environmental studies, things of that nature.

12          Q.     On April 21st, 2006, it says Roosevelt I and  
13 University & Ash, a 1.225 million predevelopment costs  
14 for both. Were there development fees expended --

15          A.     No.

16          Q.     -- from that loan?

17          A.     No.

18          Q.     Don't mean to be incredulous, but back onto  
19 Roosevelt I, it would strike me as odd that the full  
20 acquisition -- or the purchase price was 5.7. As I  
21 understand Scott Cole's MO, it was that the amount of  
22 the loan would include loan fees and --

23          A.     Points and pre-paid interest.

24          Q.     -- points and things like that. Do you not  
25 believe that that occurred in this case or is --

1           A.     No. My definition, and let me correct that  
2 then, is that the 5.7, with those moneys required for  
3 the acquisition of the site and for those loan fees and  
4 points and interest that you are referring to, plus with  
5 all of Scott's loan that was part of those points and  
6 fees were paid as nonrefundable, kind of up-front fees  
7 which we ourselves funded, which is part of the previous  
8 number I mentioned as cash in there.

9           Q.     So in addition to the 5.7, there would have  
10 been some non-refundable lending costs that you and in  
11 this case Roosevelt I would have funded?

12          A.     Correct.

13          Q.     But there was no -- was any of the 1.225  
14 million expended or checks written to KML or any of its  
15 principals or any of the other investors?

16          A.     No. Up until that point, all of the overhead  
17 costs were being funded by us, and that's what those  
18 numbers to some extent or some percentage that you have  
19 written constitute. The 1.225 as evidenced in the loan  
20 docs was used specifically for architectural work. You  
21 can see that in the assignment of rights section where  
22 he named out the specific architects that were doing  
23 that work.

24          Q.     Okay. Then the next loan was the  
25 November 22nd, 2006 University & Ash Mosaic loan, and

1 this refinanced the initial purchase price of Mosaic; is  
2 that correct?

3 A. That is correct.

4 Q. And it refinanced the loan for predevelopment  
5 costs. That's the one that would have been the  
6 architectural work?

7 A. The \$1.225 million loan?

8 Q. Yes.

9 A. Yes.

10 Q. It financed soft costs for Mosaic. What soft  
11 costs did it finance?

12 A. Again, just the continuation of the project,  
13 architectural work, cost estimating, professional fees.

14 Q. Were any of the development fees included in  
15 those soft costs at this point?

16 A. Yes.

17 Q. When did development fees begin to be  
18 expended?

19 A. To the best of my knowledge, with the  
20 commencement of this loan.

21 Q. And was there a monthly amount or how was it?

22 A. There was. Our model always has development  
23 fees paid on a monthly basis.

24 Q. What is that?

25 A. The amount, I don't know.

1 Q. If we look at some of the documents and saw  
2 \$100,000 a draw, does that sound right?

3 A. That would sound about right.

4 Q. And then the fourth bullet point under this  
5 loan would be construction of the showroom for both  
6 Mosaic and Roosevelt II. Do you know the breakdown  
7 between number -- the third and fourth bullet points? I  
8 assume that --

9 MR. SCHULMAN: And let me correct something  
10 here. This should not reflect construction of showroom  
11 for both Mosaic and Roosevelt II. It would be  
12 Roosevelt I.

13 THE WITNESS: Thank you.

14 MR. HENDRICKS: Hadn't even noticed that.

15 MR. SCHULMAN: Yeah, I hadn't either.

16 BY MR. HENDRICKS:

17 Q. I assume the refinancing, the amount being  
18 refinanced, was close to the original amounts of those  
19 previous two loans or more as interest was added. Do  
20 you know how much was being refinanced?

21 MR. SCHULMAN: Vague and ambiguous.

22 MR. HENDRICKS: That's a bad question.

23 BY MR. HENDRICKS:

24 Q. The original Mosaic loan was 3.55 million,  
25 correct?

1           A.     Correct.

2           Q.     How much of that 3.55 million was being  
3 refinanced in the eight million?

4           A.     The entirety.

5           Q.     The 1.225, how much of it was being  
6 refinanced?

7           A.     The entirety of that loan.

8           Q.     Had either of those loans grown by that time;  
9 do you know?

10          A.     Can you clarify?

11          Q.     Well, if interest is added --

12          A.     It did grow by that, yes, but that loan also  
13 provided moneys. Again, as I previously stated,  
14 additional moneys for the advancement of the project,  
15 state of the construction of the showroom for both the  
16 Mosaic and the Roosevelt I project in addition to those  
17 things you previously mentioned.

18          Q.     What I'm trying to figure out is how much the  
19 fourth bullet point was financed of soft cases. How  
20 much was that?

21          A.     I don't have a calculator. The difference  
22 between the principal amounts of those loans, whatever  
23 the interest impound would be for this loan, and then  
24 the difference was moneys that were dedicated to the  
25 continuation of the project.

1 Q. Let me ask it this way. How much was for the  
2 construction of the showroom?

3 A. Again, this would be an estimate. I don't  
4 have that figure in front of me, but I recollect it  
5 would be somewhere between 800,000 and 1.2 million.

6 Q. So, I mean, if we know the amounts of the  
7 other two loans and we know that amount, then the rest  
8 would have been the financing of soft costs, correct?

9 A. Correct.

10 Q. Okay. Then the next loan would be the  
11 refinance of the Roosevelt I acquisition loan. It goes  
12 from 5.7 to seven million. Do you know why the  
13 difference?

14 A. Loan fees, interest impound. If there's  
15 anything beyond those two, I wouldn't know.

16 Q. Okay. Do you know if there was any  
17 development costs taken out, cashed out at that point?

18 A. I do not know. I do not believe so.

19 Q. You don't believe so?

20 A. I do not.

21 Q. But you don't know?

22 A. But I don't know.

23 Q. Fair enough.

24 Roosevelt II, the 6.1 acquisition.

25 A. Actually, I'd like to correct that. There

1 was no development fees taken out of that loan.

2 Q. You know that?

3 A. I do know that.

4 Q. Okay. The 6.1 million for Roosevelt II --

5 A. And to clarify, I guess, to go back, I know  
6 it's late, but on the Roosevelt I development fees  
7 commence, but they were accrued. So I know they weren't  
8 expended. They were advanced by the various principals,  
9 but I don't know -- they were not -- they were not  
10 expended from this loan.

11 Q. The \$100,000 development or monthly  
12 development fees, was that related solely to Mosaic or  
13 was that for all three projects?

14 A. It would have been for each project that we  
15 undertake. There would be a development agreement that  
16 would allocate that amount of money monthly.

17 Q. Are there three development agreements?

18 A. To my knowledge there are three, yes.

19 MR. HENDRICKS: I need to take a break. I  
20 need to run to the restroom.

21 (Recess was had from 6:10 to 6:14.)

22 BY MR. HENDRICKS:

23 Q. I am going to short circuit a bunch questions  
24 and go right down to it. What is the amount -- you  
25 heard the term skin in the game?

1 A. Correct.

2 Q. You understand what that means?

3 A. I do.

4 Q. Out of pocket that hasn't been reimbursed or  
5 deferred, new money, how much skin in the game does  
6 University & Ash or any of the Roosevelt entities have?

7 A. I don't know the difference off the top of my  
8 head. As you said, new moneys versus accrued and things  
9 of that nature, but total skin in the game less any  
10 interest rates for intercompany loans is about \$9.1  
11 million.

12 (Recess was had from 6:15 to 6:16.)

13 (Deposition Exhibit Nos. 2 and 3 were marked  
14 for identification.)

15 BY MR. HENDRICKS:

16 Q. I just got Exhibit 2 today, and you probably  
17 are more familiar with it than I am. But don't -- it's  
18 a document that came from you or your company; is that  
19 correct? Mr. Schulman --

20 MR. SCHULMAN: We are looking at --

21 MR. HENDRICKS: 2.

22 MR. SCHULMAN: 2, okay.

23 THE WITNESS: Is this from us?

24 MR. SCHULMAN: Yes.

25 THE WITNESS: Okay. Yes.



# SUMMARY OF LOAN HISTORY

<u>Date of Loan</u>	<u>Name of Borrower</u>	<u>Amount</u>	<u>Purpose of Loan</u>
November 14, 2005	University & Ash (Mosaic)	\$3,550,000	<ul style="list-style-type: none"> <li>Acquisition of Mosaic</li> </ul>
February 16, 2006	Roosevelt I	\$5,700,000	<ul style="list-style-type: none"> <li>Acquisition and development of Roosevelt I</li> </ul>
April 21, 2006	Roosevelt I and University & Ash (Mosaic)	\$1,225,000	<ul style="list-style-type: none"> <li>Predevelopment costs for both Mosaic and Roosevelt I</li> </ul>
November 22, 2006	University & Ash (Mosaic)	\$8,000,000	<ul style="list-style-type: none"> <li>Refinance November 2005 acquisition loan for Mosaic</li> <li>Refinance April 2006 loan for predevelopment costs for both Mosaic and Roosevelt I</li> <li>Finance soft costs for Mosaic</li> <li>Construction of showroom for both Mosaic and Roosevelt I</li> </ul>
February 19, 2007	Roosevelt I	\$7,000,000	<ul style="list-style-type: none"> <li>Refinance February 2006 Roosevelt I acquisition loan</li> </ul>
May 22, 2007	Roosevelt II	\$6,100,000	<ul style="list-style-type: none"> <li>Acquisition of Roosevelt II</li> </ul>
June 11, 2007	University & Ash (Mosaic)	\$130,000,000	<ul style="list-style-type: none"> <li>Construction of Mosaic</li> <li>Refinance November 2006 loan for showroom and soft costs for Mosaic and Roosevelt I</li> </ul>
December 11, 2007	Mortgages Ltd.'s first failure to fund draw request (November 2007 draw request); repeated failures to fund thereafter.		

*LaMar DEPO. #1*  
 PAMELA JOY GIFFIN  
*November 7, 2008*

Loan #  
 Date Requested:  
 Project:  
 Borrowing Entity:  
 Property Address:

Mortgages Ltd. Loan Draw Support Schedule - November  
 888905  
 10/11/07  
 KPL Mosak  
 University & Ash LLC  
 734 W. University Dr., Tempe, AZ 85280

**Mosaic Project Invoices to be reimbursed to University & Ash, LLC**

Budget Category	Item Number	Payable to:	Description	Dollar Amount	Invoice Date	Invoice Number
<b>01 - Construction Costs</b>						
<b>02 - Sitework</b>						
	56	APS	Trailer electric	78.00	09/07/07	
	57	HSM	Trailer security	140.00	09/14/07	5218829
	58	HSM	Trailer security	152.70	10/01/07	5236361
	59	Qwest	Trailer phone	278.91	09/19/07	
	60	United Site Services	Portable restroom	116.49	09/20/07	F-182215
	61	Waste Management of Arizona	Site clean up	35.20	10/04/07	3204954-1571-5
	62	Wilsons Scottman, Inc.	Site Trailer rental	473.25	09/25/07	79925091
<b>Category Subtotal</b>				<b>1,280.15</b>		
<b>02 - Soft Costs</b>						
<b>04 - Insurance</b>						
	63	Lincoln Benefit Life Company	Life insurance - Charlie Larrar	1,816.50	09/07/07	0111782226
	64	Lincoln Benefit Life Company	Life insurance - Justin Larrar	119.00	09/07/07	0111782227
<b>Category Subtotal</b>				<b>1,935.50</b>		
<b>07 - Municipal Fees &amp; Taxes</b>						
	65	City of Tempe	Close parking permit fee	21.00	09/24/07	
	66	City of Tempe	PAD adjustment fee	320.00	09/21/07	
<b>Category Subtotal</b>				<b>341.00</b>		
<b>08 - Marketing</b>						
	67	Angelo Ojite	Ground breaking - temp help	100.00	09/27/07	2
	68	Desert Dance Theatre	Gala entertainment	600.00	09/17/07	
	69	Desert Parking Southwest	Gala parking	320.00	10/02/07	66
	70	Exquisite Interiors	Tempe Sales - flooring	4,750.00	09/01/07	608
	71	Exquisite Interiors	Tempe Sales - flooring	3,036.28	09/28/07	616
	72	Gibson Signs	Tempe Sales - sign	1,389.70	10/04/07	
	73	Janet Miller	Ground breaking - temp help	100.00	10/04/07	
	74	K&L Development, LLC	Invoice attached	1,135.60		1
	75	Michelle Gagnon	Ground breaking - temp help	50.00	09/27/07	invoice attached
	76	RK Group	Groundbreaking catering	9,925.68	09/27/07	802854
	77	Seth Eero	Ground breaking - temp help	100.00	09/27/07	1
	78	Tri-Rentals	Gala rentals	1,864.82	09/27/07	267794-4
<b>Category Subtotal</b>				<b>21,652.08</b>		
<b>TOTAL</b>				<b>24,611.73</b>		

*Camargo* DEPO # 2  
 FAMELA JOY GIFFIN  
 November 7, 2008

**CONFIDENTIAL**

LIAR00020

Mortgages Ltd. Loan Draw Support Schedule - November

Loan #  
Date Requested  
Project  
Borrowing Entity  
Property Address

158805  
10/11/07  
KML Mosaic  
University & Ash LLC  
214 W. University Dr., Tempe, AZ 85280

Mosaic Project Invoices to be paid directly to vendors

Budget Category	Item	Payable to	Description	Dollar Amount	Invoice Date	Invoice Number
<b>01 - Construction Costs</b>						
02 - Sitework	1	American Fence Company	Temporary fence	349.66	09/26/07	1311830
	2	American Fence Company	Relocate fence	216.20	09/26/07	1311992
		<i>Vendor Subtotal</i>		<u>565.86</u>		
		<i>Category Subtotal</i>		<u>565.86</u>		
18 - Electrical	3	RPS		14,511.11		
		<i>Category Subtotal</i>		<u>14,511.11</u>		
<b>02 - Soft Costs</b>						
01 - Development	4	Charlie Linder	Hotel & parking reimburse	2,694.87	09/13/07	
	5	KML Development LLC	Development Fees	100,000.00	10/11/07	
	6	Xicon	Computer	2,226.86	08/08/07	13592
		<i>Category Subtotal</i>		<u>104,921.73</u>		
02 - Construction Management	7	Abacus Project Management, Inc.	Const. Mgmt	25,402.06	09/30/07	67707
		<i>Category Subtotal</i>		<u>25,402.06</u>		
03 - Architectural/Engineering	8	Orak	Architects	345,331.54	09/20/07	90769008
	9	Interplan	Design Fees	75.00	09/11/07	14310
	10	Interplan	Design fees	2,433.75	09/25/07	14404
	11	Interplan	Design fees	240.00	10/10/07	14439
		<i>Vendor Subtotal</i>		<u>2,748.75</u>		
	12	Perkinson Reprographics, Inc.	Digital Bond	12.43	09/12/07	124626
	13	Perkinson Reprographics, Inc.	Digital Bond	16.83	09/14/07	124936
	14	Perkinson Reprographics, Inc.	Digital Bond	474.38	09/20/07	126681
	15	Perkinson Reprographics, Inc.	Digital Bond	103.13	09/21/07	126895
	16	Perkinson Reprographics, Inc.	Digital Bond	24.82	09/26/07	128076
		<i>Vendor Subtotal</i>		<u>630.60</u>		
	17	Superior Surveying Services	Surveying	371.25	08/21/07	10058
		<i>Category Subtotal</i>		<u>349,082.14</u>		
04 - Insurance	18	Lockton Insurance Brokers	Wrap Insurance	142,074.09	11/19/07	
		<i>Category Subtotal</i>		<u>142,074.09</u>		
05 - Legal/Professional Fees	19	Donald R. Leo & Company, Ltd.	Project accounting fees	8,576.93	09/30/07	512600930
	20	KML Development LLC	Project accounting fees	10,172.00	10/11/07	3451
	21	Zwillinger, Georgelas & Giesek, PC	Project Legal Fees	1,846.30	09/30/07	8912
	22	Zwillinger, Georgelas & Giesek, PC	Project Legal Fees	5,951.52	09/30/07	8913
	23	Zwillinger, Georgelas & Giesek, PC	Project Legal Fees	423.00	09/30/07	8915
	24	Zwillinger, Georgelas & Giesek, PC	Project Legal Fees	117.50	09/30/07	8916
	25	Zwillinger, Georgelas & Giesek, PC	Project legal fees	6,432.00	09/30/07	8917
		<i>Vendor Subtotal</i>		<u>34,765.25</u>		
		<i>Category Subtotal</i>		<u>33,514.46</u>		
06 - Commissions	26	Urban Specialists Realty, LLC	Sales Staff payroll	66,773.53	10/11/07	
		<i>Category Subtotal</i>		<u>66,773.53</u>		
07 - Municipal Fees & Taxes	27	City of Tempe	Cell permit	26,000.00	11/02/07	*Exact amount to follow
	28	City of Tempe	Foundation permit	23,682.07	11/19/07	
		<i>Vendor Subtotal</i>		<u>49,682.07</u>		
		<i>Category Subtotal</i>		<u>49,682.07</u>		
08 - Marketing	29	Ba, Heard	Public Relations	6,265.76	10/02/07	KMLSeg07
	30	Community Management Systems	Monthly access fee	575.00	10/01/07	3451
	31	Desert Lifestyle Publishing	Advertising	2,842.98	10/08/07	1260
	32	Desert Living	Advertising	3,500.00	09/30/07	4620
	33	Good Impressions Printing	Gala mailing	227.82	05/11/07	41183
	34	Good Impressions Printing	Gala event program	683.45	09/26/07	43572
	35	Good Impressions Printing	Mosaic gift tags	304.79	09/25/07	43573
	36	Good Impressions Printing	Gala program insert	264.27	09/25/07	43574
	37	Good Impressions Printing	Gala name tags	239.38	09/26/07	43575
	38	Good Impressions Printing	Mosaic table signs	420.16	09/26/07	43576
		<i>Vendor Subtotal</i>		<u>2,151.87</u>		
	39	Hyland Bay	Temp help - Gala	765.00	08/28/07	10923-Temp
	40	Image Craft	Groundbreaking displays	8,385.73	09/28/07	609912
	41	Innovative Media	October media	8,626.04	09/30/07	169
	42	Innovative Media	November media	9,988.46	09/30/07	170
		<i>Vendor Subtotal</i>		<u>17,624.50</u>		
	43	KML Development	Phoenix Sales Center	22,660.00	10/11/07	
	44	KML Development	Tempe Sales Center	17,010.00	10/11/07	
		<i>Vendor Subtotal</i>		<u>39,670.00</u>		
	45	Herzmont	Tempe Sales - drywall	12,493.00	09/24/07	1
	46	Proce Communications	US Airways ad	10,000.00	10/10/07	
	47	Prisma Graphic Corp.	Marketing collateral	429.27	09/20/07	51957
	48	Rest Assured	Groundbreaking display delivery	282.50	09/27/07	704113
	49	Rest Assured	Groundbreaking display return	282.50	09/28/07	704469
		<i>Vendor Subtotal</i>		<u>525.00</u>		
	50	Rosapend	Relocate elements	480.00	09/17/07	40217
	51	Scottsdale Assoc. of Realtors	Expo	80.00	09/28/07	
	52	stir	Gala materials	2,078.00	09/17/07	507
	53	Tunnel Bravo	Banner ad resale	425.00	05/24/04	144
	54	Tunnel Bravo	Update floor plans	720.00	09/30/07	145
		<i>Vendor Subtotal</i>		<u>1,345.00</u>		
	55	United Marketing and Sales	Ground breaking marketing	600.00	09/14/07	20076913
		<i>Category Subtotal</i>		<u>109,311.03</u>		
<b>TOTAL</b>				<u><b>895,847.85</b></u>		

CONFIDENTIAL

WAR00021

Loan #  
 Date Requested:  
 Project:  
 Borrowing Entity:  
 Property Address:

**Mortgages Ltd. Loan Draw Support Schedule - DECEMBER**  
 558905  
 11/11/07  
 RMC, Mosac  
 University & Ash LLC  
 234 W. University Dr., Tampa, FL 33602

Mosaic Project Invoices to be reimbursed to University & Ash, LLC						
Budget Category	Item Number	Payable to	Description	Dollar Amount	Invoice Date	Invoice Number
<b>01 - Construction Costs</b>						
<b>02 - Sitework</b>	46	William Scorsam	Onsite construction office	473.25	10/25/07	76766168
<i>Category Subtotal</i>				<u>473.25</u>		
<b>02 - Soft Costs</b>						
<b>07 - Municipal Fees &amp; Taxes</b>	49	HCESO	Public water system fee	1,100.00	11/06/07	
<i>Category Subtotal</i>				<u>1,100.00</u>		
<b>08 - Marketing</b>	50	Atlas Don't Repair	Transport Mosaic model	185.00	10/24/07	14573
	51	CASE Inc.	Charitable contribution	2,580.00	10/18/07	
	52	Especially Societies	Ground breaking event	3,264.55	09/21/07	83293
	53	KJM Development	Invoice attached	667.11		
	54	Lincoln Benefit Life	Nov. life insurance - Cl	1,816.50	11/11/07	
	55	Lincoln Benefit Life	Nov. life insurance - JI	119.00	11/11/07	
	56	Tampa Center for the Arts	Ground breaking event	6,103.40	10/30/07	T2-0701
<i>Category Subtotal</i>				<u>14,655.56</u>		
			<b>TOTAL</b>	<u><u>16,228.81</u></u>		

CONFIDENTIAL  
 UAR000ZZ

Loan #  
 Date Requested:  
 Project:  
 Borrowing Entity:  
 Property Address:

Mortgages Ltd. Loan Draw Support Schedule - DECEMBER  
 858905  
 11/11/07  
 KML Mosaic  
 University & Ash LLC  
 234 W. University Dr., Tempe, AZ 85280

Mosaic Project Invoices to be paid directly to vendors						
Budget Category	Item	Payable to:	Description	Dollar Amount	Invoice Date	Invoice Number
<b>01 - Construction Costs</b>						
<b>02 - Sitework</b>						
	1	American Fence	Temporary fence	346.57	11/01/07	
	2	ATC	Geotechnical Investigation	472.50	10/10/07	1322821
	3	Dickens Quality Demolition	Demo Mosaic site	508.02	11/01/07	1467338
	4	Oldand	Pre-con agreement	70,000.00	10/28/07	13074A
	5	Contractors West	Police - Traffic control	450.00	09/28/07	29-A-07
	<b>Category Subtotal</b>			<b>71,775.09</b>		
<b>02 - Soft Costs</b>						
<b>01 - Development</b>						
	6	Charlie Lamer	Expense reimburse	907.40	10/12/07	
	7	Justin Lamer	Expense reimburse	176.34	10/12/07	
	8	KML Development	Development fee	100,000.00	11/01/07	
	9	NAJ Kowalle & Mackey	Travel reimburse	759.05	11/01/07	
	10	Redline Courier	Courier services	240.25	10/31/07	2806
	<b>Category Subtotal</b>			<b>102,083.04</b>		
<b>02 - Construction Management</b>						
	11	Abacus	Construction Mgmt	21,562.00	10/31/07	68070
	<b>Category Subtotal</b>			<b>21,562.00</b>		
<b>03 - Architectural/Engineering</b>						
	12	Pertinson Reprographics	Digital scanning	19.85	10/24/07	336610
	<b>Category Subtotal</b>			<b>19.85</b>		
<b>04 - Insurance</b>						
	13	Lincoln Benefit Life*	Life Insurance - Charlie LaMar	17,127.00	12/11/07	*separate checks
	14	Lincoln Benefit Life*	Life Insurance - Justin Lamer	1,132.00	12/11/07	*separate checks
	15	Lockton Insurance Brokers	WRAP Insurance	142,074.09	12/19/07	
	<b>Category Subtotal</b>			<b>160,323.09</b>		
<b>05 - Legal/Professional Fees</b>						
	16	Charles Robertson	Legal fees	250,000.00	10/29/07	
	17	KML Development	Internal accounting fee	10,172.00	11/01/07	454
	18	Zwilling, Georgelos & Greek, PC	Project Legal Fees	6,090.95	10/31/07	11056
	19	Zwilling, Georgelos & Greek, PC	Project Legal Fees	1,253.00	10/31/07	11029
	20	Zwilling, Georgelos & Greek, PC	Project Legal Fees	1,565.00	10/31/07	11064
	21	Zwilling, Georgelos & Greek, PC	Project Legal Fees	8,446.36	10/31/07	11068
	22	Zwilling, Georgelos & Greek, PC	Project Legal Fees	3,416.50	10/31/07	11067
	<b>Vendor Subtotal</b>			<b>21,201.81</b>		
	<b>Category Subtotal</b>			<b>281,373.81</b>		
<b>06 - Commissions</b>						
	23	Urban Specialists	Sales staff payroll	66,773.53	11/01/07	
	<b>Category Subtotal</b>			<b>66,773.53</b>		
<b>07 - Municipal Fees &amp; Taxes</b>						
	24	City of Tempe	Structural permit fee	23,692.07	11/08/07	
	<b>Category Subtotal</b>			<b>23,692.07</b>		
<b>08 - Marketing</b>						
	25	Americas Media Group	Reloading media	356,973.00	11/29/07	10411003
	26	Be Heard	Public relations	2,109.75	11/06/07	KML Oct 07
	27	Clear Channel Integrated Media	KVOT advertising	13,400.67	10/15/07	M1776
	28	Clear Channel Outdoor	Billboard	15,919.20	10/31/07	46011615
	29	Clear Channel Outdoor	Billboard	7,329.60	10/31/07	46011854
	<b>Vendor Subtotal</b>			<b>23,874.80</b>		
	30	CMS	Monthly access fee	272.96	11/01/07	3602
	31	Contact Magazine	Oct/Nov - full page ad	1,500.00	10/14/07	169
	32	Desert Living	Sep - full page ad	3,500.00	09/31/07	4210
	33	Desert Living	Nov - full page ad	2,500.00	10/31/07	4671
	<b>Vendor Subtotal</b>			<b>6,000.00</b>		
	34	Innovative Media	December media	2,795.36	09/30/07	171
	35	KML Development	Phoenix Sales Center Mgmt	22,660.00	11/01/07	
	36	KML Development	Tempe Sales Center Mgmt	17,018.00	11/01/07	
	<b>Vendor Subtotal</b>			<b>39,678.00</b>		
	37	Raw Condos Online	Monthly advertising	2,500.00	11/01/07	6813
	38	Pace Communications	Oct. US Airways ad	9,749.50	10/01/07	2306677
	39	Pace Communications	Nov. Southwest Airlines ad	12,500.00	11/01/07	12001577
	<b>Vendor Subtotal</b>			<b>22,249.50</b>		
	40	Playbill	Radio City Christmas ad	5,300.60	09/27/07	
	41	Rest Assured	Transport Mosaic model	164.80	10/18/07	704720
	42	The Arizona Republic	Vertical Space ad	3,675.00	11/02/07	808605926
	43	Thomas Reprographics	Mosaic Logo Tiles	469.69	09/28/07	1059956
	44	Tribune	Oct. Tribune ad	1,500.00	10/31/07	399697
	45	Tunnel Bravo	Mechanical ad layout	3,500.00	10/26/07	151
	46	Wist	Tempe sales center furniture	1,452.82	10/18/07	588331
	47	Wist	Tempe sales center furniture	4,455.43	10/16/07	588332
	<b>Vendor Subtotal</b>			<b>5,948.26</b>		
	<b>Category Subtotal</b>			<b>491,902.39</b>		
<b>TOTAL</b>				<b>1,215,804.87</b>		

CONFIDENTIAL

11AR00023

Loan #858905  
 Date Requested:  
 Project:  
 Borrowing Entity:  
 Property Address:

Mortgage Ltd. Loan Draw Support Schedule - January  
 858905  
 12/12/07  
 NML Mosaic  
 University & Ash LLC  
 234 W. University Dr., Tempe, AZ 85286

Mosaic Project Invoices to be reimbursed to University & Ash, LLC						
Budget Category	Item Number	Payable to:	Description	Dollar Amount	Invoice Date	Invoice Number
<b>02 - Soft Costs</b>						
<b>01 - Development</b>	40	Subway	UBA meeting, Otek	34.05	10/31/07	n/a
	41	Claim Jumper	Charlie meeting, Citibank	30.92	11/06/07	n/a
	42	Einsteins Bagel	UBA meeting, Otek	29.14	10/29/07	n/a
<b>Category Subtotal</b>				<u>94.11</u>		
<b>04 - Insurance</b>	43	Lincoln Benefit Life	Life insurance - Justin LaMer	119.00	12/13/07	
	44	Lincoln Benefit Life	Life insurance - Charlie LaMer	1,816.50	12/13/07	
	45	Lincoln Benefit Life	Life insurance - Justin LaMer	119.00	01/15/08	
	46	Lincoln Benefit Life	Life insurance - Charlie LaMer	1,816.50	01/15/08	
<b>Category Subtotal</b>				<u>3,871.00</u>		
<b>05 - Marketing</b>	47	Gibson Signs	Tempe Sales office sign	693.20	12/05/07	n/a
	48	Horn Depot	Showroom lights	183.21	10/24/07	n/a
	49	Phoenix Precast Products	Planters	331.73	11/28/07	77748
	50	Prismagraphics	Printing - Mosaic Book	46,648.13	11/05/07	101004
	51	Southwest Airlines	Int'l advertising conf.	118.30	10/23/07	n/a
	52	Southwest Airlines	Int'l advertising conf.	282.30	10/23/07	n/a
	53	Southwest Airlines	Int'l advertising conf.	282.30	10/23/07	n/a
	54	Yoshida Business Solutions	Copier stand	438.24	11/22/07	594234
	55	Walmart	Phones - Tempe showroom	148.87	10/31/07	n/a
<b>Category Subtotal</b>				<u>49,112.28</u>		
<b>09 - Financing Costs</b>	56	Integra Realty Resources	Project appraisal	11,750.00	11/30/07	132-07-311
	<b>Category Subtotal</b>				<u>11,750.00</u>	
<b>TOTAL</b>				<u><u>64,827.39</u></u>		

CONFIDENTIAL  
 UAR00024

Loan #838905  
 Date Requested  
 Project:  
 Borrowing Entity  
 Property Address

Mortgages Ltd. Loan Draw Support Schedule - January  
 858905  
 12/12/07  
 KML Mosaic  
 University & Ash LLC  
 234 W. University Dr., Tempe, AZ 85280

Mosaic Project Invoices to be paid directly to vendors

Budget Category	Item	Payable to.	Description	Dollar Amount	Invoice Date	Invoice Number
<b>01 - Construction Costs</b>						
02 - S/Rework	1	American Fence	Temporary fence	452.94	11/16/07	1327358
	2	American Fence	Temporary fence	349.60	11/26/07	1328425
Vendor Subtotal	3	Speedie & Associates	Field density testing	802.54		
	4	William Scottzman	Job site office rental	380.00	11/26/07	87071-06
Category Subtotal				583.25	12/05/07	77569115
				1,665.79		
03 - Finishes	5	NY Loft Phoenix	5% of cabinet contract	78,025.00	11/08/07	PXD16-01
Category Subtotal				78,025.00		
<b>02 - Soft Costs</b>						
01 - Development	6	Charlie LaMar	Expense reimbursement	3,627.35	12/05/07	n/a
	7	KML Development	Development fees	100,000.00	12/01/07	n/a
Category Subtotal				103,627.35		
02 - Construction Management	8	Abacus	Construction Mgmt	21,562.00	11/30/07	64293
Category Subtotal				21,562.00		
03 - Architectural/Engineering	9	GTAK	Architects	335,665.71	10/23/07	100771127
	10	Perkinson Reprographics	Digital scanning	10.81	11/19/07	340366
Vendor Subtotal	11	Perkinson Reprographics	Digital scanning	71.85	12/03/07	342936
Category Subtotal				82.76		
				339,748.47		
04 - Insurance	12	AICCO	Wrap Insurance	142,074.09	12/27/07	n/a
	13	West Coast Life	Life insurance - Doug & John	18,650.00	12/06/07	*Exact amount to follow
Category Subtotal				160,724.09		
05 - Legal/Professional Fees	14	Huellmantel & Affiliates, LLC	Entitlement & permitting work	250,000.00	12/27/07	472
	15	KML Development	Accounting fees	10,172.00	12/01/07	n/a
	16	Zwillingier Georgelos & Greek, PC	Project Legal fees	470.00	11/30/07	11498
	17	Zwillingier Georgelos & Greek, PC	Project Legal fees	1,666.00	11/30/07	11499
	18	Zwillingier Georgelos & Greek, PC	Project Legal fees	5,080.44	11/30/07	11500
	19	Zwillingier Georgelos & Greek, PC	Project Legal fees	2,044.50	11/30/07	11501
	20	Zwillingier Georgelos & Greek, PC	Project Legal fees	35.18	11/30/07	11502
Vendor Subtotal	21	Zwillingier Georgelos & Greek, PC	Project Legal fees	1,383.90	11/30/07	11503
Category Subtotal				13,279.12		
				273,451.12		
06 - Commissions	22	Urban Specialists Realty	Sales staff salary	66,773.53	12/01/07	n/a
Category Subtotal				66,773.53		
08 - Marketing	23	Americas Media Group	Public Relations	18,000.00	12/04/07	320009255
	24	Americas Media Group	January media placements	111,480.00	12/20/07	KML1004
Vendor Subtotal				129,480.00		
	25	BrandYe Bileter, LLC	Public Relations	1,296.25	12/03/07	KMLNov07
	26	CMS	Monthly access fee	205.00	12/04/07	3678
	27	Engraving Awards & Gifts	Ground breaking event	427.00	09/12/07	217900
	28	Go Media	Media master DVD	50.95	10/08/07	44010
	29	KML Development	Phoenix sales center mgmt.	22,860.00	12/01/07	n/a
Vendor Subtotal	30	KML Development	Tempe sales center mgmt.	17,010.00	12/01/07	n/a
				39,870.00		
	31	Heramont	Tempe showroom TI	6,648.00	12/03/07	2
	32	New Condos Online	Monthly advertising	2,500.00	12/01/07	7276
	33	Prismagraphics	Printing of Mosaic Book	108,845.61	12/05/07	101004
Vendor Subtotal	34	Prismagraphics	Mosaic floorplans	969.29	12/11/07	131422
				109,814.90		
Vendor Subtotal	35	The Arizona Republic	Advertising - Oct	12,212.50	11/02/07	12654954
	36	The Arizona Republic	Advertising - Nov	7,825.00	12/02/07	11766611
				20,037.50		
	37	The Rayburn Agency	Brochure	9,375.00	12/11/07	1015
	38	Tuanel Bravo	Websites update	2,910.00	11/30/07	159
Category Subtotal	39	Icon	Websites domain	60.00	09/25/07	13837
				322,474.60		
<b>TOTAL</b>				<b>1,368,051.95</b>		

CONFIDENTIAL  
 UAR00025

Loan #  
Project:  
Borrowing Entity:  
Property Address:

Mortgages Ltd. Loan Draw Support Schedule - FEBRUARY  
858905  
KML Mosaic  
University & Ash LLC  
234 W University Dr., Tempe, AZ 85280

Mosaic Project Invoices to be paid directly to Vendors

Budget Category	Item Number	Payable to:	Description	Dollar Amount	Invoice Date	Invoice Number
<b>01 - Construction Costs</b>						
<b>02 - Sitework</b>						
	1	Oklano	Nov. billing	323,801.00	01/08/08	
	2	Oklano	Dec. billing	273,346.00	01/09/08	
	3	Oklano	Jan. billing	65,459.00	01/09/08	
	4	Oklano	Feb. billing	169,181.00	02/11/08	
	<b>Category Subtotal</b>			<b>871,887.00</b>		
<b>02 - Soft Costs</b>						
<b>01 - Development</b>						
	5	Charlie LaMar	Expense reimbursement	266.37	01/02/08	
	6	KML Development	Development fee	100,000.00	01/01/08	
	<b>Category Subtotal</b>			<b>100,266.37</b>		
<b>02 - Construction Management</b>						
	7	ABACUS	Cons. Mgmt.	21,562.00	12/31/07	68721
	8	ABACUS	Cons. Mgmt.	16,058.00	01/31/08	69243
	<b>Category Subtotal</b>			<b>37,620.00</b>		
<b>03 - Architectural/Engineering</b>						
	9	Otak	Architects	330,659.31	11/14/07	110771767
	10	Otak	Architects	141,962.94	12/13/07	120712792
	11	Otak	Architects	49,912.58	01/29/08	10874104
	<b>Category Subtotal</b>			<b>522,534.83</b>		
<b>04 - Insurance</b>						
	12	AICCO	WRAP insurance	66,090.29	02/19/08	
	<b>Category Subtotal</b>			<b>66,090.29</b>		
<b>05 - Legal/Professional Fees</b>						
	13	Enterprise Design Group	Financial consulting	25,111.25	01/02/08	
	14	KML Development	Accounting fee	10,172.00	01/01/08	15
	15	Muskmantal & Affiliates, LLC	Legal fees	3,030.00	01/10/08	
	16	Zwillingr Georgelos & Greek, PC	Legal fees	2,068.00	12/31/07	497
	17	Zwillingr Georgelos & Greek, PC	Legal fees	13,886.63	12/31/07	11939
	18	Zwillingr Georgelos & Greek, PC	Legal fees	4,418.00	12/31/07	11941
	19	Zwillingr Georgelos & Greek, PC	Legal fees	23.50	12/31/07	11943
	20	Zwillingr Georgelos & Greek, PC	Legal fees	127.50	01/31/08	12149
	21	Zwillingr Georgelos & Greek, PC	Legal fees	5,656.50	01/31/08	12150
	22	Zwillingr Georgelos & Greek, PC	Legal fees	12,020.50	01/31/08	12151
	23	Zwillingr Georgelos & Greek, PC	Legal fees	714.00	01/31/08	12152
	24	Zwillingr Georgelos & Greek, PC	Legal fees	612.90	01/31/08	12153
	25	Zwillingr Georgelos & Greek, PC	Legal fees	1,275.00	01/31/08	12156
	<b>Category Subtotal</b>			<b>79,115.38</b>		
<b>06 - Commissions</b>						
	26	Urban Specialists Realty	Sales staff salary	66,773.53	01/01/08	
	<b>Category Subtotal</b>			<b>66,773.53</b>		
<b>08 - Marketing</b>						
	27	Desert Lifestyle Publishing	Advertising	2,642.90	12/14/07	1339
	28	Desert Living	Advertising	3,300.00	12/31/07	4764
	29	Desert Living	Advertising	3,300.00	01/31/08	4823
	30	Forks & Carls	Marketing sponsorship	2,500.00	03/31/08	
	31	KML Development	Phoenix Sales Ctr. Mgmt.	32,660.00	01/01/08	
	32	KML Development	Tempa Sales Ctr. Mgmt.	17,010.00	01/01/08	
	33	MICE	Design center completion	23,143.54	01/05/07	50356-1
	34	New Condos Online	Advertising	2,500.00	01/01/08	7691
	35	New Condos Online	Advertising	2,500.00	02/01/08	8263
	36	Playbill	Advertising	1,325.15	12/26/07	1013090
	37	Playbill	Advertising	1,325.15	01/16/08	1013305
	38	The Arizona Republic	Advertising	12,217.00	02/02/08	11976487
	39	Tunnel Bravo	Ad layouts	2,820.00	01/08/08	168
	<b>Category Subtotal</b>			<b>97,243.84</b>		
<b>TOTAL</b>				<b>1,791,528.24</b>		

CONFIDENTIAL  
UAR00026



Loan #  
Project  
Borrowing Entity  
Property Address

Mortgages Ltd. Loan Draw Support Schedule - FEBRUARY  
858905  
KHL Mosaic  
University & Ash LLC  
734 W University Dr., Tempe, AZ 85280

Mosaic Project Invoices to be reimbursed to University & Ash, LLC

Budget Category	Item	Payable to	Description	Dollar Amount	Invoice Date	Invoice Number
<b>01 - Construction Costs</b>						
<b>02 - Sitework</b>						
	40	American Fence	Site fencing			
	41	American Fences	Site fencing	350.24	12/26/07	1337099
	42	Dickens Quality Demolition	Site fencing	350.24	01/25/08	1344424
	43	Oklana	Parking lot demo	5,425.36	12/26/07	14303
	44	William Scotsman	Precon services	22,716.60	01/03/08	
	45	William Scotsman	Cons. Trailer	474.13	12/25/07	76365931
			Cons. Trailer	474.13	01/25/08	79153973
	<b>Category Subtotal</b>			<b>29,792.10</b>		
<b>02 - Soft Costs</b>						
<b>01 - Development</b>						
	46	KHL Development	Invoice attached	1,073.92		
	47	Redline Courier	Courier services	50.50	12/31/07	3081
	48	Redline Courier	Courier services	16.00	01/31/08	3724
	<b>Category Subtotal</b>			<b>1,140.42</b>		
<b>03 - Architectural/Engineering</b>						
	49	Parkinson Reprographics	Digital scanning	10.81	08/31/07	322390
	50	Speedie & Assoc.	Engineering services	450.00	11/30/07	89107-06
	<b>Category Subtotal</b>			<b>460.81</b>		
<b>05 - Legal/Professional Fees</b>						
	51	DLA Piper	Attorneys	15,000.00	10/25/07	2065618
	52	Enterprise Design Group	Financial consulting	15,112.50	01/24/08	15
	53	Land America Commercial Services	Property review	2,300.00	10/29/07	07-54522-3
	<b>Category Subtotal</b>			<b>32,412.50</b>		
<b>06 - Marketing</b>						
	54	Brandye Billetec, LLC	Public Relations	1,490.75	01/04/08	KHLDec07
	55	Brandya Billetec, LLC	Public Relations	3,296.38	02/04/08	KHLJan08
	56	CMS	Monthly access fee	274.26	01/02/08	3750
	57	Desert Lifestyle Publishing	Advertising	2,642.90	11/20/07	1309
	58	Especially Specialties	Sales Event giveaways	1,299.96	01/16/08	PRE9191
	59	Forks & Corks	Sales Event	2,500.00	01/06/08	
	60	Forks & Corks	Marketing sponsorship	5,000.00	02/01/08	
	61	Fox Sports Grill	Sales Event	6,000.00	01/18/08	118M06
	62	Fox Sports Grill	Sales Event	5,516.11	02/03/08	
	63	KHL Development	Invoice attached	1,624.74		
	64	POST Magazine	Advertising	1,506.00	12/17/07	136
	65	Prismagraphic	Printing	3,327.32	12/17/07	101253
	66	Rayburn Agency	Collateral layout	485.00	12/16/07	1308
	67	Rayburn Agency	Revised floorplans	969.00	12/16/07	1308
	68	Rayburn Agency	Collateral layout	960.00	01/03/08	1336
	69	The Rix Group	Ground breaking Gate	5,000.00	09/27/09	E02854
	70	Tunnel Bravo	Banner ad	250.00	11/30/07	160
	<b>Category Subtotal</b>			<b>44,336.42</b>		
<b>TOTAL</b>				<b>107,942.25</b>		

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LIAR00027

Mortgages Ltd. Loan Draw Support Schedule - MARCH

Loan #  
Project:  
Borrowing Entity:  
Property Address:

5589Q5  
KHL Mosaic  
University & Ash LLC  
234 W. University Dr, Tempe, AZ 85280

Mosaic Project Invoices to be paid directly to vendors

Budget Category	Item	Payable to:	Description	Dollar Amount	Invoice Date	Invoice Number
<b>B1 - Construction Costs</b>						
02 - Sitework	1	Oktend	March billing	64,756.00	02/05/08	
<i>Category Subtotal</i>				<u>64,756.00</u>		
<b>B2 - Soft Costs</b>						
01 - Development	2	KHL Development	Development fee	100,000.00	02/01/08	
<i>Category Subtotal</i>				<u>100,000.00</u>		
02 - Construction Management	3	Abacus	Cons. Mgmt.	12,599.25	02/29/08	69424
<i>Category Subtotal</i>				<u>12,599.25</u>		
03 - Architectural/Engineering	4	Otak	Architects	26,209.57	02/20/08	20674937
<i>Category Subtotal</i>				<u>26,209.57</u>		
04 - Insurance	5	<del>WCCO</del>	<del>WFLA insurance</del>	<del>66,090.29</del>	<del>PAID</del>	
<i>Category Subtotal</i>				<u>66,090.29</u>		
05 - Legal/Professional Fees	6	Huellmantel & Affiliates, LLC	Legal fees	5,005.00	10-Mar	536
	7	KHL Development	Project accounting fees	10,172.00	02/01/08	
	8	Zwillinge Georgelos & Greek	Legal fees	204.00	02/29/08	12641
	9	Zwillinge Georgelos & Greek	Legal fees	11,288.50	02/29/08	12642
	10	Zwillinge Georgelos & Greek	Legal fees	4,217.21	02/29/08	12643
	11	Zwillinge Georgelos & Greek	Legal fees	1,045.50	02/29/08	12644
	12	Zwillinge Georgelos & Greek	Legal fees	2,579.50	02/29/08	12645
<i>Category Subtotal</i>				<u>34,511.71</u>		
06 - Commissions	13	Urban Specialists Realty	Sales staff contract	66,773.53	02/01/08	
<i>Category Subtotal</i>				<u>66,773.53</u>		
08 - Marketing	14	KHL Development	Phoenix Sales Ctr. Mgmt.	22,660.00	02/01/08	
	15	KHL Development	Tempe Sales Ctr. Mgmt.	17,010.00	02/01/08	
<i>Category Subtotal</i>				<u>39,670.00</u>		
<b>TOTAL</b>				<u><b>418,610.35</b></u>		

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LIAR00028

Mortgages Ltd. Loan Draw Support Schedule - MARCH

Loan #  
Project:  
Borrowing Entity  
Property Address:

858905  
KMI, Mosaic  
University & Ash LLC  
234 W. University Dr., Tempe, AZ 85280

Mosaic Project Invoices to be reimbursed to University & Ash, LLC

Budget Category	Item Number	Payable to	Description	Dollar Amount	Invoice Date	Invoice Number
<b>01 - Construction Costs</b>						
02 - Sitework	15	American Fence Co.	Site Fencing	350.24	02/26/08	1351085
	17	Image Craft	Site banner repair	372.59	03/04/08	815910
	18	Williams Scotsman	Cons. Trailer	474.13	02/25/08	79927495
<i>Category Subtotal</i>				<u>1,196.96</u>		
<b>02 - Soft Costs</b>						
03 - Architectural/Engineering	19	Precision Images	Plan copy fees	334.54	02/15/08	1000829
	20	Superior Surveying Services	Surveying	160.00	02/29/08	10633
<i>Category Subtotal</i>				<u>494.54</u>		
05 - Legal/Professional Fees	21	Huellmanbet & Affiliates, LLC	Legal fees	240.00	02/07/08	522
<i>Category Subtotal</i>				<u>240.00</u>		
07 - Municipal Fees & Taxes	22	City of Tempe	Easement abandonment	775.50	03/05/08	
	23	Drew Glomski	Mileage reimbursement	16.42	03/05/08	
<i>Category Subtotal</i>				<u>791.92</u>		
08 - Marketing	24	Be Heard	Public relations	2,422.50	03/04/08	K04LFE808
	25	Clear Channel	Advertising	1,363.90	09/13/08	46011582
	26	CMS	Monthly access fee	371.26	02/05/08	3820
	27	CMS	Monthly access fee	276.14	03/03/08	3887
	28	Desert Lifestyle Publishing	Advertising	2,642.90	02/19/08	1377
	29	Desert Living	Advertising	3,300.00	03/15/08	4900
	30	Dustin Gaskay	Media postage	133.73	03/04/08	
	31	Leadscor Rental Information	Sales map	1,790.50	02/27/08	11674
	32	New Condos Online	Advertising	2,250.00	03/01/08	8644
	33	Playbill	Advertising	1,325.15	02/22/08	1013786
	34	The Rayburn Agency	Advertising layout	498.05	02/21/08	1354
	35	The Rayburn Agency	Advertising layout	255.00	03/11/08	1353
	<i>Category Subtotal</i>				<u>18,630.03</u>	
<b>TOTAL</b>				<u><b>21,295.45</b></u>		

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WAR00029

Loan #  
Project:  
Borrowing Entity:  
Property Address:

Mortgages Ltd. Loan Draw Support Schedule - April  
858905  
KML Mosaic  
University & Ash LLC  
234 W. University Dr., Tempe, AZ 85280

Mosaic Project Invoices to be paid directly to vendors						
Budget Category	Item	Payable to:	Description	Dollar Amount	Invoice Date	Invoice Number
<b>01 - Construction Costs</b>						
02 - Sitework	1	Oklend	April billing	46,358.00	03/26/08	
Category Subtotal				<u>46,358.00</u>		
<b>02 - Soft Costs</b>						
01 - Development	2	KML Development	Development fee	100,000.00	04/01/08	
Category Subtotal				<u>100,000.00</u>		
04 - Insurance	3	WICO	WIPAC Insurance	66,090.29		
Category Subtotal				<u>66,090.29</u>		
05 - Legal/Professional Fees	4	Huellmannel & affiliates	Legal fees	5,075.00	04/10/08	559
	5	KML Development	Project accounting fees	10,712.00	04/01/08	
	6	Zwilling Georgelos & Greek	Legal fees	3,558.52	03/31/08	12921
	7	Zwilling Georgelos & Greek	Legal fees	308.00	03/31/08	12922
	8	Zwilling Georgelos & Greek	Legal fees	739.50	03/31/08	12924
	9	Zwilling Georgelos & Greek	Legal fees	600.50	03/31/08	12925
Vendor Subtotal				<u>5,206.52</u>		
Category Subtotal				<u>20,993.52</u>		
06 - Commissions	10	Urban Specialist Realty	Sales staff contract	66,773.53	04/01/08	
Category Subtotal				<u>66,773.53</u>		
08 - Marketing	11	Clear Channel Airports	Sky Harbor Advertising	13,320.00	03/31/08	607703321
	12	Clear Channel Airports	Sky Harbor Advertising	13,320.00	04/30/08	607703393
	13	KML Development	Phoenix Sales Ctr. Mgmt.	22,660.00	04/01/08	
	14	KML Development	Tempe Sales Ctr. Mgmt.	17,010.00	04/01/08	
Vendor Subtotal				<u>39,670.00</u>		
Category Subtotal	15	NewCandosOnline, Inc.	Website ad	2,250.00	05/01/08	9357
				<u>68,560.00</u>		
<b>TOTAL</b>				<u><b>368,775.34</b></u>		

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LAR00030

Loan #  
Project:  
Borrowing Entity  
Property Address

Mortgages Ltd. Loan Draw Support Schedule - April  
858905  
KMI, Hosaic  
University & Ash LLC  
254 W. University Dr., Tempe, AZ 85280

Nosaic Project Invoices to be reimbursed to University & Ash, LLC							
Budget Category	Item Number	Payable to:	Description	Dollar Amount	Invoice Date	Invoice Number	
<b>01 - Construction Costs</b>							
<b>02 - Sitework</b>							
	16	American Fence	Temporary fence	350.24	03/26/08	1360660	
	17	Rosendin Electric	Temp power to trailer	7,848.00	04/02/08	40627	
	18	Wiham Scottsman	Onsite construction office	474.13	04/05/08	60776174	
	<b>Category Subtotal</b>			<b>8,672.37</b>			
<b>02 - Soft Costs</b>							
<b>03 - Architectural/Engineering</b>							
	19	Dtak	Architects	281.25	03/20/08	30675362	
	20	Superior Surveying Services	Sewer easement exhibit	100.00	03/17/08	10684	
	<b>Category Subtotal</b>			<b>381.25</b>			
<b>04 - Insurance</b>							
	21	Lincoln Benefit Company	Life insurance (Jan.) - C. LaMar	1,816.50	01/15/08		
	22	Lincoln Benefit Company	Life insurance (Jan.) - J. LaMar	119.00	01/15/08		
	23	Lincoln Benefit Company	Life insurance (Feb.) - C. LaMar	1,816.50	02/13/08		
	24	Lincoln Benefit Company	Life insurance (Feb.) - J. LaMar	119.00	02/13/08		
	25	Lincoln Benefit Company	Life insurance (Mar.) - C. LaMar	1,816.50	03/13/08		
	26	Lincoln Benefit Company	Life insurance (Mar.) - J. LaMar	119.00	03/13/08		
	27	Lincoln Benefit Company	Life insurance (Apr.) - C. LaMar	1,816.50	04/15/08		
	28	Lincoln Benefit Company	Life insurance (Apr.) - J. LaMar	119.00	04/15/08		
	<b>Category Subtotal</b>			<b>7,742.00</b>			
<b>05 - Legal/Professional Fees</b>							
	29	Donald R. Leo	Accounting fees	1,237.50	12/31/07	512002	
	<b>Category Subtotal</b>			<b>1,237.50</b>			
<b>08 - Marketing</b>							
	30	Be Heard	Public relations	680.00	02/02/08	KMLMAR08	
	31	CMS	Monthly access fee	250.00	04/01/08	3952	
	32	Color Press	Collateral	486.34	04/02/08	49835	
	33	Desert Lifestyle	Advertising	2,642.90	03/18/08	1431	
	34	Desert Living	Advertising	3,300.00	03/31/08	4975	
	35	Tunnel Bravo	Ad layouts	1,690.00	03/17/08	194	
	36	Tunnel Bravo	Upstate website	75.00	04/14/08	207	
	<b>Category Subtotal</b>			<b>9,324.24</b>			
<b>TOTAL</b>				<b>27,357.36</b>			

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Loan #  
Project:  
Borrowing Entity  
Property Address

Mortgages Ltd. Loan Draw Support Schedule - May  
056905  
KML Mosaic  
University & Ash LLC  
234 W. University Dr., Tempe, AZ 85280

Mosaic Project Invoices to be paid directly to vendors

Budget Category	Item	Payable to:	Description	Dollar Amount	Invoice Date	Invoice Number
<b>01 - Construction Costs</b>						
02 - Sitework	1	Oldland	May billing	52,282.00	04/30/08	
Category Subtotal				<u>52,282.00</u>		
<b>02 - Soft Costs</b>						
01 - Development	2	KML Development	Development fees	100,000.00	05/01/08	
Category Subtotal				<u>100,000.00</u>		
02 - Construction Management	3	Abacus	Cons. Mgmt.	12,458.00	03/31/08	69726
Category Subtotal				<u>12,458.00</u>		
04 - Insurance	4	AICCO	WRAP insurance	66,090.29	04/25/08	
Category Subtotal				<u>66,090.29</u>		
05 - Legal/Professional Fees	5	Huesilmantel & Affiliates	Legal fees	1,575.00	05/10/08	571
	6	KML Development	Project accounting fees	10,172.00	05/01/08	
	7	Zwilling Georgelos & Greek PC	Legal fees	204.00	04/30/08	13183
	8	Zwilling Georgelos & Greek PC	Legal fees	1,090.50	04/30/08	13184
	9	Zwilling Georgelos & Greek PC	Legal fees	769.50	04/30/08	13185
	10	Zwilling Georgelos & Greek PC	Legal fees	1,570.00	04/30/08	13188
Vendor Subtotal				<u>3,434.00</u>		
Category Subtotal				<u>15,381.00</u>		
06 - Commissions	11	Urban Specialist	Sales staff contract	66,773.53	05/01/08	
Category Subtotal				<u>66,773.53</u>		
08 - Marketing	12	Clear Channel Airports	Advertising	13,320.00	05/31/08	607703457
	13	KML Development	Phoenix sales center mgmt	22,660.00	05/01/08	
	14	KML Development	Tempe sales center mgmt.	17,810.00	05/01/08	
Vendor Subtotal				<u>53,790.00</u>		
Vendor Subtotal	15	Playbill	Advertising	39,670.00		
Category Subtotal	16	Playbill	Advertising	2,650.30	03/24/08	1014116
				<u>1,325.15</u>	04/29/08	1014492
				<u>3,975.45</u>		
				<u>56,965.45</u>		
<b>TOTAL</b>				<u><u>369,956.17</u></u>		

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WAR00032

Loan #  
Project  
Borrowing Entity:  
Property Address:

Mortgages Ltd. Loan Draw Support Schedule - May  
858905  
KML Mosaic  
University & Ash LLC  
234 W. University Dr., Tempe, AZ 85280

Mosaic Project Invoices to be reimbursed to University & Ash, LLC

Budget Category	Item Number	Payable to	Description	Dollar Amount	Invoice Date	Invoice Number
<b>01 - Construction Costs</b>						
<b>02 - Sitework</b>						
	17	American Fence	Temporary fence	350.24	04/25/08	1369813
	18	Lawn's Pressure Cleaning	Pressure clean site banner	400.00	05/03/08	70923
	19	William Scottman	Construction trailer	474.13	05/05/08	81525588
<i>Category Subtotal</i>				<u>1,224.37</u>		
<b>02 - Soft Costs</b>						
<b>08 - Marketing</b>						
	20	Be Heard	Public relations	1,423.75	05/04/08	KMLAPR08
	21	CMS	Monthly access fee	625.00	05/03/08	4015
	22	Rayburn Agency	Collateral design	315.00	04/01/08	1420
	23	Rayburn Agency	Collateral design	170.00	04/01/08	1423
<i>Category Subtotal</i>				<u>2,533.75</u>		
<b>TOTAL</b>				<u><b>3,758.12</b></u>		

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UAR00033

Loan #  
Project  
Sponsoring Entity:  
Property Address:

Mortgages Ltd. Loan Draw Support Schedule - June  
658905  
KML Mosaic  
University & Ash LLC  
234 W University Dr., Tempe, AZ 85280

Mosaic Project Invoices to be reimbursed to University & Ash, LLC

Budget Category	Item Number	Payable to:	Description	Dollar Amount	Invoice Date	Invoice Number
01 - Construction Costs						
02 - Sitework	29	American Fence	Temporary fence	950.24	05/27/06	1378624
Category Subtotal				950.24		
02 - Soft Costs						
03 - Architectural/Engineering	30	ATC	Stmt. Of reliance	950.00	02/21/06	1488235
Category Subtotal				950.00		
<b>TOTAL</b>				<b>1,900.24</b>		

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WAR00034



Loan #  
Project:  
Borrowing Entity:  
Property Address:

Mortgages Ltd. Loan Draw Support Schedule - June  
858905  
KML Mosaic  
University & Ash LLC  
234 W. University Dr., Tempe, AZ 85280

Mosaic Project Invoices to be paid directly to vendors							
Budget Category	Item	Payable to:	Description	Dollar Amount	Invoice Date	Invoice Number	
<b>01 - Construction Costs</b>							
<b>02 - Soft Costs</b>							
01 - Development	1	KML Development	Development fees	100,000.00	06/01/08		
<i>Category Subtotal</i>				100,000.00			
03 - Architectural/Engineering	2	Clak	Architects	57,350.25	05/20/08		50877799
<i>Category Subtotal</i>				57,350.25			
04 - Insurance	3	AICCO	WRAP Insurance	66,090.29	05/26/08		
<i>Category Subtotal</i>				66,090.29			
05 - Legal/Professional Fees	4	Donald R. Lee & Company	Accounting fees	2,125.33	04/30/08		
	5	KML Development	Project accounting fees	10,172.00	06/01/08		
	6	Zwillingr Georgelos & Greek	Legal	76.50	05/31/08		13475
	7	Zwillingr Georgelos & Greek	Legal	869.00	05/31/08		13476
	8	Zwillingr Georgelos & Greek	Legal	2,115.00	05/31/08		13477
	9	Zwillingr Georgelos & Greek	Legal	346.50	05/31/08		13478
	10	Zwillingr Georgelos & Greek	Legal	2,895.00	05/31/08		13481
<i>Vendor Subtotal</i>				6,302.00			
<i>Category Subtotal</i>				18,598.33			
06 - Commissions	11	Urban Specialist	Sales staff contract	66,773.53	06/01/08		
<i>Category Subtotal</i>				66,773.53			
08 - Marketing	12	City Business Journals Network	Advertising	5,521.60	03/07/08		73581-120707
	13	City Business Journals Network	Advertising	5,423.85	03/07/08		73581-121407
	14	City Business Journals Network	Advertising	4,216.00	03/07/08		72581-121707
	15	City Business Journals Network	Advertising	3,120.35	03/07/08		73581-011108
	16	City Business Journals Network	Advertising	7,057.53	03/07/08		73581-011808
	17	City Business Journals Network	Advertising	3,830.10	03/07/08		73581-012808
	18	Haute Living Magazine	Advertising	3,500.00	12/24/07		2007-462
	19	Haute Living Magazine	Advertising	3,500.00	03/01/08		2008-463
	20	Haute Living Magazine	Advertising	3,500.00	04/25/08		2008-464
	21	KML Development	Phoenix sales center mgmt.	22,660.00	06/01/08		
	22	KML Development	Tempe sales center mgmt.	17,010.00	06/01/08		
<i>Vendor Subtotal</i>				39,670.00			
	23	Luxury Publishing Limited	Advertising	4,000.00	02/27/08		071624
	24	Luxury Publishing Limited	Advertising	4,000.00	04/24/08		081527
	25	NewCondosOnline	Advertising	2,250.00	06/01/08		9715
	26	Playbill	Advertising	1,325.15	05/19/08		1014753
	27	Redwood Custom Communications	Advertising	8,729.00	03/05/08		7845
	28	Redwood Custom Communications	Advertising	8,729.00	03/05/08		7847
<i>Category Subtotal</i>				108,372.60			
<b>TOTAL</b>				<b>417,186.00</b>			

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