

NOTE: THE MEMBERSHIP INTERESTS OF THE COMPANY ARE NOT FREELY TRADEABLE. RESTRICTIONS ON TRANSFER APPLY. SEE SECTION 8 HEREIN.

**OPERATING AGREEMENT
OF
C&M LOAN LLC**

This Operating Agreement of C&M Loan LLC ("Company") is entered into effective as of June 15, 2009, by and among ML Manager LLC, an Arizona limited liability company ("Manager"), and each of the Persons executing this Agreement as Members.

RECITALS

A. Each of the Persons now or hereafter becoming Members of the Company is the holder of a fractional interest ("Fractional Interest") in a loan ("Loan") made by Mortgages Ltd., an Arizona corporation ("ML"), to the borrower ("Borrower") and in the original stated principal amount listed on Exhibit A attached hereto, which Loan was previously serviced and administered by ML for such Persons. The Fractional Interest in the Loan of each of the Persons becoming Members of the Company from time to time are as shown on Exhibit A attached hereto.

B. Pursuant to the Official Committee of Investors First Amended Plan of Reorganization dated March 12, 2009, in the Chapter 11 Proceedings in In re: Mortgages Ltd., Case No. 2:08-bk-07465-RJH, which was confirmed by the Court on May 20, 2009 ("Approved Plan"), the Approved Plan has approved the replacement of ML as the agent for holders of Fractional Interests in the Loan and such Fractional Interest holders electing to become Members of the Company, initially or during the Additional Time Period, have, as part of the Approved Plan, (i) approved the form of this Agreement, (ii) authorized the Manager to become manager of the Company, (iii) agreed to assign and endorse, as required, their Fractional Interests in the Loan and the accompanying Loan Documents to the Company, and (iv) agreed to execute this Agreement, all of which shall occur on the Effective Date of the Approved Plan

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS; THE COMPANY

1.1 **Definitions.** Capitalized words and phrases used in this Agreement shall have the meanings set forth in the Plan or in Section 11 of this Agreement.

1.2 **Formation.** The Company has been formed as an Arizona limited liability company pursuant to the provisions of the Act. The Company shall operate its business upon the terms and conditions set forth in this Agreement and the Articles of Organization.

1.3 **Name.** The name of the Company is set forth in the first paragraph of this Agreement..

1.4 **Purpose.** The purpose of the Company is to hold and administer Fractional Interests in the Loan, to collect principal and interest and other payments on the Loan, to sell the Loan, to take all actions necessary to enforce the Loan and realize on the collateral for the Loan, to resell any collateral realized and pending such resale to hold and operate the collateral for a reasonable period of time, and to enter into settlement agreements with the Borrower including loan modifications or conversion of principal or interest or both to equity in a project under a joint venture or other form of entity. The Company is authorized to enter into the Servicing Agreement. The Company may borrow money as necessary to pay for its operating, litigation and other costs, and is specifically authorized to become a joint borrower under the Exit Financing Loan, and may pledge the Loan as security for any such borrowings. In connection with the Exit Financing Loan, the Company is authorized to enter into the Inter-Borrower Agreement. The Company is further authorized to advance ML Charges to the Manager as provided in Section 2.6 hereof. The Company shall have the power to undertake any and all acts necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of such purpose. The foregoing are "Permitted Activities" of the Company.

1.5 **Intent.** It is the intent of the Members that the Company shall always be operated in a manner consistent with its treatment as a "partnership" for federal and state income tax purposes. No Member or Manager shall take any action inconsistent with the intent of the parties set forth in this Section 1.5.

1.6 **Principal Office.** The address of the known place of business of the Company in Arizona is c/o of Fennemore Craig, P.C., 3003 N. Central Avenue, Suite 2600, Phoenix, Arizona 85012, or at such other location as the Manager may from time to time designate by written notice to all Members.

1.7 **Statutory Agent.** The name and address of the initial statutory agent for service of legal process on the Company in Arizona is CT Corporation System, 2394 E. Camelback Road, Phoenix, Arizona 85016. The Company's agent for service of legal process may be changed by the Manager upon written notice to all Members.

1.8 **Term.** The term of the Company commenced when Articles of Organization (the "Articles") were filed on behalf of the Company with the Arizona Corporation Commission, and shall continue until the Company is dissolved as set forth in this Agreement.

1.9 **Filings.** The Manager shall file any amendments to the Articles deemed necessary by the Manager to reflect amendments to this Agreement adopted in accordance with the terms hereof and shall file any other documents which may be required to be filed by the Company with any governmental agency.

1.10 Identification of Additional Projects; Independent Activities.

(a) **General Scope of Independent Activities.** The Members hereby expressly agree and acknowledge that each of the Members, either directly or through the Member's Affiliates, is involved in transactions, investments and business ventures and undertakings of every nature, which include, without limitation, activities which are associated with real estate or loans, and that the Manager may act as the manager of other limited liability companies formed to hold fractional interests in other loans made by ML and as manager of certain other limited liability companies which will become Members of the Company (all such investments and activities being referred to hereinafter as the "Independent Activities"), all of which may be conducted independently from the Company, as more particularly described in Section 1.10(b).

(b) **Waiver of Rights with Respect to Independent Activities.** Nothing in this Agreement shall be construed to: (i) prohibit the Manager, any Member or their Affiliates from continuing, acquiring, owning or otherwise participating in any Independent Activity that is not owned or operated by the Company, even if such Independent Activity is or may be in competition with the Company; or (ii) require the Manager, any Member or their Affiliates to allow the Company or any other Member to participate in the ownership or profits of any such Independent Activity. To the extent any Member would have any rights or claims against any other Member or the Manager to share in the ownership or profits of the Independent Activities of such Manager, Member or their Affiliates, whether arising by statute, common law or in equity, the same are hereby waived.

(c) **Acknowledgment of Reasonableness.** The Members hereby expressly acknowledge, represent and warrant that they are sophisticated investors, that they understand the terms, conditions and waivers set forth in this Section 1.10, and that the provisions of this Section 1.10 are reasonable, taking into account the relative sophistication and bargaining position of the Members.

SECTION 2. MEMBERS; MANAGER; CAPITAL CONTRIBUTIONS

2.1 **Manager.** The Manager shall be the sole manager of the Company. The Manager shall make a Capital Contribution to the Company in the amount of One Dollar which shall be repaid to the Manager upon liquidation of the Company.

2.2 **Members and Percentage Participation.** Each of the Persons listed on Exhibit A are admitted as Initial Members of the Company, and the Fractional Interests in the Loan of each Member contributed as their Agreed Capital Contributions and each Member's calculated Participation Percentage in the Company are also set forth in Exhibit A. In the event of any error in calculation of the Participation Percentage, the Manager may rectify said error and amend Exhibit A without the approval or consent of any Member or Members. Persons becoming Additional Members during the Additional Time Period will become Members upon contribution of their Fractional Interest in the Loan as their Agreed Capital Contributions, and the Manager shall amend Exhibit A to adjust the Participation Percentages of all Members to reflect the contributions of the Additional Members without the vote or consent of any Member, and the

Manager shall attach the amended Exhibit A to this Agreement in replacement of the original Exhibit A. Upon execution of this Agreement, each Member shall assign or endorse, as required, its Fractional Interest in the Loan, promissory note and all other Loan Documents relating to the Loan to the Company, by execution of a signature page to this Agreement and such other assignments or endorsements as the Manager may require. Except as otherwise disclosed on the such Member's signature page attached hereto, each Member represents and warrants that they have not previously pledged, assigned or transferred their Fractional Interest being assigned to the Company and have not granted or acquiesced in the granting of any lien, security interest, encumbrance or claim in or to such fractional Interests; provided, however, that this warranty does not extend to: (a) any act by ML or its Affiliates pursuant to an alleged agency power, power of attorney or otherwise; or, (b) any claims against liability on the Loan which may be asserted by the Borrower.

2.3 Additional Capital Contributions. Except as provided in Section 2.2, no Member shall be required to make Capital Contributions to the Company. Without limiting the generality of the foregoing, no Member shall have any obligation to restore any negative balance standing at any time in such Person's Capital Account, whether during the term of the Company, upon liquidation of the Company or otherwise. Notwithstanding the foregoing, upon the written request of the Manager stating that additional Capital Contributions ("Additional Capital Contributions") are required in a specified amount for the Company's business, then each Member may elect to make Additional Capital Contributions in an amount equal to its then Participation Percentage of the total requested Additional Capital Contributions, and if less than all Members elect to make such Additional Capital Contributions, the Members electing to make Additional Capital Contributions may make the entire Additional Capital Contribution in the ratio of their Participation Percentages or as they may otherwise agree. The making of Additional Capital Contributions shall not change a Member's Participation Percentage.

2.4 Member Loans. Any Member may, with the approval of the Manager, lend or advance money to the Company. If a Member makes any loan or loans to the Company or advances money on its behalf, the amount of the loan or advance shall not be treated as a Capital Contribution to the Company but shall be an indebtedness of the Company payable to the Member. The amount of the loan or advance shall be repayable out of the Company's cash and shall be on terms and bear interest at a rate agreed upon by the Manager during the period that the loan is outstanding, and may be secured by a lien on the Company property.

2.5 Exit Financing Loan. The Company is authorized to become a joint borrower with the other Loan LLCs, the Manager and the Liquidating Trust on the Exit Financing Loan, and shall use any proceeds from such loan allocated to the Company to pay operating expenses, including servicing costs and other liabilities of the Company as permitted by the Inter-Borrower Agreement. The Company is authorized to enter into the Inter-Borrower Agreement with the other joint borrower under the Exit Financing Loan. The Company shall be obligated to repay a portion of the Exit Financing Loan based upon the Inter-Borrower Agreement, including specific amounts of loan proceeds advanced for Company obligations and a reasonably allocated amount of Exhibit Loan Financing Proceeds which are spent for purposes which benefit all Loan LLCs as determined by the Manager. To the extent that one or more of the Loan LLCs does not recover

by its termination sufficient funds under its Loan to repay in full its allocated share of the Exit Financing Loan, the Manager will reallocate to the Company and each other Loan LLC the deficiency based upon the provisions of the Inter-Borrower Agreement.

2.6 Advances of ML Charges. The ML Charges, which are amounts and items which originally were to be paid to solely to Mortgages Ltd. under the Loan Documents rather than to the holders of the Fractional Interests, which accrue after the Effective Date of the Plan, will be payable to the Company with respect to those ML Charges which relate to the Company's Fractional Interest in the Loan. The ML Charges received by the Company shall be advanced by the Company to the Manager to be held with the ML Charges advanced to the Manager by other Loan LLCs, and the Manager shall be entitled to use such funds to the extent provided in the Inter-Borrower Agreement to pay principal and interest on the Exit Financing; servicing costs of the Loan LLCs, litigation costs and other costs and expenses of the Loan LLCs for which funds are required. Any ML Charges received by the Manager from another Loan LLC, or as agent for a Non-Member Fractional Interest Holder, which are advanced to or for the benefit of the Company, are required to be repaid by the Company to the Manager together with a reasonable allocation of ML Charges which are spent for purposes which benefit all Loan LLCs as determined by the Manager under the Inter-Borrower Agreement. To the extent that one or more of the Loan LLCs does not recover by its termination sufficient funds under its Loan to repay in full its allocated share of the ML Charges, the Manager shall reallocate the deficiency among the other Loan LLCs, including the Company, based upon the provisions of the Inter-Borrower Agreement. Any such advances to the Manager which are repaid to the Company under the terms of the Inter-Borrower Agreement shall become part of Cash Available for Distribution.

2.7 Other Loans. Subject to any restrictions contained in Sections 5.4 and 6 of this Agreement, if additional capital is required to conduct the Company's business, the Manager shall determine whether it is possible or advisable to obtain a loan for the required amount from a Member, a commercial lender or any other third party. Any such loan shall be upon such terms as the Manager agrees and may be secured by the Company property.

2.8 Guaranties. No Member shall have any obligation to guaranty any liability or obligation of the Company. If a Member enters into a guaranty and is called upon to make any payments thereunder, then the amount paid by such Member on account of its guaranty shall be treated as a Member Loan.

2.9 Limitations Pertaining to Capital Contributions.

(a) **Return of Capital.** Except as otherwise provided in this Agreement, no Member shall withdraw any Capital Contributions or any money or other property from the Company. Under circumstances requiring a return of any Capital Contributions, no Member shall have the right to receive property other than cash.

(b) **No Interest.** Except as otherwise expressly provided in this Agreement, no Member shall receive any interest or draw with respect to its Capital Contributions or its Capital Account.

(c) **Liability of Members and Manager.** No Member shall be liable for the debts, liabilities, contracts or any other obligations of the Company. Except as set forth in Section 2.1, the Manager shall have no obligation to make Capital Contributions or loans to the Company and shall not be liable for the debts, liabilities, contracts or any other obligations of the Company. No Member or Manager shall have any personal liability for the repayment of the Capital Contributions or loans of any Member.

(d) **No Third Party Rights.** Nothing contained in this Agreement is intended or will be deemed to benefit any creditor of the Company, and no creditor of the Company will be entitled to require the Manager or any Member to solicit or demand Capital Contributions from the Members, whether Mandatory Contributions, Supplemental Contributions or otherwise.

(e) **Withdrawal Event.** No Member may voluntarily or involuntarily withdraw from the Company or terminate its interest therein. Any Member who withdraws from the Company in breach of this Section 2.9(e):

(i) shall be treated as an assignee of a Member's interest, as provided in the Act;

(ii) shall not be relieved from any obligations under this Agreement, including, but not limited to, the obligation to make any required Capital Contributions to the Company;

(iii) shall have no right to participate in the business and affairs of the Company or to exercise any rights of a Member under this Agreement or the Act, including, without limitation, the right to vote on Major Decisions; and

(iv) shall continue to share in distributions from the Company, on the same basis as if such Member had not withdrawn; provided that any damages to the Company as a result of such withdrawal shall be offset against amounts that would otherwise be distributed or paid by the Company to such Member.

SECTION 3. DISTRIBUTIONS

3.1 Cash Available for Distribution.

(a) **Times of Distribution.** The Company will distribute 100% of its Cash Available for Distribution to the Members on a monthly basis in the manner described in this Agreement. Except as otherwise provided in Section 10 hereof, Cash Available for Distribution, if any, shall be available for distribution to the Members at such times as the Manager may determine in its sole discretion. Cash Available for Distribution shall be distributed to the Members in accordance with the following order:

(1) First, to the Members in proportion to their respective Unpaid Preference, if any, until the Unpaid Preference of each Member is reduced to zero;

(2) Next, to the Members in proportion to their respective Unreturned Additional Capital Contributions, if any, until the Unreturned Additional Capital Contributions of each Member are reduced to zero; and

(3) Next, to the Members in accordance with their Participation Percentages.

(b) **Limitation on Distributions.** The Company shall make no distribution to the Members unless the assets of the Company following such distribution will exceed the total liabilities of the Company, excluding liabilities to Members based on their contributions.

(c) **Termination and Dissolution of the Company.** Upon the termination and dissolution of the Company, the Cash Available for Distribution shall be distributed in accordance with Section 3.1.

(d) **Distribution upon Resignation.** No resigning or withdrawing Member shall be entitled to receive any distribution or the value of such Member's Interest in the Company from the Company as a result of resignation or Event of Withdrawal prior to the liquidation of the Company, except as specifically provided in this Agreement.

(e) **Return of Capital.** No Member shall be entitled to the return of, or interest on, that Member's Capital Contributions except as provided herein.

SECTION 4. TAX ALLOCATIONS

4.1 Profit and Loss Allocations.

(a) **General Allocation Rule.** For each taxable year of the Company, subject to the application of Section 4.2, Profits and/or Losses shall be allocated to the Members in a manner that causes each Member's Adjusted Capital Account Balance after such allocation to equal the amount that would be distributed to such Member pursuant to Section 9.3(c) upon a hypothetical liquidation of the Company in accordance with Section 4.1(b).

(b) **Hypothetical Liquidation Defined.** In determining the amounts distributable to the Members under Section 9.3(c) upon a hypothetical liquidation, it shall be presumed that (i) all of the Company's assets are sold at their respective carrying values reflected on the books of the Company, determined in accordance with Regulations Section 1.704-1(b) ("Book Value"), (ii) payments to any holder of a nonrecourse debt are limited to the Book Value of the assets securing repayment of such debt, and (iii) the proceeds of such hypothetical sale are applied and distributed (without retention of reserves) in accordance with Section 9.3(c).

(c) **Item Allocations.** To the extent the Manager reasonably determines that allocations of Profits and/or Losses over the term of the Company are not likely to produce the Adjusted Capital Account Balances intended under this Section 4.1, then special allocations of items of income, gain, loss and/or deduction shall be made as deemed necessary by the Manager to achieve the intended Adjusted Capital Account Balances.

4.2 **Special Allocations.** The allocations set forth in Section 4.1 are intended to comply with the requirements of Treasury Regulations Sections 1.704-1(b) and 1.704-2. Notwithstanding the general provisions of Section 4.1, the following provisions shall apply:

(a) **Allocation of Nonrecourse Deductions.** If the Company has “nonrecourse deductions,” as defined in Regulations Section 1.704-2(b)(1), such nonrecourse deductions shall be allocated to the Members in proportion to their Participation Percentages.

(b) **Allocation of Partner Nonrecourse Deductions.** If the Company has “partner nonrecourse deductions,” as defined in Regulations Section 1.704-2(i)(2), such partner nonrecourse deductions shall be allocated to the Member that bears the economic risk of loss associated with such deductions, as determined in accordance with the Regulations.

(c) **Minimum Gain Chargebacks.** If the Company has a decrease in “minimum gain” or “partner nonrecourse debt minimum gain,” as defined and determined in accordance with Regulations Sections 1.704-2(d) and 1.704-2(i)(3), items of income and gain shall be allocated to the Members in the manner and to the extent required under the Regulations to comply with any requirements for a “minimum gain chargeback” under Regulations Sections 1.704-2(f) and 1.704-2(i)(4).

(d) **Qualified Income Offset.** If a Member receives an adjustment, allocation or distribution described in Regulations Section 1.701-1(b)(2)(ii)(d)(4), (5) or (6) and as a result thereof has a negative Adjusted Capital Account Balance (after taking into account the allocations required under the foregoing provisions of this Section 4.2), items of income and gain shall be allocated to such Member in an amount and manner sufficient to constitute a “qualified income offset” within the meaning of Regulations Section 1.704-1(b)(2)(ii)(d).

(e) **Special Tax Allocations.** The Company shall make special allocations of tax items relating to any property that is contributed to the Company or that is revalued on the Company’s books of account in accordance with Regulations promulgated under Code Section 704(c), using the “traditional method,” as such term is defined in the Regulations.

4.3 **Capital Accounts.** A Capital Account shall be maintained for each Member in accordance with the Regulations under uniform policies adopted by the Manager, upon the advice of the Company’s tax accountants or attorneys.

SECTION 5. MANAGEMENT AND MEMBERS

5.1 **Manager-Managed.** The Members agree that the management of the Company shall be vested in the Manager and that the Manager shall be ML Manager LLC, an Arizona limited liability company.

5.2 **Rights and Powers of the Manager.**

(a) **Exclusive Rights in the Manager.** Except as provided in Section 5.4 hereof or elsewhere in this Agreement, the Manager shall have full, exclusive, and complete power to manage and control the business and affairs of the Company and shall have all of the rights and powers provided to a manager of a limited liability company by law, including the power to execute instruments and documents, to dispose of any property held in the name of the Company, and to take any other actions on behalf of the Company. Except upon specific authorization of the Manager or as provided in this Agreement, no Member is authorized or empowered to execute, deliver, or perform any agreements, acts, transactions, or matters contemplated in this Agreement on behalf of the Company as agent for the Company, notwithstanding any applicable law, rule, or regulation to the contrary.

(b) **Reliance by Third Parties.** Any third party shall be entitled to rely on all actions of the Manager and shall be entitled to deal with the Manager as if it were the sole party in interest herein, both legally and beneficially. Every instrument purporting to be the action of the Company and executed by the Manager shall be conclusive evidence in favor of any person relying thereon or claiming thereunder that, at the time of delivery thereof, this Agreement was in full force and effect and that the execution and delivery of that instrument is duly authorized by such Manager and the Company.

(c) **Banking Resolution.** The Members hereby unanimously authorize the Manager to open all banking accounts, as it deems necessary, and to enter into any deposit agreements as are required by the financial institution at which such accounts are opened. The Manager shall have signing authority with respect to such banking accounts. Funds deposited into such accounts shall be used only for the business of the Company.

5.3 Duties and Responsibilities of the Manager. The Manager shall devote to the Company such time as may be necessary for the proper performance of the Manager's duties hereunder, but shall not be required to devote full time to the performance of such duties. The Manager may also act as the manager of each of the other Loan LLCs and of certain Members of the Company, and each Member hereto agrees and consents to such activities, even though there may be conflicts of interest inherent therein. The Manager shall be responsible for implementing or causing to be implemented the following:

(a) Performing all normal business functions and otherwise operating and managing the business and affairs of the Company in accordance with and as limited by this Agreement, including but not limited to engagement of accountants, attorneys, asset managers, appraisers and other professionals to assist in managing the Company's business;

(b) Protecting the interests of the Company in the Loan and taking any actions to enforce the Loan and the Loan Documents, enforcing guaranties, foreclosing upon the collateral for the Loan, engaging asset managers to assist in plans and valuation of collateral sale value, to enhance the value of collateral and to manage any collateral which has been foreclosed up by the Company, and subject to the vote of the Members on items which are Major Decisions, negotiating settlement agreements with the Borrower or conversion of principal or interest or both on the Loan to equity in a joint venture project; subordinating the Loan to additional

financing obtained by a Borrower; negotiating the sale of the Loan and other actions necessary to realize upon the Loan and the collateral for the Loan;

(c) To the extent that funds of the Company are available, paying all taxes, assessments, rents, and other impositions applicable to the Company's property;

(d) Causing all books of account and other records of the Company to be kept in accordance with the terms of this Agreement;

(e) Preparing and delivering to each Member all reports required by the terms of this Agreement;

(f) To the extent that funds of the Company are available, paying all obligations of the Company as they come due;

(g) Maintaining all funds of the Company in a Company account in a bank or banks, and being the signatory to such accounts;

(h) Making or causing to be made through a servicer distributions periodically to the Members in accordance with the provisions of this Agreement;

(i) Undertaking such actions as are necessary or desirable so that the Company, within reason, promptly complies with all material present and future laws, ordinances, orders, rules, regulations and requirements of all governmental authorities having jurisdiction that may be applicable to the Company, its property, and the operations and management of the Company;

(j) Preparing Business Plans and Budgets for the Company;

(k) Obtaining loans, including the Exit Financing Loan, to provide necessary operating capital to proceed in accordance with the Business Plan and Budgets adopted by the Manager, and securing such loans with a security interest in the Loan and/or other Company assets and in connection with the Exit Financing Loan entering into the Inter-Borrower Agreement on behalf of the Company;

(l) Entering into a Servicing Agreement with one or more servicers from time to time;

(m) Transfer ML Charges to the Manager's account to pool with ML charges advanced by other Loan LLCs to be used as described in Section 2.6 hereof and in the Inter-Borrower Agreement; and

(n) Performing all other duties required by this Agreement or the Inter-Borrower Agreement to be performed by the Manager.

5.4 Actions Requiring a Vote. The Manager shall not undertake any of the following acts (“Major Decisions”) without the affirmative vote of a Majority in Interest of the Members:

- (a) Amending this Agreement, except with respect to amendments that (i) are of a ministerial nature, (ii) do not adversely affect the Members in any material respect, or (iii) are necessary or desirable to comply with any applicable law or regulation;
- (b) Entering into any contracts between the Company and the Manager except as provided in Section 5.9 hereof;
- (c) Changing any of the Company’s purposes as set forth in Section 1.4;
- (d) Using the Company’s funds or capital in any way other than for the business and purpose of the Company as set forth in Section 1.4 and Section 2.6 hereof;
- (e) Commingling any Company funds or capital with the funds of any other Person;
- (f) Any action that the Manager’s operating agreement requires be approved by the affirmative vote of the members of the Manager or the Members of the Company;
- (g) Any sale of a membership interest of the Company in the Manager;
- (h) Any sale of the Loan for less than 75% of the then outstanding principal and interest or acceptance of a bid from a third party on foreclosure for less than 75% of the then outstanding principal and interest;
- (i) Conversion of the principal, interest or both under the Loan to equity in a development project;
- (j) Subordination of the lien of the Loan on the collateral securing the Loan to any lender providing financing to develop the property which is the collateral for the Loan or any other property;
- (k) Any modification or modifications on a cumulative basis of the Loan terms which would decrease the principal amount more than 10%, permanently decrease the interest rate by more than 50%, increase the term of the Loan by more than three years, or release collateral for the Loan without consideration equal to the fair market value of the collateral released as determined by the Manager or releasing any guaranties;
- (l) Any encumbrance of the Company’s assets to secure a loan for operating capital and other purposes;
- (m) Any sale of property received upon foreclosure of the Loan; and

- (n) Taking any other action that this Agreement specifically requires to be agreed upon by a vote of the Members.

5.5 Consents and Approvals. The Manager shall provide timely written notice to each Member of each proposed action requiring the consent or approval of the Members, which notice shall specify with reasonable particularity the decisions to be made by the Members, the recommendation of the Manager with respect thereto, and a summary of the reasons supporting the Manager's recommendation.

5.6 Business Plan and Budget. As soon as reasonably possible after execution of the Agreement, and thereafter not less frequently than annually, the Manager shall adopt a "Business Plan and Budget" for the Company, which shall be a compilation of a general business plan and budget for the Company including current-year budgets for administrating the Loan. Subject to the availability of sufficient Company funds for such purposes, the Manager shall have the right, power, authority and duty to implement each Business Plan and Budget then in effect and to supervise and carry out the day-to-day affairs of the Company, in accordance with the Business Plan and Budget and any applicable terms of this Agreement

5.7 Filing of Documents. The Manager shall file or cause to be filed all certificates or documents as may be determined by the Manager to be necessary or appropriate for the formation, continuation, qualification and operation of a limited liability company in the State of Arizona. To the extent that the Manager determines the action to be necessary or appropriate, the Manager shall do all things to maintain the Company as a limited liability company under the laws of the State of Arizona.

5.8 Indemnification and Liability.

(a) **Company Indemnification.** The Members and the Manager (each of the foregoing being referred to herein as an "Indemnitee") shall be indemnified, defended, and held harmless by the Company for, from and against any and all losses, claims, damages, liabilities, expenses (including attorneys' fees and costs), judgments, fines, settlements, demands, actions, or suits relating to or arising out of (i) any suit or action by a Borrower on the Loan against the Members who held Fractional Interest in such Loan which were transferred to the Company, or (ii) the business of the Company, or the exercise by the Manager of any authority conferred on it hereunder or the performance by the Manager of any of its duties and obligations hereunder. Notwithstanding anything contained in this Agreement to the contrary, no Indemnitee shall be entitled to indemnification hereunder with respect to any claim, issue, or matter in respect of which it (or the Company as the result of an act or omission of it) has been adjudged liable for fraud, gross negligence, or willful misconduct.

(b) **Liability.** The Manager shall not be liable, responsible, or accountable in damages or otherwise to the Company or the Members for any act or failure to act in connection with the Company and its business unless the act or omission is attributed to gross negligence, willful misconduct, or fraud.

(c) **Compensation to the Manager.** The Manager shall receive no compensation for acting as Manager of the Company, but the Manager shall be entitled to payment of, or reimbursement for, all bona fide business expenses incurred in connection with conducting the Company business. All of the expenses of the Company shall be paid from the Company funds or, if the Manager advances its own funds to pay any such expenses of the Company, and the requirements for reimbursement are satisfied, the Company shall reimburse the Manager for all such advances plus interest at the "prime rate" of interest stated in the Wall Street Journal ("Prime Rate") from time to time from the date the expense is submitted to the Company for reimbursement until it is paid. The Manager may charge the Company for any expense specifically related to the Company or the Company's Loan and any general expenses which are not specifically related to one or more specific Loan LLCs shall be divided among the Loan LLCs and the Company in accordance with the provisions of the Inter-Borrower Agreement.

5.9 **Transactions with Manager or its Affiliates.** The Manager shall have the right to contract or otherwise deal with the Company in connection with the sale of goods or services by the Manager to the Company, or to deal with the Company in connection with any other Loans or Property managed by the Manager, in the following circumstances: (a) where the Members have voted to give consent, or (b) if (i) the compensation paid or promised for such goods or services is reasonable and is paid only for goods or services actually furnished to the Company; (ii) the goods or services to be furnished are reasonable for and necessary to the Company; and (iii) the terms for the furnishing of such goods or services are at least as favorable to the Company as would be attainable in an arms'-length transaction with third parties.

5.10 **Right to Remove Manager.** The Manager may be removed as manager of the Company only by the Members as provided in Section 6.3 hereof.

SECTION 6-MEMBERS

6.1 **Meetings of the Members.** Meetings of the Members shall be held on the call of the Manager or by Members having a Participation Percentage or at least 20% of all Participation Percentages then held by all Members entitled to vote; provided that at least 14 days' notice shall be given to all Members with respect to any meeting; and further provided that any Member may require, except as stated below, that such meeting be held by telephone. No regular annual meetings will be held but the Manager shall submit an annual report to the Members containing information on the activities of the Company which the Manager deems appropriate. A waiver of any required notice shall be equivalent to the giving of such notice if such waiver is in writing and signed by the Member entitled to such notice, whether before, at or after the time stated therein. The Members may make use of telephones and other electronic devices to hold meetings, provided that each Member may simultaneously participate with the other Members with respect to all discussions and votes of the Members. Notwithstanding the foregoing, a vote to remove the then Manager of the Company under Section 6.3 hereof shall be done by written ballot signed by each Member voting. A ballot to vote on the removal of the then Manager of the Company may be combined on the same ballot with a vote to elect a successor Manager for the Company in the event the then Manager is removed. The Members may act without a meeting if the action taken is reduced to writing (either prior to or thereafter) and approved and signed by

the vote of Members in accordance with the other voting provisions of this Agreement. Written minutes shall be taken at each formal meeting of the Members; however, any action taken or matter agreed upon by the Members shall be deemed final, whether or not written minutes are prepared or finalized.

6.2 Voting of the Members. Unless the specific language herein expressly states otherwise, all votes, actions, approvals, elections and consents required in this Agreement to be made by “the Members” shall be effective upon receiving the required vote of approval of the Members.

6.3 Voting with Respect to the Manager. Upon the affirmative vote of a Majority in Interest of the Members, the Members may:

(a) remove the Manager for “cause” (for purposes of this Section 6.3 “cause” shall be deemed to exist if (i) the Manager has engaged in willful misconduct or fraud against the Company, or (ii) the Manager becomes adjudged Bankrupt) and elect a successor Manager;

(b) at any time after one year from the date hereof, remove the Manager for any reason and elect a successor Manager; or

(c) elect an additional Manager;

provided, however, that the action set forth in subparagraphs (c) above shall also require the approval of the Person that is then serving as the Manager.

6.4 Rights and Obligations of Members.

(a) **Limitation of Liability.** Each Member’s liability for the debts and obligations of the Company shall be limited as set forth in the Act and other applicable law.

(b) **List of Members.** Upon written request of any Member, the Manager shall provide a list showing the names, last known addresses, and Interests of all Members in the Company.

(c) **Company Records.** Upon written request, each Member shall have the right, during ordinary business hours, to inspect and copy the Company records required to be maintained by the Manager at the Company’s Principal Office as set forth in Section 1.6 hereof.

6.5 Defaulting Member.

(a) **Events of Default.** The occurrence of any of the following events with respect to a Member shall constitute an event of default and such Member (herein referred to as the “Defaulting Member”) shall (except as otherwise provided in Section 6.5(a)(v) hereof) thereafter be deemed to be in default without any further action whatsoever on the part of the Company or any other party: (i) attempted dissolution of the Company by such Member other

than pursuant to the provisions contained elsewhere in this Agreement; (ii) a Bankruptcy as to such Member (other than Radical Bunny, L.L.C.); (iii) failure of such Member to perform any obligation, act or acts required of that Member by the provisions of this Agreement; (iv) attempted transfer by a Member of such Member's Interest in the Company in violation of Section 8; or (v) such Member's violation or breach of any of the other terms or provisions of this Agreement; provided, however, that such Member shall not be deemed to be in default of this Section 6.5(a)(v) until after 15 days' written notice thereof and if such default is a nonmonetary default and cannot reasonably and with due diligence and in good faith be cured within said 15-day period, and if the Defaulting Member immediately commences and proceeds to complete the cure of such default with due diligence and in good faith, the 15-day period with respect to such default shall be extended to include such additional period of time as may be reasonably necessary to cure such default.

(b) **Effect of Default.** Notwithstanding any provision of this Agreement to the contrary, a Defaulting Member shall not have any voting rights as a Member with respect to any matters set forth in this Agreement, including but not limited to all approval rights set forth in Section 5.4 and Section 6.

(c) **Remedies on Default.** Upon the occurrence of a default by a Member, the Manager shall have all rights and remedies available under this Agreement and at law and in equity and, except with respect to a default under Section 6.5(a)(ii), may institute legal proceedings on behalf of the Company against the Defaulting Member with respect to any damages or losses incurred by the Company or the other Members. The Company and the other Members shall be entitled to reasonable attorneys' fees and expenses incurred in connection with the collection of such amounts, together with interest thereon at the Prime Rate compounded annually, for the period from when such damages or losses were incurred until recovered. Remedies with respect to a default under Section 6.5(a)(ii) shall be limited to those set forth in Section 6.5(b).

SECTION 7. BOOKS, RECORDS, REPORTS AND ACCOUNTING

7.1 **Records.** The Manager shall keep or cause to be kept at the Principal Office of the Company the following: a current list of the full name and last known business, residence or mailing address of each Member, a copy of the initial Articles of Organization and all amendments thereto; copies of all written Operating Agreements and all amendments to the Agreements, including any prior written Operating Agreements no longer in effect; copies of any written and signed promises by a Member to make Capital Contributions to the Company; copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years; copies of any prepared financial statements of the Company for the three most recent years; and minutes of every meeting of the Members as well as any written consents of Members or actions taken by Members without a meeting. Any such records maintained by the Company may be kept on or be in the form of any information storage device, provided that the records so kept are convertible into legible written form within a reasonable period of time.

7.2 Fiscal Year and Accounting. The Fiscal Year of the Company shall be the calendar year. All amounts computed for the purposes of this Agreement and all applicable questions concerning the rights of Members shall be determined using the method of accounting used for federal income tax purposes. All decisions as to other accounting matters, except as specifically provided to the contrary herein, shall be made by the Manager.

7.3 Preparation of Tax Returns. The Manager shall arrange for the preparation and timely filing of all returns of the Company income, gains, deductions, losses and other items necessary for federal and state income tax purposes, and shall cause to be furnished to the Members the tax information reasonably required for federal and state income tax reporting purposes.

7.4 Tax Elections. The Manager may, in its reasonable discretion, determine whether to make any available elections pursuant to the Code.

7.5 Tax Controversies. Subject to the provisions hereof, the Manager is designated the Tax Matters Member, and is authorized and required to represent the Members in connection with all examinations of the Company's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend the Company funds for professional services and costs associated therewith. The Members agree to cooperate with the Tax Matters Member and to do or refrain from doing any or all things reasonably required by the Tax Matters Member to conduct those proceedings. The Tax Matters Member agrees to promptly notify the Members upon the receipt of any correspondence from any federal, state or local tax authorities relating to any examination of the Company's affairs.

7.6 Withholdings and Tax Advances.

(a) **Authority to Withhold.** To the extent the Company is required by law to withhold or to make tax payments on behalf of or with respect to a Member (e.g., (i) backup withholding, (ii) withholding with respect to Members that are neither citizens nor residents of the United States, or (iii) withholding required by any state) ("Tax Advances"), the Company may withhold such amounts and make such tax payments as may be required.

(b) **Repayment of Tax Advances.** All Tax Advances made on behalf of a Member will, at the option of the Manager, either be (i) promptly paid to the Company by that Member, or (ii) repaid by reducing the amount of the current or next succeeding distribution or distributions which would otherwise have been made to that Member (or, if such distributions are not sufficient for that purpose, by so reducing the proceeds of liquidation otherwise payable to that Member). Whenever the Manager selects option (ii) pursuant to the preceding sentence for repayment of a Tax Advance by a Member, for all other purposes of this Agreement, such Member will be treated as having received all distributions (whether before or upon liquidation) unreduced by the amount of such Tax Advance.

(c) **Indemnification.** Each Member hereby agrees to indemnify and hold harmless the Company for, from and against any liability with respect to Tax Advances made on behalf of or with respect to such Member.

(d) **Certification.** Each Member will promptly give the Company any certification or affidavit that the Manager may request in connection with this Section 7.6.

SECTION 8. TRANSFERS

8.1 Restrictions on Transfers. MEMBER'S INTERESTS ARE NOT FREELY TRADEABLE. Except as provided in Section 8.2 below, no Member shall Transfer all or any portion of such Member's Interests. In the event that any Member pledges or otherwise encumbers all or any part of such Member's Interests to a lender ("Secured Lender") as security for the payment of a debt, any such pledge or hypothecation shall be made pursuant to a pledge or hypothecation agreement that requires the pledgee or secured party to be bound by all of the terms and conditions of this Section 8.

8.2 Permitted Transfers. Notwithstanding the provisions of Section 8.1, subject to the conditions and restrictions set forth in Section 8.3 hereof, a Member may at any time Transfer all or any portion of the Member's Interests to (a) a Family Member, (b) a trust created for the benefit of the Member or a Family Member, (c) the transferor's administrator or trustee to whom such Interests are transferred upon death or involuntarily by operation of law, (d) a Secured Lender upon foreclosure of a loan to such Member by the Secured Lender, (e) any entity controlled by a Member or Members; or (f) other Members or members of other Loan LLCs managed by Manager (any such Transfer being referred to in this Agreement as a "Permitted Transfer"). Once a Permitted Transfer has occurred, the transferred membership Interest and the transferee shall once again become subject the provisions of Section 8.1.

8.3 Conditions to Permitted Transfers. A Transfer shall not be treated as a Permitted Transfer under Section 8.2 hereof unless and until the following conditions are satisfied:

(a) Except in the case of a Transfer involuntarily by operation of law, the transferor and transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be necessary or appropriate in the opinion of counsel to the Company to effect such Transfer. In the case of a Transfer of Interests upon death or involuntarily by operation of law, including a foreclosure by a Secured Lender, the Transfer shall be confirmed by presentation to the Company of legal evidence of such Transfer, in form and substance satisfactory to counsel to the Company. In all cases, the Company shall be reimbursed by the transferor and/or transferee for all costs and expenses that it reasonably incurs in connection with such Transfer.

(b) The transferor and transferee shall furnish the Company with the transferee's taxpayer identification number, sufficient information to determine the transferee's initial tax basis in the Interests transferred, and any other information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally required

information statements or returns. Without limiting the generality of the foregoing, the Company shall not be required to make any distribution otherwise provided for in this Agreement with respect to any transferred Interests until it has received such information.

(c) Except in the case of a Transfer of Interests upon death or involuntarily by operation of law, either (i) such Interests shall be registered under all applicable federal and state securities laws, or (ii) unless waived by the Manager, the transferor shall provide an opinion of counsel, which opinion and counsel shall be reasonably satisfactory to the Manager, to the effect that such Transfer is exempt from all applicable registration requirements and that such Transfer will not violate any applicable laws regulating the Transfer of securities.

(d) No Transfer of Interests shall be made without the written consent of the Manager if such Transfer could result in (i) termination of the Company within the meaning of Section 708 of the Code, (ii) the Company being treated as a publicly-traded partnership pursuant to Section 7704 of the Code, (iii) 25% or more of all Interests being held by "benefit plan investors" (as defined in U.S. Department of Labor Regulations Section 2510.3-101(f)(2)), (iv) Interests being held by non-United States Persons, (v) Interests being held by a minor or incompetent, or (vi) the Transfer of fractionalized Interests.

8.4 Prohibited Transfers. Any purported Transfer of Interests that is not a Permitted Transfer shall be null and void and of no force or effect whatever; provided that, if the Company is required to recognize a Transfer that is not a Permitted Transfer, or in the case of a Secured Lender who upon foreclosure elects not to become a Member, the Interests transferred shall be strictly limited to the transferor's rights to allocations and distributions as provided by this Agreement with respect to the transferred Interests, which allocations and distributions may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations, or liabilities for damages that the transferor or transferee of such Interests may have to the Company. In the case of a Transfer or attempted Transfer of Interests that is not a Permitted Transfer, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Company, the Manager and the other Members for, from and against all costs, liabilities, and damages that the Company, the Manager or any of such other Members may incur (including, without limitation, incremental tax liabilities and attorneys' fees and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.

8.5 Rights of Unadmitted Assignees. A Person who acquires Interests but who is not admitted as a Substituted Member pursuant to Section 8.6 hereof shall be entitled only to allocations and distributions with respect to such Interests in accordance with this Agreement, and shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect the books or records of the Company, and shall not have any of the rights of a Member under the Act or this Agreement, including the right to vote on any matters.

8.6 Admission of Substituted Members. Subject to the other provisions of this Article VIII, a transferee of Interests may be admitted to the Company as a substituted Member ("Substituted Member") only upon satisfaction of the conditions set forth in this Section 8.6:

(a) The Company consents to such admission, which consent may be given or withheld in the sole and absolute discretion of the Manager, except that a Secured Lender who has foreclosed upon a Member's Interest shall be admitted if such Lender so elects subject to the balance of the provisions of this Section 8.6;

(b) The Interests with respect to which the transferee is being admitted were acquired by means of a Permitted Transfer;

(c) The transferee of Interests (other than, with respect to clauses (i) and (ii) below, a transferee that was a Member prior to the Transfer) shall, by written instrument in form and substance reasonably satisfactory to the Manager (and, in the case of clause (ii) below, the transferor Member), (i) accept and adopt the terms and provisions of this Agreement, including this Article VIII, and (ii) assume the obligations of the transferor Member under this Agreement with respect to the transferred Interests. The transferor Member shall be released from all such assumed obligations except (y) those obligations or liabilities of the transferor Member arising out of a breach of this Agreement, and (z) those obligations or liabilities of the transferor Member based on events occurring, arising or maturing prior to the date of Transfer;

(d) The transferee pays or reimburses the Company for all reasonable legal, filing, and publication costs that the Company incurs in connection with the admission of the transferee as a Member with respect to the transferred Interests; and

(e) Except in the case of a Transfer involuntarily by operation of law (other than a foreclosure by a Secured Lender), if required by the Manager, the transferee shall deliver to the Company evidence of the authority of such Person to become a Member and to be bound by all of the terms and conditions of this Agreement, and the transferee and transferor shall each execute and deliver such other instruments as the Manager reasonably deems necessary or appropriate to effect, and as a condition to, such Transfer.

8.7 Distributions and Allocations in Respect of Transferred Interests. If any Interests are Transferred during any Fiscal Year in compliance with the provisions of this Section 8, Profits, Losses, each item thereof, and all other items attributable to the transferred Interests for such Fiscal Year shall be divided and allocated between the transferor and the transferee by taking into account their varying percentage interests during the Fiscal Year in accordance with Code Section 706(d), using any conventions permitted by law and selected by the Manager. All distributions on or before the date of such Transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making such allocations and distributions, the Company shall recognize such Transfer not later than the end of the calendar month during which it is given notice of such Transfer, provided that, if the Company is given notice of a Transfer at least 10 business days prior to the Transfer, the Company shall recognize such Transfer as of the date of such Transfer, and provided further that if the Company does not receive a notice stating the date such Interests were transferred and such other information as the Manager may reasonably require within 30 days after the end of the Fiscal Year during which the Transfer occurs, then all such items shall be allocated, and all distributions shall be made, to the Person who, according to the books and records of the Company, was the owner of the Interests on the last day of such Fiscal Year. Neither the

Company nor the Manager shall incur any liability for making allocations and distributions in accordance with the provisions of this Section 9.7, whether or not the Manager or the Company has knowledge of any Transfer of ownership of any Interests.

8.8 Notice Requirement. Within 30 days of the Bankruptcy of a Member, that Member (or its successor) shall be required to give notice to the Company of such event. Failure to give notice shall be deemed to be a default under this Agreement.

SECTION 9. LIQUIDATION AND WINDING UP

9.1 Dissolution. The Company shall dissolve only upon the occurrence of one or more of the following events:

(a) the election of the Manager after the Company has liquidated its assets, satisfied its obligations, if any, under the Inter-Borrower Agreement, and made distributions to the Members;

(b) the occurrence of any event which makes it unlawful for the business of the Company to be carried on; or

(c) January 31, 2030.

The Company shall not dissolve as a result of a Withdrawal Event as defined in the Act with respect to any Member, and shall continue in full force and effect in accordance with this Agreement until an event described in Section 9.1(a) through (c) occurs.

9.2 Dissolution. Upon the dissolution of the Company, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until the Articles of Termination have been filed as required by the Act or until a decree dissolving the Company has been entered by a court of competent jurisdiction.

9.3 Liquidation. Upon dissolution of the Company, the business and affairs of the Company shall be wound up and liquidated as rapidly as business circumstances permit, the Manager shall act as the liquidating trustee, and the assets of the Company shall be liquidated and the proceeds thereof shall be paid (to the extent permitted by applicable law) in the following order:

(a) First, to creditors, including Members that are creditors, in the order of priority as required by applicable law and by this Agreement;

(b) Second, to a reserve for contingent liabilities to be distributed at the time and in the manner as the liquidating trustee determines in its reasonable discretion; and

(c) Thereafter, to the Members as set forth in Section 3.1.

If the Manager determines that an immediate sale of the Company's assets and liquidation of the Company would cause undue losses to the Members, it may defer liquidation of any assets, other than those assets necessary to satisfy current obligations, for a reasonable time.

9.4 Reasonable Time for Winding Up. A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Company and the liquidation of its assets pursuant to Section 9.3 in order to minimize any losses otherwise related to that winding up. A reasonable time shall include the time necessary to sell the assets.

9.5 Deficit Capital Account. Upon Dissolution and liquidation of the Company each Member shall look solely to the assets of the Company for the return of that Member's Capital Contribution. No Member shall be personally liable for a Deficit Capital Account balance of that Member, it being expressly understood that the distribution of Liquidation proceeds shall be made solely from existing Company assets.

9.6 Articles of Termination. When all liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to Members, Articles of Termination shall be executed and filed as required by the Act.

SECTION 10. MISCELLANEOUS

10.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona, without regard to its conflicts of laws principles.

10.2 Notices. Notices may be delivered either by private messenger service, telecopy, electronic mail, or by mail. Any notice or document required or permitted hereunder to a Member shall be in writing and shall be deemed to be given on the date received by the Member; provided, however, that all notices and documents mailed to a Member in the United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Member at its respective address as shown in the records of the Company, shall be deemed to have been received five days after mailing. The street address of each Member shall for all purposes be as set forth on the signature page of the Agreement unless otherwise changed by such Member by written notice to the Company.

10.3 Severability. If any provision of this Agreement shall be conclusively determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby.

10.4 Binding Effect. Except as otherwise provided herein, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and, where permitted, assigns.

10.5 Titles and Captions. All article, section and paragraph titles and captions contained in this Agreement are for convenience only and are not a part of the context hereof.

10.6 **Pronouns and Plurals.** All pronouns and any variations thereof are deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the appropriate Person(s) may require.

10.7 **No Third Party Rights.** This Agreement is intended to create enforceable rights between the parties hereto only, and creates no rights in, or obligations to, any other Persons whatsoever.

10.8 **Time is of Essence.** Time is of the essence in the performance of each and every obligation herein imposed.

10.9 **Further Assurances.** The parties hereto shall execute all further instruments and perform all acts that are or may become necessary to effectuate and to carry on the business contemplated by this Agreement.

10.10 **Estoppel Certificates.** The Members hereby agree that, at the request of the Manager, they will each execute and deliver an estoppel certificate stating that this Agreement is in full force and effect and that to the best of such Member's knowledge and belief there are no defaults by any Member (or that certain defaults exist), as the case may be, under this Agreement.

10.11 **Schedules Included in Exhibits; Incorporation by Reference.** Any reference to an Exhibit to this Agreement contained herein shall be deemed to include any Schedules to such Exhibit. Each of the Exhibits referred to in this Agreement, and each Schedule to such Exhibits, is hereby incorporated by reference in this Agreement as if such Schedules and Exhibits were set out in full in the text of this Agreement

10.12 **Counterparts.** This Agreement may be executed in counterparts.

10.13 **Creditors.** None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

10.14 **Entire Agreement.** This Agreement and the Inter-Borrower Agreement contain the entire agreement between the parties hereto and supersedes any and all prior agreements, arrangements or understandings between the parties relating to the subject matter hereof. No oral understandings, oral statements, oral promises or oral inducements exist. No representations, warranties, covenants or conditions, express or implied, whether by statute or otherwise, other than as set forth herein, have been made by the parties hereto.

10.15 **Power of Attorney.** Each Member hereby appoints the Manager, and each successor Manager, the Member's true and lawful attorney-in-fact to take all actions required to be taken by the Member under this Agreement if the Member fails to do so. The power of attorney so granted does not include the right of the Manager to vote for the Member on any Major Decisions. The power of attorney granted herein is coupled with an interest, is irrevocable, and shall survive any Transfer or purported Transfer of all or any part of a Member's interest in the Company in violation of this Agreement.

SECTION 11 DEFINITIONS

11.1 **Glossary.** For purposes of this Agreement, the following terms shall have the meanings specified in this Section 11.1:

“**Act**” means the Arizona Limited Liability Company Act, as set forth in A.R.S. § 29-601 et seq., as amended from time to time (or any corresponding provisions of succeeding law).

“**Additional Capital Contributions**” has the meaning given such term in Section 2.3 hereof.

“**Additional Members**” mean those Persons who become Members of the Company during the Additional Time Period.

“**Additional Time Period**” means a period of time designated by the Manager of up to sixty (60) days after the Effective Date of the Plan during which time Additional Members may elect to become Members of the Company.

“**Adjusted Capital Account Balance**” means, with respect to each Member, an amount equal to the balance in such Member’s Capital Account at the end of the relevant fiscal year, after increasing the balance in such Member’s Capital Account by any amount which such Member is deemed to be obligated to restore pursuant to Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5).

“**Affiliate**” means, with respect to any Person: (a) any Person directly or indirectly controlling, controlled by or under common control with such Person; (b) any Person owning or controlling 10% or more of the outstanding voting interests of such Person; (c) any officer, director, manager or general partner of such Person; (d) any Person who is an officer, director, general partner, manager, trustee or holder of 10% or more of the voting interests of any Person described in clauses (a) through (c) of this definition; or (e) any Family Member of any Person described in clauses (a) through (d) above.

“**Agreement**” means this Operating Agreement, as it may be amended from time to time, complete with all exhibits and schedules hereto. Words such as “herein,” “hereinafter,” “hereof,” “hereto” and “hereunder” refer to this Agreement as a whole, unless the context otherwise requires.

“**Articles**” has the meaning given that term in Section 1.8 hereof.

“**Bankruptcy**” means, with respect to a Person, the happening of any of the following:

(a) the making by such Person of a general assignment for the benefit of creditors;

(b) the filing by such Person of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing an inability to pay debts as they become due;

(c) the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating the Person to be bankrupt or insolvent;

(d) the filing by such Person of a petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation;

(e) the filing by such Person of an answer or other pleading admitting the material allegations of, or consenting to, or defaulting in answering, a bankruptcy petition filed against the Person in any bankruptcy proceeding;

(f) the filing by such Person of an application or other pleading or any action otherwise seeking, consenting to or acquiescing in the appointment of a liquidating trustee, receiver or other liquidator of all or any substantial part of the Person's properties;

(g) the commencement against such Person of any proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation which has not been quashed or dismissed within 180 days; or

(h) the appointment without the consent or acquiescence of such Person of a liquidating trustee, receiver or other liquidator of all or any substantial part of such Person's properties without such appointment being vacated or stayed within 90 days and, if stayed, without such appointment being vacated within 90 days after the expiration of any such stay.

"Book Value" has the meaning given that term in Section 4.1(b) hereof.

"Borrower" means the Person defined as the Borrower in Recital A hereof.

"Business Plan and Budget" has the meaning given that term in Section 5.6 hereof.

"Capital Account" means the capital account maintained for each Member in accordance with Section 4.3.

"Capital Contribution" means, with respect to any Member, the Agreed Capital Contribution and amount of money and the net fair market value of any property (other than money) contributed to the Company by such Member pursuant to any provision of this Agreement.

"Cash Available for Distribution" means (i) the sum of (a) principal and interest payments received under the Loan, (b) ML Charges which are distributed by the Manager to the Company for distribution to Members, (c) distributions to the Company from the Liquidating Trust in satisfaction of the claims of the Company or its Members, (d) interest from temporary investments, (e) amounts released from working capital or other reserves, (f) sales proceeds from sale of the Loan or foreclosed properties and any other receipts that are classified (whether currently or in a previous Fiscal Year) as income or gain for federal income tax purposes, and (g) other miscellaneous items of income, less (ii) the sum of (a) Debt Service amounts received by the Company which are held as impounds for taxes or insurance or used to pay operating expenses or other debts and liabilities of the Company, (b) amounts determined to be necessary by the Manager to repay the Company's share of the Exit Financing Loan as provided in the Inter-Borrower Agreement, and (c) amounts retained as reserves, as determined by the Manager in its sole discretion.

“Code” means the Internal Revenue Code of 1986 (or successor thereto), as amended from time to time.

“Company” means the limited liability company formed pursuant to this Agreement, as such limited liability company may from time to time be constituted.

“Control” means to possess and exercise legal and effective control over the business decisions and acts of an entity, without the consent or approval of another Person.

“Debt Service” means the sum of payments made by or on behalf of a Borrower with respect to the Loan for principal, interest, impounds and reserves.

“Defaulting Member” means a Member that has committed an event of default as described in Section 6.5(a) hereof.

“Dissolution” means the occurrence of an event described in Section 9.1.

“Exit Financing Loan” means a loan in an amount of up to \$20,000,000 as approved by the Approved Plan to the Liquidating Trust, the Manager, the Company, and the other Loan LLCs jointly as borrowers, to be secured by the assets of the Liquidating Trust and a pledge by the Company and the other Loan LLCs of their interest in the loans held by them and their other assets, which Exit Financing Loan will be used to pay administrative expenses under the Approved Plan, fund operations and litigation expenses of the Liquidating Trust and the Company and the other Loan LLCs to the extent provided in the Inter-Borrower Agreement.

“Family Member” means a Member’s spouse, domestic partner, lineal ancestors or descendants by birth or adoption and trust for the benefit of such Member of any of the foregoing individuals.

“Filing Date” means June 24, 2008, the date upon which the Bankruptcy Court entered an order converting Debtor’s bankruptcy proceeding to a Chapter 11 proceeding.

“Fiscal Year” means the year on which the accounting and federal income tax records of the Company are kept.

“Fractional Interest(s)” means the percentage of the original principal amount of the Loan which had been assigned to and was held by a Member of the Company on the date they became a Member.

“Indemnitee” has the meaning given that term in Section 5.8(a) hereof.

“Independent Activities” has the meaning given that term in Section 1.10(a) hereof.

“Initial Members” means the Persons who become Members of the Company on the Effective Date.

“Inter-Borrower Agreement” means an agreement between the Liquidating Trust, the Manager and the Loan LLCs as the joint borrowers under the Exit Financing Loan, relating to the uses of the funds to be borrowed and the responsibility for repayment as between the joint borrowers for the portion of the borrowed funds utilized by each.

“Interest” means the interest of a Member in the Company as a Member representing such Member’s rights, powers and privileges as specified in this Agreement.

“Liquidating Trust” means the Delaware Liquidating Trust formed under the Approved Plan to hold the non-loan assets of Mortgages Ltd. and to pursue claims and causes of action for the benefit of the Company and other Loan LLCs and their Members.

“Liquidation” means the acts described in Section 9.3.

“Loan” has the meaning set forth in Recital A hereof.

“Loan Documents” means the Promissory Note executed by the Borrower in connection with the Loan and every other document which secures the payment of the Loan or indemnifies Mortgages Ltd. as the original lender under the Loan or the Members who acquired interests in the Loan from ML or its successors by assignment.

“Loan LLCs” means each of the limited liability companies formed under the Approved Plan in order to hold individual promissory notes of borrowers, including the Company.

“Majority in Interest of the Members” means more than 50% of the Participation Percentages of the (i) Members of the Company who are entitled to vote and who actually vote on a particular matter and (ii) to the extent that a Member of the Company is an MP Fund as defined in the Approved Plan or in the order confirming the Approved Plan, then the votes of the members of the MP Fund entitled to vote and voting shall be counted as if they were votes of the Members of the Loan LLC, and such votes shall be added to the votes of the other Members.

“Major Decisions” has the meaning set forth in Section 5.4 hereof.

“Manager” means ML Manager LLC, an Arizona limited liability company, or any successor manager appointed pursuant to Section 2.1.

“Servicing Agreement” means any servicing agreement approved by the Manager and entered into between the Company with respect to its Loan alone and together with the other Loan LLCs for servicing of the Loan or loans, respectively.

“Member” means any Person identified from time to time as a Member on Exhibit A, and any Person that is admitted as Substituted Member pursuant to the terms of this Agreement, in each case, until such time as such Person ceases to hold an interest in the Company or otherwise ceases to be a Member of the Company in accordance with this Agreement. **“Members”** refers collectively to all Persons who are designated as a “Member” pursuant to this definition.

“Member Loan” has the meaning given that term in Section 2.4 hereof.

“ML” means Mortgages Ltd. (now ML Servicing Company).

“ML Charges” means any amounts originally required to be paid to ML under the Loan Documents, any Servicing Agent Agreement between ML and Borrower, any Agency Agreement or other servicing, subscription or other agreement (however denominated) with any of the Members or the Borrower as a fee, late charge, interest rate spread, default interest, default interest rate spread, commitment fees, extension fees, prepayment penalties or charges, servicing fees, defaulted loan processing fees or other fees, costs or charges of whatever nature.

“Non-Member Fractional Interest Holders” means the Fractional Interest holders in a Loan who have not elected to become a Members of the Company.

“Participation Percentage” means, with respect to a Member, a percentage equal to the ratio of the Member’s Fractional Interests in the Loan to the Fractional Interests in the Loan of all Members assigned to the Company as calculated by the Manager and set forth by the Manager on Exhibit A, as amended from time to time.

“Permitted Transfer” has the meaning given that term in Section 8.2 hereof.

“Permitted Activities” has the meaning given that term in Section 1.4 hereof.

“Person” means an individual, firm, corporation, partnership, limited partnership, limited liability company, association, estate, trust, pension or profit-sharing plan, or any other entity.

“Preference” means, with respect to each Member, the amount of interest that would have accrued on that Member’s Unrecovered Additional Capital Contributions outstanding from time to time, if such Unrecovered Additional Capital Contributions had been advanced to the Company as loans bearing interest at fifteen percent (15%) per annum from the date the applicable Additional Capital Contributions were made.

“Principal Office” means the registered office of the Company at which the records of the Company are kept as required under the Act.

“Profits” and “Losses” mean, for each fiscal year or other period, an amount equal to the Company’s taxable income or loss for such year or period, determined in accordance with Code Section 703(a), as adjusted by the Manager as necessary to comply with Regulation Sections 1.704-1(b) and 1.704-2(b), after consultation with the Company’s tax advisors.

“Substituted Member” has the meaning given that term in Section 8.6 hereof.

“Tax Advances” has the meaning given that term in Section 7.6(a) hereof.

“Tax Matters Member” means the “tax matters partner” as defined in Code Section 6231(a)(7).

“Transfer” means to sell, assign, transfer, give, donate, pledge, deposit, alienate, bequeath, devise or otherwise dispose of or encumber to any Person other than the Company.

“Treasury Regulations” means pronouncements, as amended from time to time, or their successor pronouncements, which clarify, interpret and apply the provisions of the Code, and which are designated as “Treasury Regulations” by the United States Department of the Treasury.

“Unpaid Preference” means, with respect to each Member, the amount of interest that would accrue on such Member’s Unreturned Additional Capital Contributions outstanding from time to time, if the amounts thereof had been advanced as loans to the Company bearing interest at a rate equal to Fifteen Percent (15%) per annum, compounded quarterly, reduced by distributions to such Member pursuant to Section 3.1(a).

“Unrecovered Additional Capital Contributions” means, with respect to a Member, the aggregate Additional Capital Contributions of such Member, reduced by all distributions to such Member pursuant to Section 3.1 (a) (2).

“Withdrawal Event” means those events listed in Section 29-733 of the Act.

[The remainder of this page is intentionally blank]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above written.

MANAGER:

ML MANAGER LLC
an Arizona limited liability company

By: 
Its Authorized Manager

C&M Loan LLC
Initial Member Signature Page

The undersigned elects to become a Member of the above named Loan LLC and agrees to be bound by the provisions of the Agreement to which this signature page is attached and further agrees as follows:

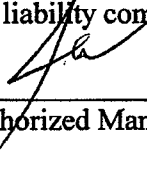
1. The undersigned agrees to contribute his, her or its Fractional Interest in the Loan in the amount of 8.303% to the Company at an Agreed Capital Contribution value of \$2,267,950.43;
2. The Participation Percentage of the undersigned in the Company shall be calculated by the Manager and inserted into Exhibit A attached to the Agreement; and
3. With respect to the Fractional Interest in the Loan being assigned to the Company, the undersigned has not granted or acquiesced in the granting of any lien, security interest, encumbrance or claim in such Fractional Interest except as follows

Any MP fund Member has granted a permitted senior security interest encumbrance to the VTL Fund);

Other: _____

MP122009 L.L.C., an Arizona
limited liability company

By: ML Manager LLC, an Arizona
limited liability company, its Manager

By: 

Authorized Manager

Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
ATTN: Robert P. Robinson

C&M Loan LLC
Initial Member Signature Page

The undersigned elects to become a Member of the above named Loan LLC and agrees to be bound by the provisions of the Agreement to which this signature page is attached and further agrees as follows:

1. The undersigned agrees to contribute his, her or its Fractional Interest in the Loan in the amount of 8.495% to the Company at an Agreed Capital Contribution value of \$2,320,203.00;

2. The Participation Percentage of the undersigned in the Company shall be calculated by the Manager and inserted into Exhibit A attached to the Agreement; and

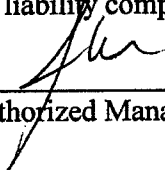
3. With respect to the Fractional Interest in the Loan being assigned to the Company, the undersigned has not granted or acquiesced in the granting of any lien, security interest, encumbrance or claim in such Fractional Interest except as follows

Any MP fund Member has granted a permitted senior security interest encumbrance to the VTL Fund);

Other: _____

MP062011 L.L.C., an Arizona
limited liability company

By: ML Manager LLC, an Arizona
limited liability company, its Manager

By:  _____
Authorized Manager

Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
ATTN: Robert P. Robinson

C&M Loan LLC
Initial Member Signature Page

The undersigned elects to become a Member of the above named Loan LLC and agrees to be bound by the provisions of the Agreement to which this signature page is attached and further agrees as follows:

1. The undersigned agrees to contribute his, her or its Fractional Interest in the Loan in the amount of 17.218% to the Company at an Agreed Capital Contribution value of \$4,702,633.11;

2. The Participation Percentage of the undersigned in the Company shall be calculated by the Manager and inserted into Exhibit A attached to the Agreement; and

3. With respect to the Fractional Interest in the Loan being assigned to the Company, the undersigned has not granted or acquiesced in the granting of any lien, security interest, encumbrance or claim in such Fractional Interest except as follows

Any MP fund Member has granted a permitted senior security interest encumbrance to the VTL Fund);

Other: _____

Mortgages, Ltd. Opportunity Fund MP11, L.L.C.
(formerly known as MP122030 L.L.C.),
an Arizona limited liability company

By: ML Manager LLC, an Arizona
limited liability company, its Manager

By: 

Authorized Manager

Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
ATTN: Robert P. Robinson

C&M Loan LLC
Initial Member Signature Page

The undersigned elects to become a Member of the above named Loan LLC and agrees to be bound by the provisions of the Agreement to which this signature page is attached and further agrees as follows:

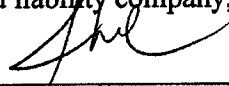
1. The undersigned agrees to contribute his, her or its Fractional Interest in the Loan in the amount of 1.918% to the Company at an Agreed Capital Contribution value of \$523,909.27;
2. The Participation Percentage of the undersigned in the Company shall be calculated by the Manager and inserted into Exhibit A attached to the Agreement; and
3. With respect to the Fractional Interest in the Loan being assigned to the Company, the undersigned has not granted or acquiesced in the granting of any lien, security interest, encumbrance or claim in such Fractional Interest except as follows

Any MP fund Member has granted a permitted senior security interest encumbrance to the VTL Fund);

Other: _____

Mortgages, Ltd. Opportunity Fund MP12, L.L.C.,
an Arizona limited liability company,

By: ML Manager LLC, an Arizona
limited liability company, its Manager

By: 

Authorized Manager

Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
ATTN: Robert P. Robinson

**C&M Loan LLC
Initial Member Signature Page**

The undersigned elects to become a Member of the above named Loan LLC and agrees to be bound by the provisions of the Agreement to which this signature page is attached and further agrees as follows:

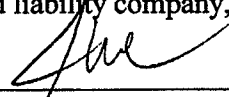
1. The undersigned agrees to contribute his, her or its Fractional Interest in the Loan in the amount of 0.072% to the Company at an Agreed Capital Contribution value of \$19,494.65;
2. The Participation Percentage of the undersigned in the Company shall be calculated by the Manager and inserted into Exhibit A attached to the Agreement; and
3. With respect to the Fractional Interest in the Loan being assigned to the Company, the undersigned has not granted or acquiesced in the granting of any lien, security interest, encumbrance or claim in such Fractional Interest except as follows

Any MP fund Member has granted a permitted senior security interest encumbrance to the VTL Fund);

Other: _____

Mortgages, Ltd. Opportunity Fund MP13, L.L.C.,
an Arizona limited liability company,

By: ML Manager LLC, an Arizona
limited liability company, its Manager

By:  _____
Authorized Manager

Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
ATTN: Robert P. Robinson

**C&M Loan LLC
Initial Member Signature Page**

The undersigned elects to become a Member of the above named Loan LLC and agrees to be bound by the provisions of the Agreement to which this signature page is attached and further agrees as follows:

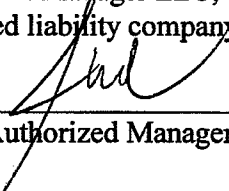
1. The undersigned agrees to contribute his, her or its Fractional Interest in the Loan in the amount of 1.789% to the Company at an Agreed Capital Contribution value of \$488,617.55;
2. The Participation Percentage of the undersigned in the Company shall be calculated by the Manager and inserted into Exhibit A attached to the Agreement; and
3. With respect to the Fractional Interest in the Loan being assigned to the Company, the undersigned has not granted or acquiesced in the granting of any lien, security interest, encumbrance or claim in such Fractional Interest except as follows

Any MP fund Member has granted a permitted senior security interest encumbrance to the VTL Fund);

Other: _____

Mortgages, Ltd. Opportunity Fund MP14, L.L.C.,
an Arizona limited liability company,

By: ML Manager LLC, an Arizona
limited liability company, its Manager

By:  _____
Authorized Manager

Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
ATTN: Robert P. Robinson

**C&M Loan LLC
Initial Member Signature Page**

The undersigned elects to become a Member of the above named Loan LLC and agrees to be bound by the provisions of the Agreement to which this signature page is attached and further agrees as follows:

1. The undersigned agrees to contribute his, her or its Fractional Interest in the Loan in the amount of 20.376% to the Company at an Agreed Capital Contribution value of \$5,565,561.56;
2. The Participation Percentage of the undersigned in the Company shall be calculated by the Manager and inserted into Exhibit A attached to the Agreement; and
3. With respect to the Fractional Interest in the Loan being assigned to the Company, the undersigned has not granted or acquiesced in the granting of any lien, security interest, encumbrance or claim in such Fractional Interest except as follows

Any MP fund Member has granted a permitted senior security interest encumbrance to the VTL Fund);

Other: _____

Mortgages, Ltd. Opportunity Fund MP15, L.L.C.,
an Arizona limited liability company

By: ML Manager LLC, an Arizona
limited liability company, its Manager

By: 

Authorized Manager

Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
ATTN: Robert P. Robinson

C&M Loan LLC
Initial Member Signature Page

The undersigned elects to become a Member of the above named Loan LLC and agrees to be bound by the provisions of the Agreement to which this signature page is attached and further agrees as follows:

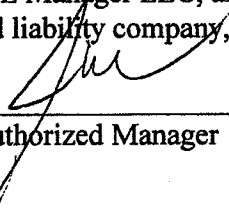
1. The undersigned agrees to contribute his, her or its Fractional Interest in the Loan in the amount of 1.225% to the Company at an Agreed Capital Contribution value of \$334,637.76;
2. The Participation Percentage of the undersigned in the Company shall be calculated by the Manager and inserted into Exhibit A attached to the Agreement; and
3. With respect to the Fractional Interest in the Loan being assigned to the Company, the undersigned has not granted or acquiesced in the granting of any lien, security interest, encumbrance or claim in such Fractional Interest except as follows

Any MP fund Member has granted a permitted senior security interest encumbrance to the VTL Fund);

Other: _____

Mortgages, Ltd. Opportunity Fund MP16, L.L.C.,
an Arizona limited liability company

By: ML Manager LLC, an Arizona
limited liability company, its Manager

By: 

Authorized Manager

Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
ATTN: Robert P. Robinson

**C&M Loan LLC
Initial Member Signature Page**

The undersigned elects to become a Member of the above named Loan LLC and agrees to be bound by the provisions of the Agreement to which this signature page is attached and further agrees as follows:

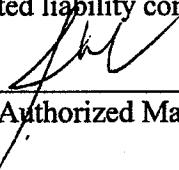
1. The undersigned agrees to contribute his, her or its Fractional Interest in the Loan in the amount of 11.560% to the Company at an Agreed Capital Contribution value of \$3,157,379.73;
2. The Participation Percentage of the undersigned in the Company shall be calculated by the Manager and inserted into Exhibit A attached to the Agreement; and
3. With respect to the Fractional Interest in the Loan being assigned to the Company, the undersigned has not granted or acquiesced in the granting of any lien, security interest, encumbrance or claim in such Fractional Interest except as follows

Any MP fund Member has granted a permitted senior security interest encumbrance to the VTL Fund);

Other: _____

Mortgages, Ltd. Opportunity Fund MP17, L.L.C.,
an Arizona limited liability company

By: ML Manager LLC, an Arizona
limited liability company, its Manager

By:  _____
Authorized Manager

Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
ATTN: Robert P. Robinson

C&M Loan LLC
Initial Member Signature Page

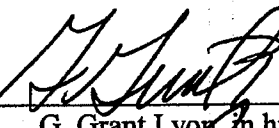
The undersigned elects to become a Member of the above named Loan LLC and agrees to be bound by the provisions of the Agreement to which this signature page is attached and further agrees as follows:

1. The undersigned agrees to contribute his, her or its Fractional Interest in the Loan in the amount of 1.933% to the Company at an Agreed Capital Contribution value of \$528,085.26;
2. The Participation Percentage of the undersigned in the Company shall be calculated by the Manager and inserted into Exhibit A attached to the Agreement; and
3. With respect to the Fractional Interest in the Loan being assigned to the Company, the undersigned has not granted or acquiesced in the granting of any lien, security interest, encumbrance or claim in such Fractional Interest except as follows

Any MP fund Member has granted a permitted senior security interest encumbrance to the VTL Fund);

Other: _____

Radical Bunny, L.L.C., an
Arizona limited liability company

By: 
G. Grant Lyon, in his capacity
as Chapter 11 Trustee

Grant Lyon, Manager
One Renaissance Square
Two North Central Avenue, Suite 720
Phoenix, Arizona 85004

Exhibit A

Members/Capital Contributions/Participation Percentages

Borrower: Central & Monroe, L.L.C., an Arizona limited liability company

Loan Amount on Filing Date \$27,313,178.50

Member Name	Fractional Interest Percentage	Agreed Capital Contribution	Participation Percentage
MP122009 L.L.C., an Arizona limited liability company	8.303%	\$2,267,950.43	11.391%
MP062011 L.L.C., an Arizona limited liability company	8.495%	\$2,320,203.00	11.655%
Mortgages, Ltd. Opportunity Fund MP11, L.L.C. (formerly known as MP122030 L.L.C.), an Arizona limited liability company	17.218%	\$4,702,633.11	23.622%
Mortgages, Ltd. Opportunity Fund MP12, L.L.C., an Arizona limited liability company	1.918%	\$523,909.27	2.631%
Mortgages Ltd. Opportunity Fund MP13, L.L.C., an Arizona limited liability company	0.072%	\$19,494.65	0.099%
Mortgages Ltd. Opportunity Fund MP14, L.L.C., an Arizona limited liability company	1.789%	\$488,617.55	2.454%
Mortgages Ltd. Opportunity Fund MP15, L.L.C., an Arizona limited liability company	20.376%	\$5,565,561.56	27.955%
Mortgages Ltd. Opportunity Fund MP16, L.L.C., an Arizona limited liability company	1.225%	\$334,637.76	1.681%
Mortgages Ltd. Opportunity Fund MP17, L.L.C., an Arizona limited liability company	11.560%	\$3,157,379.73	15.860%
Radical Bunny, L.L.C., an Arizona limited liability company	1.933%	\$528,085.26	2.652%
Total	72.889%		