

AFFIDAVIT OF James C. Sell, Conservator

STATE OF ARIZONA)
) ss.
County of Maricopa)

James C. Sell, being first duly sworn, deposes and says:

1. I am over eighteen years of age, a resident of Maricopa County, Arizona and a citizen of the United States of America and make this Affidavit of matters within my personal knowledge or upon my belief, and I am competent to testify to them.
2. I am a Certified Public Accountant, and have held this license since 1972.
3. I am a Certified Fraud Examiner since 1992.
4. I graduated from Arizona State University in May 1970, with a Bachelor of Science Degree in Accounting.
5. On April 5, 2005 I was appointed Receiver of the Mathon entities which includes World Sports Fans, LLC (WSF) among numerous other entities. The Receivership was subsequently converted to a Conservatorship.
6. As part of my duties I have reviewed the books and records in my custody for WSF and information provided to me by Scott Johnson and Kevin Kellis. (Exhibits A, B & C)

Las Sendas 36, LLC
7. On or about September 27, 2004, WSF issued check number 10184 to Transnation Title Company, Escrow number 01394309-243-BB3 as the initial earnest money deposit for a parcel of real property known as Las Sendas 36, LLC. (Exhibits D & B page 3)
8. On or about November 12, 2004 WSF issued check number 10193 to M&I Bank for a loan application fee. The loan was to finance the purchase of the Los Sendas property. (Exhibit E)
9. On or about November 15, 2004, WSF issued check number 10194 to Guy Williams for \$25,000 and check number 10195 to Duane Slade for \$25,000. (Exhibit F)
10. On or about November 30, 2004 \$50,000 was deposited to the Transnation Title Escrow account number 01394309-243-BB3. (Exhibit B page 7 & Exhibit C page 3)

11. According to the accounting for Las Sendas provided to me by Kevin Kellis on August 5, 2005, Guy Williams and Duane Slade on November 30, 2004 were credited with contributing \$25,000 each for Las Sendas 36. (Exhibit B page 7)
12. On or about November 30, 2004 M&I Bank loaned Las Sendas 36 or its principals \$296,000 for the acquisition of the subject property. (Exhibit C page 3)
13. Pursuant to Exhibit B page 7, Scott Johnson purchased a 1/3 interest in Las Sendas 36 on or about November 30, 2003.
14. Between February 9, 2005 and April 5, 2005 Scott Johnson was the President of Mathon Fund LLC a Conservatorship entity.
15. On or about February 10, 2005 Kevin Kellis acquired a 25% interest in Las Sendas 36 for \$25,000. (Exhibit C page 7)
16. Between February 1, 2004 and April 5, 2005 Kevin Kellis was the Chief Loan Officer for Mathon Management, LLC but was paid by Slade Williams and Associates. Both entities are Conservatorship entities. (Exhibit G)
17. On or about April 25, 2005 Kevin Kellis purported to purchase Guy Williams purported 25% interest in Las Sendas 36. (Exhibit B page 7)
18. On or about April 26, 2005 Scott Johnson purported to purchase Duane Slade's purported 25% interest in Las Sendas 36. (Exhibit A pages 1 & 2)
19. Based on the foregoing analysis it does not appear that the parties distinguish between LLC transactions by WSF and personal transactions by Guy Williams and Duane Slade. Kevin Kellis and Scott Johnson each purchased an additional 25% interest Las Sendas 36 **post Conservatorship**. It appears the subject 50% interest in Las Sendas should have been an asset of WSF. The \$27,123 received by both Guy Williams and Duane Slade after the date of the Conservatorship properly belongs to the Conservatorship.

Chalice Holdings, LLC

20. Between October 7, 2004 and March 3, 2005 WSF issued a series of checks to Forward Designs, LLC. The payments were for the acquisition of Chalice Holdings, LLC's (Chalice) purchase of two buildings from Forward Designs, LLC. (Exhibit H)
21. It appears that WSF did not have sufficient funds on October 7, 2004 to make the down payment on the two buildings. Mathon Fund I, LLC issued a check to Lawyer's Title for \$9,000 to complete the WSF down payment for the two buildings. (Exhibit I)

22. Based on the above analysis of the source of funds, Mathon Fund I, LLC and WSF were either the purchasers of the two buildings or the owners of Chalice. Consequently, Chalice should be a Conservatorship entity.

Further affiant sayeth not.

James C. Sell

SUBSCRIBED AND SWORN to before me this ____ day of _____, 2005.

Notary Public

My Commission Expires:

EXHIBIT A

Scott Johnson

2222 N. Val Vista Dr. #9

Mesa, AZ 85213

Tel. 602-524-8542

August 11, 2005

Mr. James C. Sell, CPA
2222 E. Camelback Rd.
Suite 110
Phoenix, AZ 85016

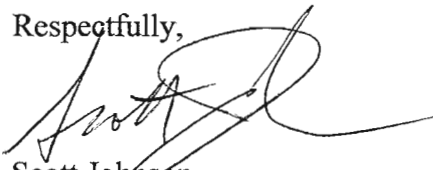
Re: Las Sendas 36, LLC

Dear Mr. Sell:

As Kevin Kellis has previously explained to you both in writing and verbally, Las Sendas 36, LLC is an entity owned 100% by Kevin and my self. In April of this year I purchased Duane Slade's 25% interest in Las Sendas 36 for \$27, 122.00. Enclosed are a copy of the check written to Mr. Slade along with a copy of my Morgan Stanley statement for the month of April showing the debit to my account and a copy of a letter to Mr. Slade referencing the transaction. I understand that Mr. Kellis has provided you additional documentation showing the amendment to the Articles of Organization and a copy of his check to Guy Williams purchasing Mr. Williams' 25% interest in the company.

Hopefully this letter will clear up any confusion in your mind as to whether Mr. Slade or Mr. Williams have any current interest in Las Sendas 36.

Respectfully,



Scott Johnson

SCOTT J. JOHNSON TTEE
2222 NORTH VAL VISTA UNIT 9
MESA, AZ 85213-1735

Morgan Stanley

For added security, the
account number no longer
appears on this copy.

CHECK HERE IF TAX DEDUCTIBLE ITEM \$ 1690

4/24/05

BAL. FOR'D.	
THIS PAYMENT	27122.00
BALANCE	
OTHER	
BAL. FOR'D.	

Pay to the order of Scott J. Johnson TTEE

5015-36



1690 NOT NEGOTIABLE

ACTIVE ASSETS® CHOICE ACCOUNT FOR MONTH ENDING APRIL 30, 2005

SCOTT JOHNSON TTEE
SCOTT J. JOHNSON LIVING TRUST U/T/A

Checking

Date Written	Date Paid	Check #	Payee	Amount	Expense Category
04-25	04-27	1689	BANNER DESERT MED	125.00	
04-26	04-28	1690	DUNNE SLADE	27,122.00	
Total Checking					Year-To-Date

Withdrawal

Date	Activity	Description	Amount	Additional Information
04-05	Transfer	FUNDS TRANSFERRED	7,340.58	PER LETTER OF AUTHORIZATION TO
Total Withdrawals			-7,340.58	Year-To-Date -12,340.58

Margin Interest

Period	Average Daily Balance	Rate	Interest Charge
Thru 04/30/05 For 18 Days	\$15,222.97	5.3/4%	-43.66
Total Margin Loan Interest			-43.66
Total Debits To Your Account			-221.71
Total Debits To Your Account			-74,884.75
Total Debits To Your Account			-155,058.49

ADDITIONAL ACCOUNT INFORMATION

Money Market

Date	Activity	Description	Amount	Additional Information
04-11	Automatic Investment	Closing Balance 3/31	\$0.00	
04-18	Automatic Redemption	ACTIVE ASSETS MONEY TRUST	5,893.61	
04-20	Automatic Redemption	ACTIVE ASSETS MONEY TRUST	-643.78	
04-20	Automatic Redemption	ACTIVE ASSETS MONEY TRUST	-5,249.83	
Closing Balance 4/30			\$0.00	

Tax Information

	This Month	Year-to-Date	This Month	Year-to-Date
Margin Interest	-43.66	-221.71	Reportable Gross Proceeds	15,560.34
				16,092.22

The tax information provided above should be used only as a guide; a complete 1099 will be sent to you.

Scott Johnson
2222 N. Val Vista Dr. #9
Mesa, AZ 85213
Tel. 602-524-8542

April 26, 2005

Mr. Duane Slade
4122 E. McLellan #12
Mesa, AZ 85205

Re: Las Sendas 36, LLC

Dear Duane:

Pursuant to our discussion, I have enclosed a check for \$27,122.00 to purchase your quarter interest in Las Sendas 36.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Johnson", with a large, sweeping flourish extending to the right.

Scott Johnson

EXHIBIT B

Kevin Kellis

1015 S. Maple

Mesa, AZ 85206

Tel. 602.616.5892 Fax 480.854.6760

VIA FAX Fax Telephone No. 602.265.3622

7
13 Pages Total

August 5, 2005

Mr. James C. Sell, CPA
2222 E. Camelback Road
Suite 110
Phoenix, AZ 85016

RE: CRE Capital, LLC and Las Sendas 36, LLC

Dear Jim:

You and I met in your office earlier this week. During our meeting, you requested some additional supporting documentation related to two companies in which I have ownership. I have included some additional background and documents as follows:

CRE Capital, LLC

In connection with the mortgage banking license for CRE, the Arizona State Banking Department required either a Surety Bond or a Cash Deposit in the amount of \$25,000. I **personally paid for and provided a Certificate of Deposit** on behalf of CRE, which continues to be held by the State Banking Department. Attached is a copy of a cashier's check in the amount of \$25,000 from Desert Schools Federal Credit Union where my wife and I have a savings account. This cashier's check was delivered to Union Bank, which provided the Certificate of Deposit, which was then assigned to the State of Arizona (copies of assignment and CD enclosed).

Las Sendas 36, LLC

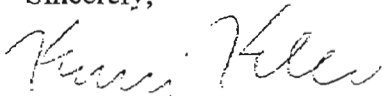
This entity is owned by Kevin Kellis and Scott Johnson. At one time (from approximately December 2004 – February 2005) the entity was equally owned by: Duane Slade, Guy Williams, and Scott Johnson. In February 2005, I purchased a 25% ownership by contributing cash of \$25,000 to the LLC, at which time, Slade, Williams, Johnson and Kellis each had equal ownership (see the attached check). During April of 2005, Slade and Williams agreed to sell, and Johnson and Kellis purchase the ownership interests of Slade and Williams, respectively. The arrangement was that Slade and Williams would sell their ownership interests to recoup all cash investments to date. Attached is a copy of a check in the amount \$27,123, made payable to Guy Williams representing my purchase of his ownership interest in Las Sendas 36. The check represents payment in full for Guy Williams' 25% ownership interest. At the same time that Scott Johnson and I purchased the ownership interest of Williams and Slade, we

James C. Sell
August 5, 2005
Page 2

amended the Articles of Organization. Attached is a copy of the Articles of Amendment filed with the Arizona Corporation Commission April 27, 2005. Also attached is Exhibit A to the Articles of Amendment showing that management and ownership is vested in Scott Johnson and Kevin Kellis. **In short, as of April 2005, Kevin Kellis and Scott Johnson purchased all ownership interests in Las Sendas 36 which were previously held by Guy Williams and Duane Slade; furthermore, Williams and Slade have NO Ownership interest in Las Sendas 36, and they have NO Management involvement in Las Sendas 36.**

Please call me if you need any additional information from me on either of these entities.

Sincerely,



Kevin Kellis

Enclosures: Copies of the following

- Cashier's Check from Desert Schools Credit Union for Union Bank, dated 8/25/04
- Certificate of Deposit from Union Bank on behalf of CRE Capital, dated 8/25/04
- Assignment of CD to State Banking Department, dated 8/25/04
- Check made payable to Guy Williams (with cover note), dated 4/22/05
- Filed Articles of Amendment to Las Sendas 36, LLC, dated 4/27/05

DESERT SCHOOLS
 FEDERAL CREDIT UNION
 Post Office Box 2945
 Phoenix, Arizona 85062-2945
 desertschools.org
 (602) 433-7000

Cashiers Check No. 30831266

DATE 08/25/04
 TIME 11:22AM
 SEQ. # 24437
 DRAWER 803
 INITIALS TNH
 BRANCH 8
 ACCOUNT 351366-80

PAY AMOUNT \$25,000.00

TO THE ORDER OF
 CRE CAPITAL, LLC
 RE: KEVIN DEAN KELLIS

PURCHASER COPY
 RETAIN FOR YOUR RECORDS

DO NOT CASH THIS DOCUMENT WITHOUT VERIFICATION OF SECURITY FEATURES ON BACK.

DESERT SCHOOLS
 FEDERAL CREDIT UNION
 CU SERVICE CENTERS
 The Member's Choice. Personal Service.

Post Office Box 2945
 Phoenix, Arizona 85062-2945
 desertschools.org
 (602) 433-7000

Cashiers Check No. 30831266
 08/25/04
 VOID AFTER 90 DAYS

PAY TWENTY-FIVE THOUSAND AND 00/100 DOLLARS

TO THE ORDER OF
 CRE CAPITAL, LLC
 RE: KEVIN DEAN KELLIS

91-7263
 3221

\$25,000.00

John C. F...
 AUTHORIZED SIGNATURE

⑆030836266⑆ ⑆322672632⑆ 8 73500⑈

ASSIGNMENT TO ARIZONA STATE TREASURER
SECURITY IN LIEU OF CASH DEPOSIT FOR COMPLIANCE WITH
SECTION 35-155 ARIZONA REVISED STATUTES

NAME CRE CAPITAL, LLC
STREET ADDRESS 6816 E. BROWN RD MESA
COUNTY MARICOPA STATE ARIZONA TELEPHONE NUMBER 480-^{CITY}338-8400

hereinafter referred to as ASSIGNOR, does hereby assign and transfer to the Treasurer of the State of Arizona, hereinafter referred to as the
TREASURER, all right, title and interest of any kind whatsoever, owned or held by Assignor in the principal, but not in the interest hereinafter
accruing after the date of this assignment in the insured account of ASSIGNOR so long as such funds remain on deposit in the

UNION BANK, N.A.
ARIZONA FINANCIAL INSTITUTION
whose address is 3631 E. BASELINE RD GILBERT MARICOPA
STREET ADDRESS CITY COUNTY

Arizona, as evidence by an account in the amount of 25,000.00 TWENTY FIVE THOUSAND
dollars (\$ 25,000.00) identified by account number 4041703 which account is insured by the Federal Deposit
Insurance Corporation or the Federal Savings and Loan Insurance Corporation. This assignment is given as security for CRE CAPITAL, LLC

Dated this 25TH day of AUGUST, Year 2004, at GILBERT Arizona

IMPORTANT - SIGNATURE OF ASSIGNOR CRE CAPITAL LLC
NAME OF ASSIGNOR EXACTLY AS SHOWN ABOVE
This Assignment shall be signed by the individual Himself BY: Kerri Kelly
SIGNATURE OF ASSIGNOR

FIRST ENDORSEMENT - RECEIPT FOR NOTICE OF ASSIGNMENT

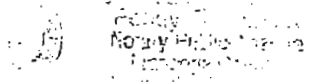
Receipt is hereby acknowledged to the Treasurer of the State of Arizona, hereinafter referred to as the TREASURER, of written notice of the
assignment to said Treasurer of the above identified account. We have noted our records to show the interest of the Treasurer in said account as
shown in and by the assignment above. We have retained a copy of this document. We hereby certify that we have not received any notice of
lien, encumbrance, hold, claim or other obligation against the above-identified account prior to its assignment to the treasurer. We further hereby
waive any current and future right of set-off against such account. We agree to make payment as required by the Rules and Regulations of the
Treasurer adopted in accordance with applicable laws and the law applicable to this institution.

Dated this 25TH day of AUGUST, Year 2004, at GILBERT Arizona

UNION BANK N.A.
NAME OF ARIZONA FINANCIAL INSTITUTION

[Signature] SIGNATURE OF OFFICER OF FINANCIAL INSTITUTION Chairman TITLE

scribed and sworn before me this 25th day of August, Year 2004



[Signature]
NOTARY PUBLIC SIGNATURE
12/20/2004
COMMISSION EXPIRES

SECOND ENDORSEMENT - RECEIPT FOR SECURITY AND DIRECTION TO PAY EARNINGS

It is acknowledged of the assignment above and the account identified in the assignment above. The financial institution named in the
assignment above is hereby authorized and directed to pay any earnings credited after the date of this assignment on the above-identified account
above-named assignor.

this _____ day of _____, Year _____, at _____ Arizona
ARIZONA STATE TREASURER
Treasurer or Authorized Representative

By: _____
(Prepare in duplicate. Please Type all Information)
Attach Original Assignment to Certificates of Deposit and File with State

Time Certificate of Deposit

Financial Institution: Union Bank, N.A.
3631 E. Baseline Road, Gilbert, AZ 85234

Number:

Account Name: CRE CAPITAL, LLC
BUSINESS TYPE: Limited Liability Company

SSN/TIN: 83-0385465

Account Number	Issue Date	Deposit Amount	Term	Maturity Date
4041703	August 25, 2004	\$25,000.00	24 Months	August 25, 2006

Rate Information: This Account is an interest bearing account. The interest rate paid on the entire balance in the account will be ~~2.00%~~ with an annual percentage yield of ~~2.00%~~ *3.00% P.T*

The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect until August 25, 2006. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded annually and will be credited to the account annually. Interest on your account will be credited by adding the interest to the principal. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

Balance Information: We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. We will use an interest accrual basis of 365 for each day in the year. You must maintain a minimum balance of \$500.00 in the account each day to obtain the disclosed annual percentage yield.

Limitations: You must deposit \$500.00 to open this account. You may not make additional deposits into this account. You may not make withdrawals from your account until the maturity date.

Time Account Information: Your account will mature on August 25, 2006. If you withdraw any of the principal before the maturity date, we will impose a penalty of 182 days interest. This account will automatically renew. You will have 10 days after the maturity date to withdraw funds without penalty.

NOT TRANSFERABLE - NON NEGOTIABLE	Signature and Title of Authorized Financial Institution Signer <i>R. Thompson new accounts</i>
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TIME DEPOSIT AGREEMENT - 24 MONTH

We appreciate your decision to open a time deposit account with us. This Agreement sets forth certain conditions, rates, and rules that are specific to your Account. Each signer acknowledges that the Account Holder named has placed on deposit with the Financial Institution the Deposit Amount indicated, and has agreed to keep the funds on deposit until the Maturity Date. As used in this Agreement, the words "you", "your" or "yours" mean the Account Holder(s), the word "Account" means this Time Deposit Account and the word "Agreement" means this Time Deposit Agreement, and the words "we", "us" and "our" mean the Financial Institution. This Account is effective as of the Issue Date and is valid as of the date we receive credit for noncash items (such as checks drawn on other financial institutions) deposited to open the Account. Deposits of foreign currency will be converted to U.S. funds as of the date of deposit and will be reflected as such on our records.

INTEREST RATE. The interest rate is the annual rate of interest paid on the Account which does not reflect compounding ("Interest Rate"), and is based upon the interest accrual basis described above.

AUTOMATIC RENEWAL POLICY. If the Account will automatically renew as described above, the principal amount and all paid earned interest that has not been withdrawn will automatically renew on each Maturity Date for the term described above in the Time Account Information section. Interest on renewed accounts will be calculated at the interest rate then in effect for time deposits of that Deposit Amount and term. If you wish to withdraw funds from your Account, you must notify us during the grace period after the Maturity Date.

EARLY WITHDRAWAL PENALTY. You have agreed to keep the funds on deposit until the Maturity Date of your Account. Any withdrawal of all or part of the funds from your Account prior to maturity may result in an early withdrawal penalty. We will consider requests for early withdrawal and, if granted, the penalty as specified above will apply.

Minimum Required Penalty. If you withdraw money within six (6) days after the date of deposit, the Minimum Required penalty is seven (7) days' simple interest on the withdrawn funds. If partial early withdrawal(s) are permitted, we are required to impose the Minimum Required Penalty on the amount(s) withdrawn within six (6) days after each partial withdrawal. The early withdrawal penalty may be more than the Minimum Required Penalty. You pay the early withdrawal penalty by forfeiting part of the accrued interest on the Account. If your Account has not earned enough interest, or if the interest has been paid, we take the difference from the principal amount of your Account.

Exceptions. We may let you withdraw money from your Account before the Maturity Date without an early withdrawal penalty: (1) when one or more of you dies or is determined legally incompetent by a court or other administrative body of competent jurisdiction; or (2) when the Account is an Individual Retirement Account (IRA) established in accordance with 26 USC 408 and the money is paid within seven (7) days after the Account is opened; or (3) when the Account is a Keogh Plan (Keogh), if you forfeit at least the interest earned on the withdrawn funds; or (4) if the Account is an IRA or a Keogh Plan established pursuant to 26 USC 408 or 26 USC 401, when you reach age 59 1/2 or become disabled; or (5) within an applicable grace period (if any).

RIGHT OF SETOFF. Subject to applicable law, we may exercise our right of setoff or security interest against any and all of your Accounts (except IRA, Keogh plan and Trust Accounts) without notice, for any liability or debt of any of you, whether joint or individual, whether direct or contingent, whether now or hereafter existing, and whether arising from overdrafts, endorsements, guaranties, loans, attachments, garnishments, levies, attorneys' fees, or other obligations. If the Account is a joint or multiple-party account, each joint or multiple-party account holder authorizes us to exercise our right of setoff against any and all Accounts of each Account Holder.

OTHER ACCOUNT RULES. The following rules also apply to the Account.

Surrender of Instrument. We may require you to endorse and surrender this Agreement to us when you withdraw funds, transfer or close your Account. If you lose this Agreement, you agree to sign any affidavit of lost instrument, or other Agreement we may require, and agree to hold us harmless from liability, prior to our honoring your withdrawal or request.

Death of Account Holder. Each Account Holder agrees to notify us immediately upon the death of any other Account Holder. You agree that we may hold the funds in your Account until we have received all required documentation and instructions.

Indemnity. If you ask us to follow instructions that we believe might expose us to any claim, liability or damages, we may refuse to follow your instructions or may require a bond or other protection, including your agreement to indemnify us.

Pledge. You agree not to pledge your Account without our prior consent. You may not withdraw funds from your Account until all obligations secured by your Account are satisfied.

Guy —

Attached is my check in the amount of \$ 27,123, together with the Accounting Summary for Las Gerdas.

I don't know if Scott has paid Duane yet for his 25% interest; but, we (Scott & I) feel that is a fair and reasonable settlement under the circumstances —

Take Care

Kevin

Accounting for Las Sendas 36

Date	Comments	Duane	Guy	Scott	Kevin	Other	Totals
9/27/04	Initial Earnest Money	\$ 2,500.00	\$ 2,500.00				\$ 5,000.00
11/12/04	Loan Processing Fees	\$ 199.00	\$ 199.00				\$ 398.00
11/30/04	Proceeds paid at Closing	\$ 25,000.00	\$ 25,000.00	\$ 24,158.34			\$ 74,158.34
11/30/04	Loan Proceeds				\$ 296,000.00		\$ 296,000.00
11/30/04	Misc. Costs due at Closing					\$ 3,429.76	\$ 3,429.76
12/6/04	Closing Proceeds to Buyer	\$ (576.19)	\$ (576.19)	\$ (576.19)			\$ (1,728.58)
1/10/05	Monthly Loan Payment			\$ 1,356.66			\$ 1,356.66
2/3/05	Monthly Loan Payment			\$ 1,356.66			\$ 1,356.66
2/10/05	Payment to Howard Li		\$ 500.00				\$ 500.00
2/10/05	Payment to Cory Black		\$ 3,466.66				\$ 3,466.66
2/10/05	Deposit to Checking		\$ 21,033.34				\$ 21,033.34
TOTAL SOURCES							\$ 404,970.84

Uses

9/27/04	Paid to Escrow	\$ 5,000.00
11/12/04	Lender Processing Fees	\$ 398.00
12/1/04	Purchase of Property	\$ 370,000.00
12/1/04	Misc. Buyer Closing Costs	\$ 3,588.10
12/1/04	Refund at Closing	\$ (1,728.58)
1/1/05	Monthly Loan Payment	\$ 1,356.66
2/1/05	Monthly Loan Payment	\$ 1,356.66
2/10/05	Payment to old architect	\$ 500.00
2/10/05	Payment to new architect	\$ 3,466.66
TOTAL USES		\$ 383,937.50
ACCOUNT BALANCE		\$ 21,033.34

KEVIN D. KELLIS
CYNTHIA KELLIS
 1015 S. MAPLE - 480-830-8222
 MESA, AZ 85208-2548

PAY TO THE ORDER OF Guy Williams \$ 27,123

DATE April 22, 2005

Twenty Seven Thousand One Hundred Twenty Three ⁰⁰/₁₀₀ DOLLARS

FOR Karin Felle

DESERT SCHOOLS
 FEDERAL CREDIT UNION
 desertbanks.org

8611
 91-9723/1221

1226872380 0035136680 8611

ARTICLES OF AMENDMENT

LAS SENDAS 36, LLC

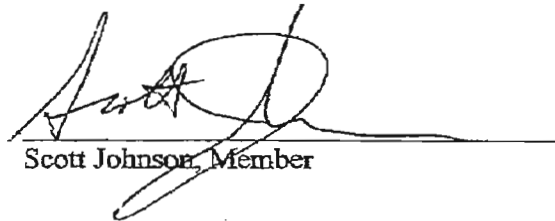
RECEIVED
APR 27 2005
ARIZONA CORP COMMISSION
CORPORATIONS DIVISION

1. The name of the limited liability company is:

LAS SENDAS 36, LLC

2. The Articles of Organization were originally filed with the Arizona Corporation Commission on November 12, 2004 as File No. L1163798-3.
3. Attached hereto as Exhibit "A" is the text of the amendment.

Dated this 27th day of April, 2005.



Scott Johnson, Member

EXHIBIT "A"

Text of Amendments

2. **Registered Office.** The address of the registered office in Arizona is 2222 North Val Vista Drive, #9, Mesa, Arizona 85213.

3. **Statutory Agent.** The name and address of the statutory agent of the company in Arizona is Kevin Kellis, 1015 S. Maple Street, Mesa, Arizona 85206. By signature below the Statutory Agent hereby accepts appointment.

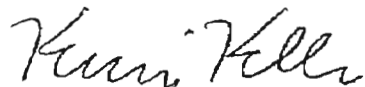
5. **Management.** Management of the limited liability company is vested in its members AND each member who owns a twenty percent or greater interest in the capital or profits of the limited liability company is as follows:

Scott Johnson, Member
2222 North Val Vista Drive, #9
Mesa, Arizona 85213

Kevin Kellis, Member
1015 S. Maple Street
Mesa, Arizona 85206

STATUTORY AGENT CONSENT

I, Kevin Kellis, having been designated to act as Statutory Agent, hereby consent to act in that capacity until removed or resignation is submitted in accordance with the Arizona Revised Statutes.



Kevin Kellis, Statutory Agent

EXHIBIT C

Kevin Kellis

1015 S. Maple

Mesa, AZ 85206

Tel. 602.616.5892 Fax 480.854.6760

VIA FAX

Fax Telephone No. 602.265.3622

13 Pages Total

August 17, 2005

Mr. James C. Sell, CPA
2222 E. Camelback Road
Suite 110
Phoenix, AZ 85016

RE: CRE Capital, LLC and Las Sendas 36, LLC

Dear Jim:

Regarding CRE Capital, LLC, I have attached a copy of my bank statement to reflect the payment of the \$25,000 bond for the CRE license requirement,

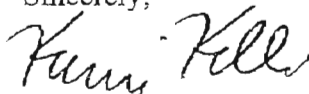
Regarding Las Sendas 36, LLC, I have attached the following:

- a. Copy of the Escrow Settlement Statement from Transnation Title,
- b. Copy of the Recorded Warranty Deed, transferring title to the property from Steve & Elizabeth Miller of Illinois (Sellers) to Las Sendas 36, LLC (Buyer)
- c. Copy of the Deed of Trust between M&I Marshall & Ilsley Bank (Lender/Beneficiary) and Las Sendas 36 LLC (Borrower /Trustor).

These documents have been provided pursuant a request made by Tim Abraham in a telephone conversation I had with Tim earlier this week. Let me know if you need anything else.

I should emphasize that my position is that, any actions by you, the Arizona Corporation Commission or other agencies of the State of Arizona in connection with the Conservatorship of the Mathon-affiliated entities should NOT have any claims related to CRE Capital, LLC or Las Sendas 36, LLC.

Sincerely,



Kevin Kellis

Enclosures: As indicated above

08-21-04	09-23-04	1	3
ACCOUNT NUMBER	FROM THROUGH	PAGE	

STATEMENT

SEND/DIRECT INQUIRIES TO:



DESERT SCHOOLS
FEDERAL CREDIT UNION

P.O. Box 2945
Phoenix, Arizona 85062-2945
desertschools.org
(602) 433-7000

DESERT SCHOOLS FEDERAL CREDIT UNION IS A MEMBER OF THE SHARED BRANCH NETWORK. THIS MEANS YOU CAN ACCESS YOUR DESERT SCHOOLS ACCOUNTS AT HUNDREDS OF CREDIT UNION LOCATIONS NATIONWIDE WITH SHARED BRANCHING. CALL 1-800-CUSWIRL OR VISIT WWW.CUSWIRL.COM TO FIND A LOCATION TODAY! IT FEELS GREAT TO BANK AT DESERT SCHOOLS WHERE YOU BELONG.

CYNTHIA KELLIS
1015 S MAPLE
MESSA AZ 85206-2545

TRAM NO DAY	EFFECT MO DAYR	TRANSACTION DESCRIPTION	AMOUNT	NEW BALANCE
		SUFFIX:00 MEMBERSHIP SAVINGS		25.13
		083104 DIVIDEND	.02	25.15
		BALANCE RANGE	RATE	APY
		.00 - 9,999,999.99	0.75%	0.75%
		\$25 DAILY MINIMUM BALANCE IS REQUIRED TO EARN DIVIDENDS.		
		ANNUAL PERCENTAGE YIELD EARNED	.94%	
		JOINT OWNERS: KEVIN D KELLIS	KRISTOFER MARKHAM KELLIS	
		MARTHA ELIZABETH KELLIS		
		Y-T-D DIVIDENDS: .15		

		SUFFIX:80 ADVANTAGE CHECKING		
		BEGINNING BALANCE	1859.19	
		DEPOSITS	43936.32	
		CHECKS	7057.49	
		MISC DEBITS	35287.53	
		MAINT/SERVICE CHGS	.00	
		ENDING BALANCE	3450.44	
		TOTAL NUMBER CHECKS CLEARED	30	
0824	082304	Keller Williams	12.31	1871.50
	082304	POS FROM SHARES EFT TRANSACTION	-65.35	1806.15
		SAFEMAY STORE SAFEMAY STORE 1637 MESA AZUS		
	082404	DEPOSIT	1155.00	2961.15
	082404	SHARE DRAFT # 8374	-77.84	2883.31
	082404	SHARE DRAFT # 8380	-160.00	2723.31
	082504	TR FROM LOAN 352887-00	25000.00	27723.31
	082504	WITHDRAWAL	-25000.00	2723.31
	082504	CASHIERS CHECK	-3.00	2720.31
	082504	SHARE DRAFT # 8377	-75.00	2645.31
	082604	SHARE DRAFT # 8372	-14.61	2630.70
	082704	POS FROM SHARES EFT TRANSACTION	-39.92	2590.78
		SAFEMAY STORE SAFEMAY STORE 2644 MESA AZUS		
0829	082804	POS FROM SHARES EFT TRANSACTION	-35.37	2555.41
		SAFEMAY STORE SAFEMAY STORE 1637 MESA AZUS		
	083004	TRANSFER TO LOAN	-300.00	2255.41
		TR TO LOAN 351366-60		
	083104	DIVIDEND	1.04	2256.45
	090104	SLADE WILLIAMS L	2468.19	4724.64
	090104	SHARE DRAFT # 8375	-44.00	4680.64
	090104	SHARE DRAFT # 8373	-291.32	4389.32
	090104	SHARE DRAFT # 8382	-1500.00	2889.32
	090204	SHARE DRAFT # 8386	-30.79	2858.53
	090204	SHARE DRAFT # 8372	-109.75	2748.78
	090304	SHARE DRAFT # 8381	-20.00	2728.78
	090304	SHARE DRAFT # 8371	-53.45	2675.33

OWNERSHIP OF SAVINGS ACCOUNTS SHOWN ON THIS STATEMENT IS NON-TRANSFERABLE EXCEPT ON THE BOOKS OF THIS CREDIT UNION. NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION REGARDING YOUR RIGHTS TO DISPUTE BILLING ERRORS AND/OR REGULATIONS.

L SETTLEMENT CHARGES:

ESCROW FILE NUMBER: 01394309-243 BB3

700. Total Sales/Broker's Commission:

Based on Price \$370,000.00 @ 6% = 22,200.00		Paid from Borrower's Funds at Settlement	Paid from Seller's Funds at Settlement
Division of Commission (line 700) follows:			
701. \$ 11,100.00	to Realty Executives		
702. \$ 11,100.00	to Kevin Kellis		
\$	to		
703.	Commission paid at settlement		22,200.00
704.			

800. Items Payable In Connection With Loan:

801.	Loan Origination Fee		
802.	Loan Discount Fee .5% to M & I Marshall & Ilsley Bank	1,480.00	
803.	Appraisal Fee to Norris Property Conslnt		(\$275.00 P.O.C.)
804.	Credit Report to Trans Union Corp.		(\$48.00 P.O.C.)
805.	Lenders inspection Fee		
806.	Mortgage Insurance Application Fee		
807.	Assumption Fee		
808.	Processing Fee to M & I Marshall & Ilsley Bank	430.00	
809.	Document Preparation to M & I Marshall & Ilsley Bank	95.00	
810.	Application Deposit to \$398.00 (POC)	75.00-	
811.			

900. Items Required By Lender To Be Paid In Advance:

901.	Interest from 11/30/04 to 12/01/04 @\$45.22/day (1 days)	45.22	
902.	Mortgage Insurance Premium		
903.	Hazard Insurance Premium		
904.	2004 taxes to Maricopa County Treasurer		(\$2,165.04 P.O.C.)
905.			

1000. Reserves Deposited With Lender:

1001.	Hazard Insurance		
1002.	Mortgage Insurance		
1003.	City Property Taxes		
1004.	County Property Taxes		
1005.	Annual Assessments		
1006.			
1007.			
1008.	Aggregate Adjustment months @\$		

1100. Title Charges:

1101.	Settlement or closing fee to Transnation Title Insurance Company	343.50	343.50
1102.	Abstract or title search		
1103.	Title examination		
1104.	Title insurance binder		
1105.	Document preparation		
1106.	Notary Fees		
1107.	Attorney's Fees		
	(includes above item numbers:)		
1108.	Title Insurance		
	(includes above item numbers:)		
1109.	Lender's coverage \$ 296,000.00	668.00	
1110.	Owner's coverage \$ 370,000.00		1,271.00
	Lender's coverage \$		
	Lender's coverage \$		
1111.	End's 3R&5, 8.1 to Transnation Title Insurance Company	75.00	
1112.	Tracking Fee to Transnation Title Insurance Company		75.00
1113.	**See attached for breakdown	60.00	20.00

1200. Government Recording and Transfer Charges

1201.	Recording Fees: Deed\$ 10.00 Mortgage \$ 30.00 Release \$	40.00	
1202.	City/County tax/stamps		
1203.	State tax/stamps		
1204.	City Transfer Tax		
1205.	County Transfer Tax		
1206.	Affidavit of Property to Transnation Title Insurance Company		2.00
1207.			

1300. Additional Settlement Charges:

1301.	Survey to		
1302.	Pest Inspection		
1303.	HOA dues to 03/31/05 to Las Sendas Community Assoc	58.50	
1304.	Transfer Fee to PMG Services		250.00
1305.	2nd half 2004 taxes to Maricopa County Treasurer		1,082.52
1306.			
1307.			
1400.	Total Settlement Charges (Enter on line 103, Section J -and- line 502, Section K)	3,220.22	25,244.02

Attachments:

Escrow Number:

01394309-243 883

BREAKDOWN OF NEW LOANS

Description	Buyer Amount	Seller Amount
M & I Marshall & Ilsley Bank, 770 N. Water St., Milwaukee, WI 53202, Loan#	296,000.00	
Total of New Loans.	296,000.00	

HUD 1113 DETAILED BREAKDOWN OF TITLE CHARGES

Description	Buyer Amount	Seller Amount
1114. Express Mail to Transnation Title Insurance Company		20.00
1115. Messenger Fee to Transnation Title Insurance Company	20.00	
1116. E-Docs to Transnation Title Insurance Company	25.00	
1117. Wire Fees to Transnation Title Insurance Company	15.00	
Total as shown on HUD Page 2 Line #1113.	60.00	20.00

TRANSACTION TITLE INS. CO.

Unofficial Document

RECORDING REQUESTED BY
Transaction Title Insurance Company
AND WHEN RECORDED MAIL TO:
LAS SENDAS 36, LLC
6816 E. BROWN ROAD
MESA, AZ 85207

ESCROW NO.: 01394309 - 243 - BB3

1/2

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Warranty Deed

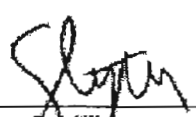
For the consideration of Ten Dollars, and other valuable considerations, I or we,
Steven P. Miller and Elizabeth P. Miller, Husband and Wife
do/does hereby convey to
Las Sendas 36, LLC, An Arizona Limited Liability Company
the following real property situated in Maricopa County, ARIZONA:
Lot 36, The Summit At Las Sendas, according to Book 559 of Maps, page 14, records of Maricopa County, Arizona

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

And I or we do warrant the title against all persons whomsoever, subject to the matters set forth above.

Dated: October 5, 2004

SELLERS:



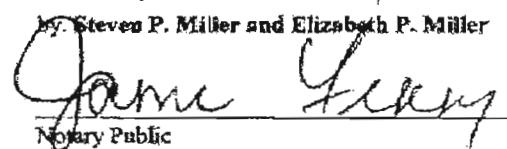
Steven P. Miller
State of Illinois
County of Cook } SS



Elizabeth P. Miller

This instrument was acknowledged before me this 24
day of November, 2004
by Steven P. Miller and Elizabeth P. Miller





Notary Public

My commission will expire Nov 4, 2008

Unofficial Document

TRANSACTION TITLE INS. CO.

WHEN RECORDED MAIL TO: **M&I Mortgage Corp.**
ATTN: Final Documentation Dept.
P. O. Box 478
Milwaukee, WI 53201-0478

2/2 01394309 - 243 - 863

DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (Construction Loan-Business Purpose)

THIS DEED OF TRUST is made on **November 24 2004**
The trustor is **Las Sendas 36 LLC**, an Arizona Limited Liability & Limited Liability Company
Whose mailing address is, **6816 East Brown Rd.**
Mesa, AZ 85207
("herein Borrower"). The beneficiary **M&I Marshall and Ilsley Bank**
whose mailing address for the purposes of this Deed of Trust is **770 North Water Street**
Milwaukee, WI 53202
(herein "Lender"), and the Trustee, **M&I Marshall and Ilsley Bank**
whose mailing address is as provided above (herein "Trustee").

WITNESSETH:

Borrower, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in: **Maricopa COUNTY,**

Lot 36, The Summit At Las Sendas, according to Book 559 of Maps, page 14, records of Maricopa County, Arizona

TOGETHER with all buildings and improvements, now or hereafter erected on the property, and all easements, rights appurtenances, rents (subject, however, to the rights and authorities herein given to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all furniture, furnishings, equipment, fixtures, appliances, building materials and supplies, decorative items, and other tangible property now or hereafter located upon or attached to the property embraced by this Deed of Trust;

TOGETHER with all rents, issues, profits, royalties, income and other benefits derived from the Property (collectively the "rents"), subject to the right, power and authority hereinafter given to Borrower to collect and apply such rents;

TOGETHER with all leasehold estate, right, title and interest of Borrower in and to all leases or subleases covering the Property or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Borrower thereunder including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;

TOGETHER with, all right, title and interest of Borrower in and to all options to purchase or lease the Property or an portion thereof or interest therein, and any greater estate in the Property owned or hereafter acquired;

TOGETHER with, all of the foregoing, together with said property, are herein referred to as the "Property";

(page 1 of 7)

RECORDED FROM (2/03)

9426768
LAS SENDAS 36 L

20041411280

To secure to Lender (a) the repayment of the indebtedness evidenced by the promissory note of even date here (herein "Note") in the principal sum of 296,000.00 with interest thereon, and all modifications, extensions or renew thereof; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of Deed of Trust; and the performance of the covenants and agreements of Borrower herein contained; and (b) the repayment any future advances with interest thereon, made to Borrower by Lender pursuant to this Deed of Trust; and (c) all obligations of Borrower and such other parties under this Deed of Trust and the Construction Loan Agreement of even date here between Lender and Borrower (the "Loan Agreement"); and (d) all obligations of Borrower under all future notes of Borrower to Lender secured by any interest in the Property.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and con the property, that the Property is unencumbered except as acknowledged by Lender in writing, and that Borrower will war and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions li in Schedule B to any title insurance policy insuring Lender's interest in the Property.

Borrower and Lender covenant and agree as follows:

1. **PAYMENT OF PRINCIPAL AND INTEREST.** Borrower shall promptly pay when due the principal of and inte on the indebtedness evidenced by the Note, and late charges and other fees as provided in the Note, and the principal of interest on any future advances or loan advances secured by this Deed of Trust. It is acknowledged that the Note cont provisions whereby the interest rate may vary from time to time.

2. **FUNDS FOR TAXES AND INSURANCE.** Subject to Lender's option under Paragraphs 4 and 5 hereof, upon request of Lender, Borrower shall pay to Lender in monthly installments, a sum (herein "Funds") equal to one-twelfth (1 of the yearly taxes and assessments which may attain priority over this Deed of Trust and ground rents on the Property, if: plus one-twelfth (1/12) of yearly premium installments for hazard insurance plus one-twelfth (1/12) yearly prem installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the b of assessments and bills and reasonable estimates thereof. Lender shall apply the Funds to pay said taxes, assessme insurance premiums and ground rents. Lender shall not be required to pay Borrower any interest on the Funds. Lender s give to Borrower, without charge, a periodic accounting of the Funds showing credits and debits to the Funds and the pay for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this L of Trust.

If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency upon demand

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any F held by Lender.

If under Paragraph 20 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the tim application as a credit against the sums secured by this Deed of Trust.

3. **APPLICATION OF PAYMENTS.** All payments received by Lender under the Note and Paragraphs 1 and 2 he shall be applied by Lender first to interest payable on the Note and on loan advances, and any late charge or charges pay under the Note, then in payment of amounts payable to Lender by Borrower under Paragraph 2 hereof, and then to principal of the Note and then to future advances, if any.

4. **CHARGES; LIENS.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributab the Property which may attain a priority over this Deed of Trust, and ground rents, if any, at Lender's option in the ma provided under Paragraph 2 hereof or by Borrower making payment, when due, directly to the payee thereof. Borrower : promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payz directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly disch any lien which has priority over this Deed of Trust; provided that Borrower shall not be required to discharge any such lie long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptabl Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in legal proceedings which opera prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

5. **INSURANCE.** Borrower shall at all times provide, maintain and keep in force the following policies of insuranc all improvements upon the Property:

RECORDED FROM 12/03

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(a) Insurance against loss or damage to the Property by fire and any of the risks covered by insurance of the type now known as "fire and extended coverage," in an amount not less than the full replacement cost of the improvements, including the cost of debris removal, without co-insurance and with not more than \$1,000 deductible from the loss payable for any casualty, and to include public liability insurance in an amount specified by Lender. The policies of insurance carried in accordance with this subparagraph (a) shall contain the "Replacement Cost Endorsement";

(b) All insurance required pursuant to the terms of the Loan Agreement and such other insurance, and in such amounts, as may from time to time be reasonably required by Lender against the same or other hazards.

All policies of insurance required by the terms of this Deed of Trust shall contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Borrower which might otherwise result in forfeiture of said insurance and the further agreement of the insurer waiving all rights of setoff, counterclaim or deductions against Borrower.

All policies of insurance shall be issued by companies and in amounts in each company satisfactory to Lender. All policies of insurance shall have attached thereto a lender's loss payable endorsement for the benefit of Lender in form satisfactory to Lender. Borrower shall furnish Lender with an original policy of all policies of required insurance. At least thirty (30) days prior to the expiration of each such policy, Borrower shall furnish Lender with evidence satisfactory to Lender of the payment of premium and the reissuance of a policy continuing insurance in force as required by this Deed of Trust. All such policies shall contain a provision that such policies will not be canceled or materially amended, which term shall include any reduction in the scope or limits of coverage, without at least thirty (30) days prior written notice to Lender. In the event Borrower fails to provide maintain, keep in force or deliver and furnish to Lender the policies of insurance required by this Deed of Trust, Lender may procure such insurance or single-interest insurance for such risks covering Lender's interest, and Borrower will pay all premiums thereon promptly upon demand by Lender, and until such payment is made by Borrower the amount of all such premiums together with interest thereon at the default rate as provided in the Note shall be secured by this Deed of Trust.

Borrower shall give prompt written notice to Lender in the event of the happening of any casualty to the Property or any part thereof. In the event of any damage or destruction to any improvements on the Property, Lender shall have the option of applying all or part of the insurance proceeds to any indebtedness secured hereby and in such order as Lender may determine, or, at its sole option, to the restoration of such improvements.

Nothing herein contained shall be deemed to excuse Borrower from repairing or maintaining the Property or restoring all damage or destruction to the Property, regardless of whether or not there are insurance proceeds available or whether any such proceeds are sufficient in amount, and the application or release by Lender of any insurance proceeds shall not cure or waive any default or notice or default under this Deed of Trust or invalidate any act done pursuant to such notice.

In the event of foreclosure of this Deed of Trust or other transfer of title assignment of the property in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of Borrower in and to all policies of insurance required by this Deed of Trust shall inure to the benefit of and pass to the successor in interest to Borrower and Trustor or the purchaser or grantee of the property.

6. **PRESERVATION AND MAINTENANCE OF PROPERTY.** Borrower shall keep the Property in good repair and shall not permit or commit waste, impairment, or deterioration of the Property.

7. **PROTECTION OF LENDER'S SECURITY.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. Any amounts disbursed by Lender pursuant to this Paragraph 7, with interest thereon shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the default rate specified in the Note. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or do any act hereunder.

8. **INSPECTION.** Lender may make or cause to be made reasonable entries upon and inspections of the Property.

9. **CONDEMNATION.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

(page 3 of 7)

20041411280

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, with excess, if any, paid to Trustor. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Deed of Trust such proportion of the proceeds as is equal to proportion which the amount of the sums secured by this Deed of Trust immediately prior to the date of taking bears to the market value of the Property immediately prior to the date of taking, the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower or if after notice by Lender to Borrower that the condemning authority officials make an award or settle a claim for damages, Borrower or Trustor fails to respond to Lender within thirty (30) days of the date such notice, Lender is authorized to collect and apply the proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone Borrower's payment obligations referred to in Paragraphs 1 and 2 hereof or change the amount thereof.

10. **BORROWER NOT RELEASED.** Extension of the time for payment of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successors if they refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of demand made by the original Borrower and Borrower's successors in interest.

11. **FORBEARANCE BY LENDER NOT A WAIVER.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy hereunder. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

12. **REMEDIES CUMULATIVE.** All remedies provided in this Deed of Trust are distinct and cumulative to any other remedy or remedy under this Deed of Trust or afforded to law or equity, and may be exercised concurrently, independently, or successively.

13. **SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CAPTIONS.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

14. **NOTICE.** Any notice required or permitted to be given hereunder shall be sufficient if it is deposited in United States mail, in certified or registered form, postage prepaid, addressed as follows:

To Borrower: Las Sendas 36 LLC, an Arizona Limited Liability Co A Limited Liability Company
6816 East Brown Rd. Mesa, AZ 85207

To Lender: M&I Marshall and Ilsley Bank
770 North Water Street Milwaukee, WI 53202

15. **GOVERNING LAW; SEVERABILITY.** This Deed of Trust shall be governed by the law of the State of Arizona. In the event that any provisions or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect the other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and Note are declared to be severable.

16. **BORROWER'S COPY.** Borrower shall be furnished a conformed copy of this Deed of Trust at the time of execution after recordation thereof.

17. **TRANSFER OF THE PROPERTY; ASSUMPTION; DECLARATION.** Borrower shall not sell, transfer, encumber, convey, or dispose of the Property, or any part thereof, nor allow the same to occur, without the prior written consent of Lender. In the event of a breach of this covenant, Lender may, at its option, declare all sums secured by this Deed of Trust to be immediately due and payable and may avail itself of any and all remedies provided herein for default. Upon the occurrence of any such transaction with Lender's consent, Borrower shall pay Lender a reasonable service charge for changing its records to reflect such transaction, which shall not exceed any amount specified by law, and Lender may increase the interest rate on the indebtedness secured hereby to the then prevailing rate for loans of a similar nature. Unless required by law, if Lender consents to any such transaction and/or assumption of the loan secured by this Deed of Trust, Borrower shall not be released from any obligations hereunder. Consent to any such transaction shall not be deemed to be consent or waiver of a necessity of consent to any other future or subsequent transactions.

20041411280

18. SECURITY INTEREST. Borrower hereby grants to Lender, to secure the indebtedness represented by the Note and Borrower's obligations hereunder and under the Loan Agreement, a security interest in:

All of Borrower's interest in all of the furniture, furnishings, equipment, appliances, decorative items, building material and supplies; fixtures, including, but by this designation not limited to heating equipment, air conditioning equipment, plumbing equipment, electrical equipment, fire control sprinkler equipment, and all other tangible personal property of Borrower located on the Property, together with substitutions, accessions, repairs, replacements and additions thereto, proceeds of agreed sales and all equipment, appliances, furnishings, fixtures, furniture, building materials and supplies, decorative items and other tangible personal property of the Borrower acquired subsequent hereto and located or intended for use on the Property, and all additions and accessions thereto, all or part of which may be installed in or affixed to said real estate, and together with all rights of Borrower under any policy or policies of insurance covering the Property or said collateral, and all proceeds, loss payments, and premium refunds which may become payable with respect to such insurance policies.

With respect to such security interest, Lender shall have all rights and powers of a secured party under the Uniform Commercial Code in force in Arizona and other applicable law, including, without limitation, the right to dispose of the collateral, at Lender's option, as provided in Arizona Revised Statutes 47-9501 (D).

19. ASSIGNMENT OF RENTS, ISSUES, AND PROFITS. Borrower hereby assigns and transfers to Lender all the rents, issues and profits of the Property, and hereby gives to and confers upon Lender the right, power and authority to collect such rents, issues, and profits. Borrower irrevocably appoints Lender its true and lawful attorney-in-fact, at the option of Lender, any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue in the name of Borrower or Lender, for all such rents, issues and profits and apply the same to the indebtedness secured hereby provided, however, that Borrower shall have the right to collect such rents, issues and profits (but not more than two months in advance) prior to or at any time there is not an event of default under this Deed of Trust, the Note, the Loan Agreement or any other documents or instruments executed in connection therewith. The assignment of the rents, issues and profits of the Property is intended to be an absolute assignment from Borrower to Lender and not merely the passing of a security interest. The rents, issues and profits are hereby assigned absolutely by Borrower to Lender contingent only upon the occurrence of an event of default under this Deed of Trust, the Note, the Loan Agreement or any other documents or instruments executed in connection therewith.

Unofficial Document

Upon any event of default under this Deed of Trust, the Note, the Loan Agreement or any other documents or instruments executed in connection therewith, Lender may, at any time, without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the solvency of Borrower, or whether waste is being committed upon the Property, or the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property, or any part thereof, or in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, upon any indebtedness secured hereby, and in such order as Lender may determine. The collection of such rents, issues and profits, or the entering upon or taking possession of the Property, or the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default.

20. ACCELERATION; REMEDIES. In the event Borrower shall fail to pay, perform or discharge at the time and in the manner agreed upon herein, the Note secured by this Deed of Trust, or any of the terms and conditions of this Deed of Trust, if Borrower has made any material misrepresentation, or has failed to disclose any material fact in those certain financial or other written representation and disclosures made by Borrower to induce Lender to extend credit as evidenced by the Note or other agreements, if any, which this Deed of Trust secures, or if Borrower shall attempt to secrete facts in order to evade provisions of Paragraph 17, or if Borrower's property, or any part thereof, shall be attached or become subject to legal process and not be released therefrom within ninety (90) days, or if any proceeding is filed to foreclose or any notice of Trustee's sale recorded with respect to any other lien on the Property (whether junior or senior to this Deed of Trust), or if Borrower abandons the Property or leaves the same unattended or unprotected, or in the event Lender shall reasonably deem the security provided by this Deed of Trust inadequate or in danger of being impaired or diminished from any cause whatsoever, or if Borrower shall become insolvent, make an assignment for the benefit of creditors, be the subject of any bankruptcy proceeding, reorganizational arrangement, insolvency, receivership, liquidation or dissolution proceedings, the Lender or Trustee, or both, without obligation so to do, without notice and irrespective of whether declaration of default has been delivered to Trustee, without regard to the adequacy of the security for the indebtedness secured hereby, without bringing any action or proceeding and without entering into possession of the Property personally or by receiver appointed by the court may, either personally or by attorney or agent and after expiration of any applicable grace period under the Note:

A. Declare the entire indebtedness of Borrower to lender to be immediately due and payable.

(Page 5 of 7)

20041411280

B. Take possession and hold, occupy, operate and use the Property, together with any personal property thereon used in the operation of said Property and any business conducted thereon without liability or obligation on its part and to do all such acts affecting such Property as Lender may deem necessary to keep the Property in good condition and repair and to conserve the value thereof.

C. Make, cancel, enforce, modify or terminate leases, and in furtherance thereof, eject and obtain tenants, set and modify rents, collect all or any part of the rents, issues, profits, royalties or other income and revenue thereon, and after payment of maintenance and operational expenses, apply the same as in the discretion of Lender or Trustee seems necessary or proper; provided, however, that the acceptance, receipt and application of such rents, issues, profits, royalties or other income and revenues shall not constitute a waiver under this Deed of Trust or cure any breach or default nor affect any sale which is proceeding pursuant to law.

D. To the extent permitted by law, to bring an action to collect any installment which is due or past due and pay the same without affecting or losing the security of this Deed of Trust or waiving any other right or remedy allowed by law.

E. Foreclose this Deed of Trust in the manner provided by law for the foreclosure of mortgages or real property, bring an action for damages, or exercise such other remedies or combination of remedies as Lender or Trustee may have at law or in equity.

F. To exercise the power of sale by declaring all sums secured by this Deed of Trust to be immediately due and payable and by delivering to Trustee a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall record a notice of trustee's sale in each county in which the Property or some part thereof is located and shall mail copies of such notice in the manner prescribed by applicable law to Borrower and to the other persons prescribed by applicable law. After the lapse of such time as may be required by applicable law and after publication and posting of the notice of Trustee's sale in accordance with the provisions of applicable law, Trustee, without demand on Borrower shall sell the Property either as a whole or in separate parcels, and in such order as it may determine, by public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale or for the equivalent of cash as so determined in Trustee in its sole discretion. If the indebtedness secured hereunder is additionally secured by real property which is not subject to this Deed of Trust, Trustee may sell any property so given as security for Borrower's obligation which it is authorized to sell either in whole or in separate parcels and in such order as it may determine. For purposes of such sale, Lender's credit may, at its option include all amounts due which are secured by this Deed of Trust. Trustee may postpone the sale of all or any portion of the Property by public announcement at the time and place fixed for such sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the postponement. Following the sale, Trustee shall deliver to the purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recital in such deed of any matters of fact shall be conclusive proof of the truth thereof. Any person, including Borrower, Trustee and Lender may purchase the property at such sale. Trustee shall apply the proceeds of the sale in the following order: (a) to the costs and expenses of exercising the power of sale and of sale, including the payment of the Trustee's and reasonable attorney's fees and costs of title search and report; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons or entity or entities legally entitled thereto, or to the clerk of the superior court of the county in which the sale took place. Lender may, at any time, request cancellation of Trustee's notice of sale, whereupon Trustee shall execute and record, or cause to be recorded, a cancellation of notice of sale in the same county in which the notice of Trustee's sale was recorded. The exercise by Lender of this right shall not constitute a waiver of any default then existing or subsequently occurring.

G. Take action authorized by Paragraph 19 above including the appointment of a receiver to take charge of the Property, collect the rents, issues and profits therefrom, care for and repair the same, improve the same when necessary and desirable, lease and rent the Property or portions thereof (including leases existing beyond the term of receivership), and otherwise use and utilize the Property, and to have such other powers as may be fixed by the court. Borrower specifically agrees that the receiver may be appointed without any notice to Borrower whatsoever, and the court may appoint a receiver with reference to the adequacy or inadequacy of the security, or the solvency or insolvency of the Borrower, and without reference to other matters normally taken into account by courts in the discretionary appointment of receivers, it being the intention of Borrower to hereby authorize the appointment of a receiver when Borrower is in default and Lender has requested the appointment of a receiver. Borrower hereby agrees and consents to the appointment of the particular person or firm (including an officer or employee of Lender) designated by Lender as receiver and hereby waives its rights to suggest or nominate any person or firm as receiver in opposition to that designated by Lender.

(page 6 of 7)

20041411280

No remedy herein provided shall be exclusive of any other remedy which now exists or which may hereafter exist by law. Every power or remedy hereby given to Trustee or to Lender or to which either of them may be otherwise entitled, may be exercised from time to time and as often as may be deemed expedient by them, and either of them may pursue inconsistent remedies. If Lender holds any additional security for any obligation secured hereby, it may enforce the sale thereof at its option, either before or contemporaneously with, or after the sale is made hereunder, and on any default of Borrower, Lender may, at its option, offset against any indebtedness owing by it to Borrower, the whole or any part of the indebtedness secured hereby, and the Lender hereby authorized and empowered at its option without any obligation so to do, and without affecting the obligation hereof, to act toward the payment of any indebtedness of the Borrower to the Lender, any and all sums of money of Borrower which the Lender may have in its possession or under its control.


In the event of default, should it become necessary for Trustee or Lender, by its election to pursue any of the remedies hereinabove prescribed, either personally or through agents, managers or receivers, to enter upon and take possession of the Property or any part thereof, and collect rents, issues, profits, earnings or income therefrom, Trustee or Lender shall be entitled to receive compensation for its management a fee equal to five percent (5 %) of all such revenues collected therefrom.

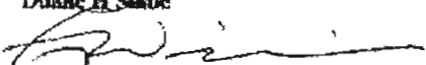
21. RELEASE. Upon payment of all sums secured by this Deed of Trust, Lender shall release this Deed of Trust with charge to Borrower. Borrower shall pay all costs of recordation and reasonable charges of the Trustee.

22. SUBSTITUTE TRUSTEE. Lender may, for any reason or cause, from time to time remove Trustee and appoint Successor Trustee to any Trustee appointed hereunder. Without conveyance of the Property, the Successor Trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.


23. TIME OF ESSENCE. Time is of the essence of each covenant in this Deed of Trust.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust.



Duane H. Slade


Guy A. Williams

Las Sendas 36 LLC, an Arizona Limited Liability Co
A Limited Liability Company


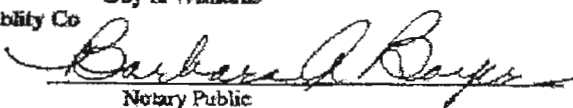
Scott J. Johnson
Member

STATE OF Arizona , Maricopa COUNTY SS:

On this 24th day of November, 2004 before me, a Notary Public in and for said County and State,

personally appeared Scott J Johnson
Duane H Slade
OF, Las Sendas 36 LLC, an Arizona Limited Liability Co
A Limited Liability Company
on behalf thereof.

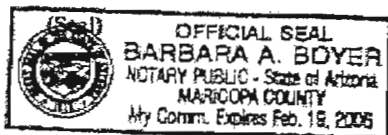
Guy A Williams



Barbara A. Boyer
Notary Public

My Commission Expires:

Page 7 of 7



DUSSIDED7.FRM (2/03)

9426768
LAS SENDAS 36 L

EXHIBIT D

01394309-243

10184

WORLD SPORTS FANS, LLC.
1819 E. SOUTHERN SUITE D-10
MESA, AZ 85204

NORTHERN TRUST BANK, N.A.
AT SA OFFICE

9/27/2004

91 481-1221

PAY TO THE ORDER OF Transmission Title

\$5,000.00

Five Thousand and 00/100

DOLLARS

Transmission Title

MEMO

⑆010184⑆⑆⑆222105210⑆

⑆LEAD008233⑆

⑆0000500000⑆

9/30/04

10184

5,000.00

EXHIBIT E

WORLD SPORTS FANS, L.L.C.
1818 E. SOUTHERN, SUITE D-10
MESA, AZ 85204

NORTHERN TRUST BANK, N.A.
MESA OFFICE

10193

PAY TO THE
ORDER OF MALL BANK

MALL BANK

Three Hundred Ninety-Eight and 10/100

\$ 398.00

DOLLARS

9426768

MEMO

⑆010193⑆⑆⑆22105210⑆

⑆4811008233⑆

⑆0000039800⑆

11/19/04

10193

298 00

EXHIBIT F

WORLD SPORTS FANS, LLC.

1819 E SOUTHERN SUITE D-10
MESA, AZ 85204

NORTHERN TRUST BANK, N.A.
MEMO OFFICE

10194

11/12/2004

91 421 1/21

PAY TO THE ORDER OF Guy Williams

\$ 25,000.00

DOLLARS

Guy Williams

Twenty-five Thousand and 00/100

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⑆511008233⑆

11/12/04

10194

25,000.00

WORLD SPORTS FANS, LLC.
1819 E. SOUTHERN SUITE D-10
MESA, AZ 85204

NORTHERN TRUST BANK, N.A.
MESA OFFICE

10195

81-521-1271
11/12/2004

PAY TO THE ORDER OF: Duane Stude

\$25,000.00

Twenty-Five Thousand and 00/100

DOLLARS

Duane Stude

METKO

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11/15/04

10195

25,000.00

EXHIBIT G

Mathon Management Company, LLC

6816 E. Brown Road Mesa, AZ 85207

480-558-8400

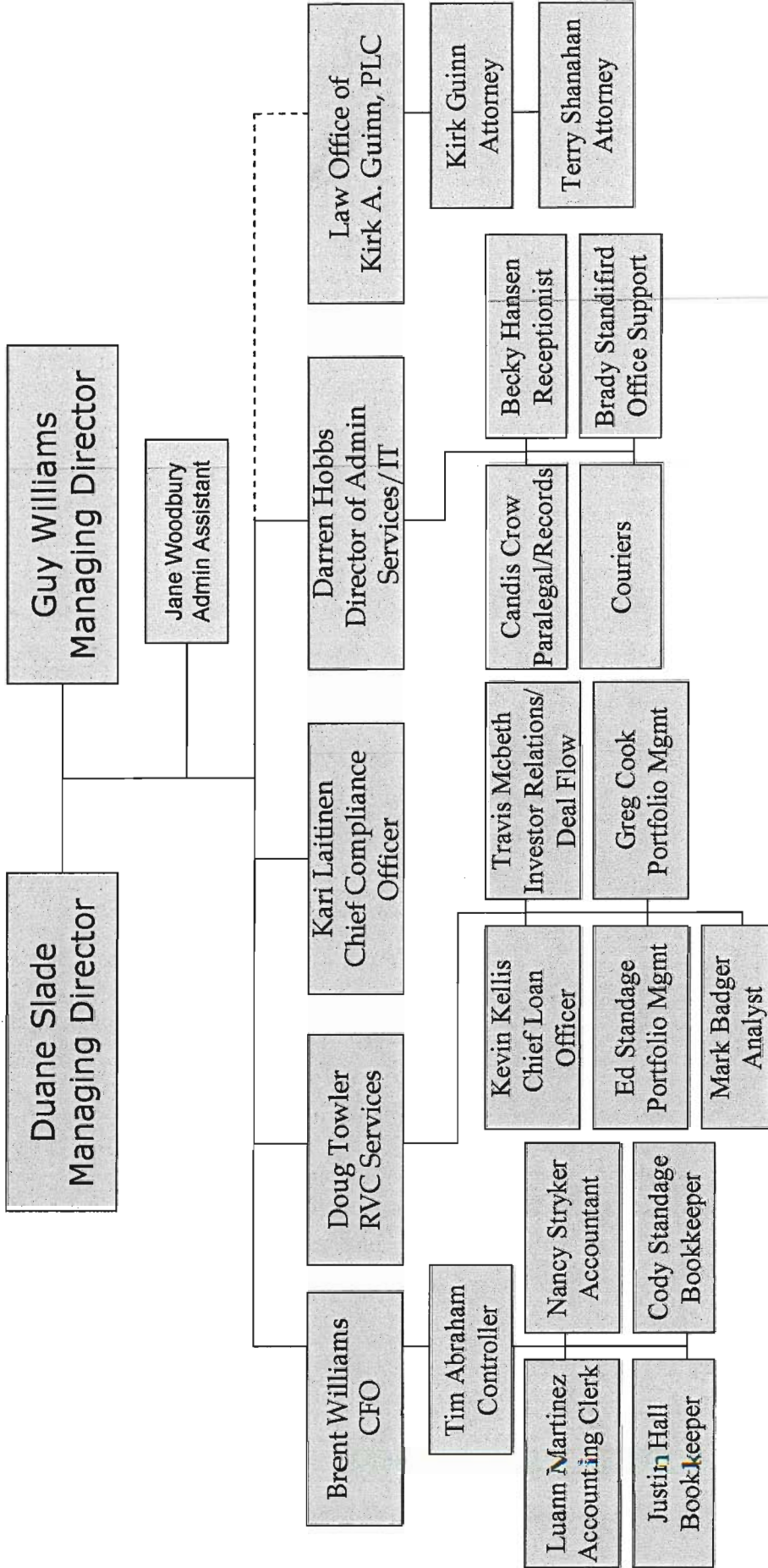


EXHIBIT H

10/7/2004

LandAmerica Lawyers Title

**51,592.12

Fifty-One Thousand Five Hundred Ninety-Two and 12/100*****

LandAmerica Lawyers Title
PO Box 52159
Phoenix, AZ 85072-2159

buy two new buildings, remainder sent from MFI B o A

LandAmerica Lawyers Title

10/7/2004

buy two new buildings
buy two new buildings

25,796.06
25,796.06

Northern Trust 8233 buy two new buildings, remainder sent from MFI

51,592.12

LandAmerica Lawyers Title

10/7/2004

buy two new buildings
buy two new buildings

25,796.06
25,796.06

Northern Trust 8233 buy two new buildings, remainder sent from MFI

51,592.12

10192

NORTHERN TRUST BANK, N.A.
MESA OFFICE

91-001-1271

11/1/2004

WORLD SPORTS FANS, LLC.

1819 E. SOUTHERN SUITE D. 10
MESA, AZ 85204

PAY TO THE
ORDER OF

Forward Design, LLC

\$4,853.10

DOLLARS

Four Thousand Eight Hundred Fifty Three and 10/100

Forward Design, LLC
4040-18 E. McKellips Rd.
Mesa, AZ 85205

MEMO

Rebilling 3 - Nov. pymt

⑆010142⑆⑆⑆22105210⑆

⑆511008231⑆

⑆0000485310⑆



11/02/04

10192

4,853.10

10210

NORTHERN TRUST BANK, N.A.
MESA OFFICE

WORLD SPORTS FANS, LLC.
1818 E. SOUTHERN, SUITE D-10
MESA, AZ 85204

91431-1221

12/1/2004

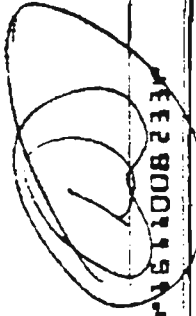
\$ 4,853.10

PAY TO THE ORDER OF Forward Design, LLC

DOLLARS

Four Thousand Eight Hundred Fifty-Three and 10/100

Forward Design, LLC
4040-18 E. McMillen Rd.
Mesa, AZ 85205



MEMO

⑆0000485310⑆

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⑆15100823⑆

12/13/04 10210 4,853.10

10228

NORTHERN TRUST BANK, N.A.
MESA OFFICE

WORLD SPORTS FANS, LLC.
1819 E. SOUTHERN, SUITE D-10
MESA, AZ 85204

91-521-1221
1/31/2005

\$ 4,853.10

PAY TO THE ORDER OF Forward Design, LLC

DOLLARS

From Thousand Eight Hundred Fifty-Three and 10/100

Forward Design, LLC
4040-18 E. McKellen Rd.
Mesa, AZ 85205

MEMO HOA FEES

⑆0000485310⑆

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2/09/05

10228

4,853.10

10235

NORTHERN TRUST BANK, N.A.
MESA OFFICE

WORLD SPORTS FANS, LLC.
1819 E. SOUTHERN, SUITE D-10
MESA, AZ 85204

91 821-1271

3/3/2005

Forward Design, LLC

PAY TO THE
ORDER OF

\$ 4,853.17

DOLLARS

Four Thousand Eight Hundred Fifty-Three and 17/100

Forward Design, LLC
4040-18 E. McJannet Rd.
Mesa, AZ 85205

MEMO March payroll

⑆0000485317⑆

⑆1611996233⑆

⑆010235⑆

3/04/05

10235

4,853.17