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BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-11-0230

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:

**HERITAGE PACIFIC FINANCIAL, LLC;
HPAC 18, LLC; AND CHRIS GANTER**

RESPONDENTS

REQUEST FOR CEASE AND DESIST ORDER

The Staff of the Arkansas Securities Department (“Staff”) has received information and has in its possession certain evidence indicating that Heritage Pacific Financial, LLC; HPAC 18, LLC; and Chris Ganter have violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. §§ 23-42-101 through 23-42-509.

ADMINISTRATIVE AUTHORITY

1. This matter is brought in connection with violations of the Act and is therefore properly before the Arkansas Securities Commissioner (“Commissioner”) in accordance with Ark. Code Ann. § 23-42-209.

RESPONDENTS

2. Heritage Pacific Financial, LLC (“HPF”) is a limited liability company organized and existing under the laws of Texas. The Certificate of Formation for HPF was filed with the Office of the Texas Secretary of State on March 26, 2009, and lists its main business address as 2200 K Avenue, # 100, Plano, Texas 75074. HPF has never been registered with the Arkansas Securities Department (“Department”) in any capacity pursuant to the Act.

3. HPAC 18, LLC (“HPAC”) is a limited liability company organized and existing under the laws of Texas. The Certificate of Formation for HPAC was filed with the Office of the Texas Secretary of State on November 25, 2009, and lists its main business address as 2200 K

Avenue, Suite 200, Plano, Texas 75074. HPAC has never been registered with the Department in any capacity pursuant to the Act.

4. Chris Ganter (“Ganter”) is the managing member and chief executive officer for both HPF and HPAC. Ganter has never been registered with the Department in any capacity pursuant to the Act.

FACTS SUPPORTING REQUEST FOR CEASE AND DESIST ORDER

5. HPF and HPAC purchase delinquent second-lien debt from the primary market then package and sell the debt to individual investors. The companies take the debt package purchased by one investor, pool it together with the debt portfolios of other investors, collect the monies owed on the individual debts contained in the pool, and then distribute the collections to the individual investors in the pool on a pro rata basis. These companies collectively have a website located at <http://www.hpdebtxchange.com> where the entire purchase, sale, and collection operation is described in detail and referred to as “HP Debt Exchange.” The marketing material on the website home page generally describes the operation and provides the following:

HP Debt buying gets your money off the sidelines and working for you again.

Right now, billions of dollars of non-performing consumer loans are available for purchase below face value. HP Debt buys these distressed loans. Then we collect on them. Thanks to unique current market conditions and our experience with real estate collections, we’re able to take advantage of the debt opportunity for our client partners.

6. The “HP Debt Exchange” website promises the opportunity for large returns to potential investors. Particularly, the site claims to offer investors “the returns of a lifetime” while characterizing the investment as a “brief, low-risk opportunity.” Copies of the referenced

pages on the website have been attached hereto as composite Exhibit "A" and are incorporated herein by reference for all purposes.

7. The Respondents structure the loan sale and servicing transactions with investors by way of two written agreements. The investor signs a "Mortgage Loan Sale Agreement" ("sale agreement") with HPAC which states the purchase price for the loan package and identifies the specific loans being purchased by the investor. In conjunction with the sale agreement, the investor simultaneously signs a "Management & Servicing Agreement" ("servicing agreement") with HPF which incorporates the loan package identified in the sale agreement. Under the servicing agreement, the loans purchased through the sale agreement are bundled into a "portfolio" and placed into an "HPAC Collection Pool" ("pool"), together with the portfolios of other investors. HPF services the collection of payments owed on the debts in each pool then makes pro rata distributions to the investors in that pool, while retaining a percentage of the collections as profit.

8. The return for each investor is dependent solely upon the efforts of the Respondents. The terms of the servicing agreement dictate that the Respondents will have sole discretion over collections, with the "Management & Servicing" section of the agreement providing as follows:

Client agrees that Servicer will manage the collection process on behalf of Client. Servicer, in its sole discretion, will determine which combination of internal and external collection resources to employ. Client acknowledges and agrees that Servicer shall make decisions, manage, service and collect, on Client's Portfolio as part of the HPAC Collection Pool, based on the best interest of the HPAC Collection Pool and not as to the individual interest of any debt portfolio comprising the HPAC Collection Pool.

9. On or about September 13, 2010, Respondents sold Arkansas Resident One ("AR1") a package of second-lien debt for \$50,000.00. AR1 entered into a sale agreement with

HPAC, which was executed by Ganter in his capacity as chief executive officer for the company. As part of the sale transaction, AR1 simultaneously entered into a servicing agreement with HPF, whereby the loans purchased in the sale agreement were placed in a pool with the portfolios of other investors. Ganter signed the servicing agreement as chief executive officer on behalf of HPF. Copies of the sale agreement and servicing agreement entered into between the Respondents and AR1 have been attached hereto as composite Exhibit "B" and are incorporated herein by reference for all purposes.

10. On or about September 13, 2010, Respondents sold Arkansas Resident Two ("AR2") a package of second-lien debt for \$50,000.00. AR2 entered into a sale agreement with HPAC, which was executed by Ganter in his capacity as chief executive officer for the company. As part of the sale transaction, AR2 simultaneously entered into a servicing agreement with HPF, whereby the loans purchased in the sale agreement were placed in a pool together with the portfolios of other investors. Ganter signed the servicing agreement as chief executive officer on behalf of HPF. AR2 was unable to locate the signed servicing agreement but informed the Staff that the servicing agreement entered into was identical in nature to that entered into by AR1. A copy of the sale agreement entered into between the Respondents and AR2 has been attached hereto as Exhibit "C" and is incorporated herein by reference for all purposes.

11. On or about September 13, 2010, Respondents sold Arkansas Resident Three ("AR3") a package of second-lien debt for \$50,000.00. AR3 entered into a sale agreement with HPAC, which was executed by Ganter in his capacity as chief executive officer for the company. As part of the sale transaction, AR3 simultaneously entered into a servicing agreement with HPF, whereby the loans purchased in the sale agreement were placed in a pool together with the portfolios of other investors. Ganter signed the servicing agreement as chief executive officer on

behalf of HPF. Copies of the sale agreement and servicing agreement entered into between the Respondents and AR3 have been attached hereto as composite Exhibit “D” and are incorporated herein by reference for all purposes.

12. On or about September 13, 2010, Respondents sold Arkansas Resident Four (“AR4”) a package of second-lien debt for \$50,000.00. AR4 entered into a sale agreement with HPAC, which was executed by Ganter in his capacity as chief executive officer for the company. As part of the sale transaction, AR4 simultaneously entered into a servicing agreement with HPF, whereby the loans purchased in the Sale Agreement were placed in a pool together with the debts purchased by other investors. Ganter signed the servicing agreement as chief executive officer on behalf of HPF. While AR4 was unable to retrieve a copy of the servicing agreement, AR4 sent an e-mail to the Staff confirming that the servicing agreement entered into was the same as that entered into by AR3. A copy of the sale agreement entered into between the Respondents and AR4, as well as a copy of the e-mail from AR4 confirming the existence of a servicing agreement, have been attached hereto as composite Exhibit “E” and are incorporated herein by reference for all purposes.

13. With regard to the subject transactions described herein, a search of Department records by the Staff revealed no registration or proof of exemption in accordance with the Act and no notice filing in accordance with federal law in connection with a covered security.

APPLICABLE LAW

14. The Act was promulgated to protect investors and utilizes a broad and flexible definition of a security to determine which transactions fall under the Act’s jurisdiction. *Carder v. Burrow*, 327 Ark. 545, 549 (1997). Whether the subject transactions constituted securities transactions under the Act depends not upon labels or titles, but upon consideration of all

relevant facts. See *Grand Prairie Sav. and Loan Ass'n, Stuttgart v. Worthen Bank and Trust Co.*, 298 Ark. 542, 545 (1989) (quoting *Schultz v. Rector-Phillips-Morse, Inc.*, 261 Ark. 769, 777 (1977)).

15. Ark. Code Ann. § 23-42-102(15)(A)(xi) includes investment contracts under the Act's definition of a security.

16. A security in the form of an investment contract exists when a transaction is an investment in the risk capital of a venture with an expectation of benefits but with a lack of control on the part of the investor. See *Smith v. State*, 266 Ark. 861, 865 (Ark. App. 1979); *Carder*, 327 Ark. at 549; see also *Securities and Exchange Comm'n v. W.J. Howey Co.*, 328 U.S. 293, 298-99 (1946) (“[A]n investment contract . . . means a contract, transaction or scheme whereby a person invests his money in a common enterprise and is led to expect profits solely from the efforts of the promoter or a third party”); *Grand Prairie Sav. and Loan Ass'n*, 298 Ark. at 545 (noting that the test used in *Smith* is substantially the same as the *Howey* test used in the federal courts).

17. In *Grand Prairie Sav. and Loan Ass'n*, 298 Ark. at 545, the Arkansas Supreme Court noted that the Arkansas test for a security is substantially the same test used in the federal courts and set forth in *Howey*. However, in *Schultz*, the Arkansas Supreme Court rejected an express adoption of the *Howey* test in favor of a more flexible case-by-case analysis. The Court held that the definition of a security under the Act should not be given narrow construction (as in *Howey*) but that “it is better to determine in each instance from a review of all the facts, whether an investment scheme or plan constitutes an investment contract . . . within the scope of the statute.” *Schultz*, 261 Ark. at 781.

18. Ark. Code Ann. § 23-42-102(9) defines issuer as any person who issues any security.

19. Ark. Code Ann. § 23-402-301(a) provides that it is unlawful for any person to transact business as an agent of an issuer of securities without first being registered as such pursuant to the Act.

20. Ark. Code Ann. § 23-42-501 provides that it is unlawful for any person to offer or sell any security unless it is registered, exempt, or a covered security.

CONCLUSIONS OF LAW

21. The subject sale and servicing transactions whereby loan portfolios were sold to investors then placed into collection pools with the portfolios of other investors are investment contracts under Ark. Code Ann. § 23-42-102(15)(A)(xi). Under the risk capital test set forth in *Smith*, the sale transactions were advertised, offered, and sold on the premise that investors would receive economic benefits in the form of large returns on their principal investment. The investors contributed to the risk capital of the venture. The money invested was always subject to the risk that the Respondents would not fulfill promises and investors would not receive the return advertised. The investors had no control over the collection process necessary to generate returns on the investment. There is no other set of laws or regulations which offer protection to investors other than the applicable securities laws. When considering all relevant facts under *Schultz* and *Grand Prairie Sav. and Loan Ass'n*, the transactions were packaged, advertised, marketed, and sold as the types of investments that the Act is intended to govern, for many of the same reasons set forth above. Therefore, the subject transactions are investment contracts under Ark. Code Ann. § 23-42-102(15)(A)(xi).

22. None of the securities sold by HPF, HPAC, and Ganter to AR1 through AR4 were registered with the Department, exempt from registration with the Department, or a covered security. Therefore, HPF, HPAC, and Ganter violated Ark. Code Ann. § 23-42-501 when they were involved in sales of securities to AR1 through AR4.

23. HPAC and HPF are both defined as an issuer by Ark. Code Ann. § 23-42-102(9). The facts set out above demonstrate that Ganter represented HPAC and HPF in effecting or attempting to effect purchases or sales of securities to AR1 through AR4. Therefore, Ganter acted as an unregistered agent of an issuer in violation of Ark. Code Ann. § 23-42-301(a).

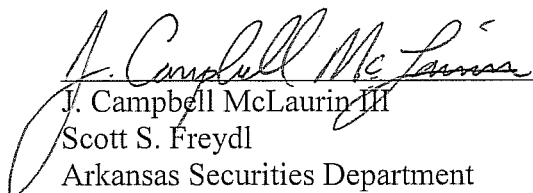
LEGAL AUTHORITY TO ISSUE CEASE AND DESIST ORDER

24. Ark. Code Ann. § 23-42-209(a)(1)(A) provides that whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the Commissioner, that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Act, or any rule or order under the Act, the Commissioner may summarily order the person to cease and desist from the act or practice.

PRAYER FOR RELIEF

WHEREFORE, the Staff respectfully requests that the Commissioner summarily order Heritage Pacific Financial, LLC; HPAC 18, LLC; and Chris Ganter to immediately cease and desist from offering and/or selling securities to residents of the State of Arkansas until such time as the securities in question and the entities and persons offering and selling the securities are all properly registered under the Arkansas Securities Act; and, for all other relief to which the Staff may be entitled.

Respectfully Submitted,

A handwritten signature in cursive script, reading "J. Campbell McLaurin III". The signature is written in black ink and is positioned above the printed name.

J. Campbell McLaurin III

Scott S. Freydl

Arkansas Securities Department

Heritage West Building, Suite 300

201 East Markham Street

Little Rock, Arkansas 72201

Counsel for the Staff



Assistance is always available - 972-996-5100 or email us



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"Distressed opportunity in the US is shaping up to be the best opportunity in a lifetime"
 - Billionaire hedge-fund manager, John Paulson

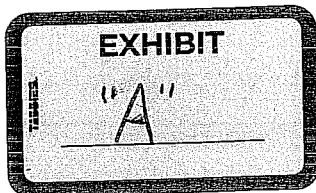
Right now, billions of dollars of non-performing consumer loans are available for purchase below face value.

HP Debt buys these distressed loans. Then we collect on them. Thanks to unique current market conditions and our experience with real estate collections, we're able to take advantage of the debt opportunity for our client partners.



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HP Debt Exchange: The smart and simple way to buy and profit from debt.

HP Debt Exchange's end-to-end debt buying services make it easy.

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With HP Debt, everyone wins: Great returns for investors and a Fresh Start for debtors

HP Debt buying is a powerful mechanism for restoring economic stability while helping banks, debtors, and our client partners improve their financial standing:

- Partners are able to participate in the debt opportunity.
- Banks profit by selling us loans they've already written off.
- Debtors obtain innovative, lower-payoff deals that make them whole again quickly.

Our innovative **Fresh Start Program** helps debtors begin again without the baggage of old liens or bad credit history - while we offer our client partners the returns of a lifetime.

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Contact an expert debt Consultant now.

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HP Debt Exchange: The smart and simple way to buy and profit from debt.

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How HP client partners get involved in alternative investments that the banks don't want: Buying and collecting on 2nd lien non-performing consumer debt

"This is an unprecedented time in the industry where we can improve the financial position of consumers and make a solid investment simultaneously" - HP Debt Partner

HP Debt Exchange helps you find new investments by specializing in "non-performing 2nd lien" consumer debt. "Non performing" means that the borrower has stopped paying on his/her obligation. "Second lien" means we don't have the right to sell the asset to recover the debt - that belongs to the first lien holder.

Why do we prefer 2nd lien non-performing debt? Lots of reasons:

- It's an incredibly alternative investment. Because there is so much of it right now and the banks who own this debt are clearing their books, we are able to help our partners acquire this debt through our existing relationships.
- Collection is fast, which means returns come quickly. "Performing" loans take years to pay off as the borrower continues to pay on time, month after month. We make non-performing loans perform faster by negotiating settlements or buyouts up front. Returns can be realized within a short time and helps the borrower clean up their debt burdens well below their unpaid balances.
- There are no hidden costs. In a foreclosure or repossession, first-lien holders can end up owning the secured property. That may sound good - but as owners, they have to pay taxes, sales or management expenses, and other costs. Second-lien holders never encounter these headaches. The initial purchase price of the debt is all we ever owe.

The current bad economic climate is creating a tsunami of non-performing 2nd lien debt. Since 2004, about \$600 billion of 2nd lien debt has been written. To date, only about \$100 billion of this has come to the debt buying market. In the next 9 months to a year, another \$400 billion is projected.

Right now, prices are very favorable. However, as the pools become bigger and larger institutional investors begin to enter this alternative investment market, debt prices will increase and the opportunity will decline. Right now is the brief, low-risk opportunity for our client partners.

Contact an Expert

Contact an expert debt consultant now.

☎ 972-996-5100

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MORTGAGE LOAN SALE AGREEMENT

This MORTGAGE LOAN SALE AGREEMENT ("Agreement") is entered into and effective on September 13, 2010, by and between HPAC 18 LLC ("Seller") and ("Buyer").

Article 1. Agreement to Sell and Purchase Mortgage Loans. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Mortgage Loans described in the Mortgage Loan Schedule attached hereto as Exhibit A (hereinafter "Mortgage Loans") and made a part hereof by reference, subject to the terms, provisions, conditions, limitations, waivers and disclaimers set forth in this Agreement.

Article 2. Purchase Price/Payment. On or before September 13, 2010 (hereinafter "Closing Date") and Buyer's receipt of the fully executed Mortgage Loan Sale Agreement and Bill of Sale, Buyer shall pay to Seller by wire transfer in immediately available funds to the account designated by Seller, the purchase price of \$ 50,000.00 (hereinafter "Purchase Price") for those Mortgage Loans shown on Exhibit A. Upon completion of said wire transfer to Seller's designated account, Buyer shall own the Mortgage Loans, free and clear of any lien or encumbrance whatsoever. Upon confirmation of receipt of the wire transfer, Seller shall commence the transfer of the Mortgage Loans and documents as more fully set forth in Article 3.

Article 3. Transfer of Mortgage Loans. The Mortgage Loans shall be transferred and assigned pursuant to the Bill of Sale, in the form attached hereto as Exhibit B and made a part hereof by reference, which Bill of Sale shall sell, transfer, assign, set-over, quitclaim and convey to Buyer all right, title and interest of Seller in and to each of the Mortgage Loans sold. On the Closing Date, or such date as may be mutually agreed upon by Seller and Buyer, Seller shall execute and deliver to Buyer the Bill of Sale and such other documents as are proper, appropriate or reasonably necessary for the legal transfer and/or negotiation of its right, title and interest in and to the Mortgage Loans purchased pursuant to this Agreement.

Article 4. Transfer of Documents. Within three (3) Business Day of the Closing Date, Seller agrees to provide Buyer with the following documentation with respect to the Mortgage Loans: (i) the original Mortgage Note in the collateral file and if such note is not in the collateral file, an affidavit of lost note with a copy of the note as an exhibit, (ii) the original Mortgage in the collateral file and if such Mortgage is not in the collateral file, a copy of the Mortgage, (iii) originals or copies, to the extent the same are in Seller's possession, of any other document or instrument executed by an Obligor in connection with the original funding or any subsequent modification of any of the Mortgage Loans, and (iv) any and all other documents and instruments in Seller's possession related to any of the Mortgage Loans, even though not executed or delivered by an Obligor (e.g., originals or copies of any title policies insuring the lien of any Mortgage).

Article 5. Due Diligence. Buyer has had the opportunity to conduct such due diligence review and analysis of the Mortgage Loan Documents files and related information, together with such records as are generally available to the public from local, county, state and federal authorities, record-keeping offices and courts (including, without limitation, any bankruptcy courts in which any Obligor(s), guarantor or surety, if any, may be subject to any pending bankruptcy proceedings), as the Buyer deemed necessary, proper or appropriate in order to make a complete informed decision with respect to the purchase and acquisition of the Mortgage Loans. Buyer is aware of the level of and form of documentation with respect to each Mortgage Loan and takes each Mortgage Loan with the knowledge that such documentation may be incomplete or inaccurate.

Article 6. Economic Risk. The transactions contemplated by this Agreement are not intended in any way to constitute the sale of a "security" or "securities" within the meaning of any applicable securities laws, and none of the representations, warranties or agreements of the Buyer shall create any inference that the transactions involve any "security" or "securities". Buyer acknowledges, understands and agrees that the acquisition of these Mortgage Loans involves a high degree of risk and is suitable only for persons or entities of substantial financial means that have no need for liquidity and who can hold the Mortgage Loans indefinitely or bear the partial or entire loss of value.

Article 7. No Representations or Warranties. Buyer is a sophisticated investor and its bid and decision to purchase the Mortgage Loans are based upon its own independent expert evaluations of the Mortgage Loans, the Mortgage Loan Documents and other materials made available by Seller and deemed relevant by Buyer and its agents. Buyer has not relied in entering into this Agreement upon any oral or written information from Seller, or any of its respective employees, affiliates, agents or representatives, other than the representations and warranties of Seller contained herein. Buyer has had an opportunity to perform an examination of the Mortgage Loans and to become aware of the physical condition of the Mortgaged Properties and the security interest on the Mortgage Properties (or the lack thereof with respect to the Mortgage Loans). Buyer further acknowledges that no employee or representative of Seller has been authorized to make, and that Buyer has not relied upon, any statements or representations other than those specifically contained in this Agreement. WITHOUT LIMITING THE FOREGOING, BUYER ACKNOWLEDGES THAT, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, SELLER HAS MADE NO REPRESENTATIONS OR WARRANTIES AS TO THE MORTGAGE LOANS (INCLUDING WITHOUT LIMITATION, THE VALUE, MARKETABILITY, WHETHER NOT A SECURED MORTGAGE LOAN IS, IN FACT, SECURED BY A MORTGAGED PROPERTY, CONDITION OR FUTURE PERFORMANCE THEREOF, THE EXISTENCE OF LEASES OR THE STATUS OF ANY TENANCIES OR OCCUPANCIES WITH RESPECT THERETO, THE APPLICABILITY OF ANY RENT CONTROL OR RENT STABILIZATION LAWS OR THE COMPLIANCE OR LACK OF COMPLIANCE THEREOF WITH ANY LAWS (INCLUDING WITHOUT LIMITATION, ENVIRONMENTAL, LAND USE OR OCCUPANCY LAWS)). Additionally, Buyer acknowledges that Seller makes no warranty or representation, express or implied, or arising by operation of law, including, but not limited to, any warranty of condition, habitability, merchantability, or fitness for a particular purpose of the Mortgaged Properties or any portion thereof, or with respect to the environmental or physical condition of such Mortgaged Properties. Seller hereby specifically disclaims any warranty, guaranty or representation, oral or written, past, present or



future, of, as, to, or concerning (i) the presence or absence of any environmentally toxic or hazardous substances on, in or under the Mortgaged Properties or on, in or under any property adjacent to such Mortgaged Properties or (ii) the manner of construction or condition or state of repair or lack of repair of any improvements located thereon. Buyer has decided to forego any effort to inspect the Mortgaged Properties and hereby agrees to purchase the Mortgage Loans after taking into account the risks inherent in foregoing any such inspections, Buyer recognizing that those Mortgaged Properties which secure certain of the Mortgage Loans constitute security in favor of Buyer only in their "as is" condition "with all faults" as of the date hereof. Buyer acknowledges that the Mortgage Loans (including the loan documents) may have limited or no liquidity, that a Secured Mortgage Loan may be unsecured, and Buyer has the financial wherewithal to own the Mortgage Loans for an indefinite period of time and to bear the economic risk of an outright purchase of the Mortgage Loans and a total loss of the Purchase Payment for the Mortgage Loans. Buyer acknowledges and agrees that Seller has not and does not represent, warrant or covenant the nature, accuracy, completeness, enforceability or validity of any of the Mortgage Loans, the related loan documents, or any information or documents made available to Buyer or its counsel, accountants or advisors in connection with the Mortgage Loans and, all documentation, information, analysis and/or correspondence, if any, which is or may be sold, transferred, assigned and conveyed to Buyer with respect to any and all Mortgage Loans is sold, transferred, assigned and conveyed to Buyer on an "AS IS, WHERE IS" basis, WITH ALL FAULTS. Seller makes no representations and warranties other than those set forth in this Agreement. Buyer is aware that (i) the Mortgage Loans are delinquent, (ii) the originating lenders' efforts to collect the delinquencies have been unsuccessful, and (iii) with respect to the Unsecured Mortgage Loans, all liens have been extinguished (and possibly some of the liens have been extinguished with respect to the Secured Mortgage Loans), and thus the Buyer acknowledges that the Purchase Price has been adjusted accordingly. Therefore, and subject only to the representations and warranties set forth in this Agreement, the Mortgage Loans are being sold to Buyer on an AS-IS, WHERE-IS basis and Seller has made no additional representations or warranties, expressed or implied, as to the Mortgage Loans.

Article 8. Governing Law, Waiver of Jury Trial, Attorney's Fees. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas, without reference to the choice of law principles thereof, by a court of competent jurisdiction in Dallas County, Texas. EACH OF THE PARTIES HERETO WAIVES ITS RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREBY OR THEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY PARTY AGAINST THE OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE, EACH OF THE PARTIES HERETO AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS PARAGRAPH AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. If either party becomes involved in litigation (including bankruptcy proceedings), arbitration or other proceedings arising out of or relating to this Agreement, the court or arbitrator in arbitration shall award legal expenses (including, without limitation, reasonable attorney's fees, court costs and other legal expenses) to the prevailing party.

Article 9. Severability. In the case any provision in this Agreement shall be found by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be construed and enforced as if it had been more narrowly drawn so as not to be invalid, illegal or unenforceable, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

Article 10. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns.

IN WITNESS WHEREOF, each of the undersigned parties to this Agreement has caused this Agreement to be duly executed in its name by one of its duly authorized officers or members, all as of the date first written above.

BUYER:

Jerry Adams

SEOC86B4DEB64A1...
DocuSigned By: [Redacted]

By: _____

By: _____

Title: _____

SELLER:

HPAC 18 U/G

101ADFF70B2F4647A...
Chris Ganter
DocuSigned By: Chris Ganter

By: _____

By: Chris Ganter _____

Title: CEO _____

MANAGEMENT & SERVICING AGREEMENT

This MANAGEMENT & SERVICING AGREEMENT (this "Agreement") made and entered into by and between [redacted] ("CLIENT"), and Heritage Pacific Financial ("SERVICER") (collectively, the "Parties"). The Parties agree to each and all of the terms and conditions described herein.

1. Definitions. The following definitions shall apply unless expressly stated otherwise in any provision:

- a. "Client's Portfolio" means the group of accounts/loans identified in attached Exhibit "A" that are subject to this Agreement and owned by Client.
- b. "HPAC Collection Pool" means the group of debt portfolios that are subject to this Agreement and/or an agreement substantially similar to this Agreement.
- c. "Client's UPB" means the sum of the unpaid balance (UPB) of the loans comprising Client's Portfolio.
- d. "Pool UPB" means the sum of the unpaid balance (UPB) of all the loans comprising the HPAC Collection Pool.
- e. "Net Proceeds" means the total of all monies collected by Servicer on behalf of each and every account in the HPAC Collection Pool, less Servicing Fees as described in this Agreement.
- f. "HPAC Collection Pool Fund" means the account held by Servicer on behalf of each and every client whose debt portfolios comprise the HPAC Collection Pool, in which Net Proceeds are deposited until monies in the HPAC Collection Pool Fund are distributed in accordance with this Agreement.
- g. "Client's Pro Rata Share" means the percentage share of which Client's Portfolio has in the total HPAC Collection Pool based upon the following calculation: Client's UPB/Pool UPB = Client's Pro Rata Share.
- h. "Servicing Commencement Date" the first day of the month immediately following the date on which this Agreement is executed.

2. Term. The term of this Agreement shall begin on October 01, 2010 and shall terminate upon the earliest to occur of: (a) all of the loans in Client's Portfolio are settled, collected, sold or otherwise disposed of; or (b) this Agreement is terminated by written notice of either party to this Agreement, delivered to the other party via certified mail, return receipt requested, at that party's last known business address on or before the sixtieth (60th) day before the date on which this Agreement shall terminate.

3. Transfer of Ownership. Client hereby assigns and transfers an undivided one percent (1%) interest in Client's Portfolio to Servicer. Upon termination of this Agreement, Client shall have the first right of refusal in the purchase of Servicer's one percent (1%) interest in Client's Portfolio. Upon termination of this Agreement, Servicer shall, without undue delay, assign and transfer its one percent (1%) interest in Client's Portfolio to Client.

4. HPAC Collection Pool. Client acknowledges and agrees that, in the servicing and/or collection of Client's Portfolio, Client's Portfolio shall be pooled, on the Servicing Commencement Date, with other like and similar debt portfolios ("HPAC Collection Pool"). Client's Portfolio shall remain separate and distinct from the other debt portfolios comprising the HPAC Collection Pool and shall only be pooled for the purposes of servicing, collections, and shared receivables as more particularly described in attached Exhibit A and B which are incorporated herein by reference. Client acknowledges and agrees that no servicing or collections shall be commenced until the Servicing Commencement Date.

5. Management & Servicing. Client agrees that Servicer will manage the collection process on behalf of Client. Servicer, in its sole discretion, will determine which combination of internal and external collection resources to employ. Client acknowledges and agrees that Servicer shall make decisions, manage, service and collect, on Client's Portfolio as part of the HPAC Collection Pool, based on the best interest of the HPAC Collection Pool and not as to the individual interest of any debt portfolio comprising the HPAC Collection Pool. Services to be rendered in accordance with this Agreement include, but not limited to, and all reasonable and necessary actions to collect on the non-performing debt in Client's Portfolio, including but not limited to skip tracing, mail campaigns, negotiations, and legal

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actions, unless otherwise agreed to in writing by and between Client and Servicer.

6. Distribution.

6.1. Date of Distribution. Servicer will distribute the HPAC Collection Pool Fund monthly or quarterly depending on the size of the account. Servicer will send a distribution summary report to Client not more than 10 days after the end of each calendar month.

6.2. Calculations. Client's UPB, Pool UPB, and Client's Pro Rata Share shall be calculated on the first day of each month.

6.3. Amount of Distribution. Client shall be entitled to, and Servicer shall distribute to Client, at Client's last known address in Servicer's records, Client's Pro Rata Share of the gross collections of the HPAC Collection Pool Fund in accordance with the terms of this Agreement ("Distribution Schedule").

7. Servicing Fee.

7.1. Legal Costs. Client shall be liable to reimburse Servicer for all legal fees (including but not limited to attorney's fees, filing fees, service of process fees, recording fees, deposition costs, and the like) that Servicer may have advanced to Client in the servicing and/or collection of any and all accounts in Client's Portfolio (Legal Costs). Said Legal Costs shall be reimbursed to Servicer, deducted and/or withheld from all distributions to which Client may be entitled pursuant to paragraph 6 hereinabove, prior to payment of Servicing Fees to Servicer as set forth hereinbelow.

7.2. Amount of Servicing Fee. The Servicing Fee shall be as follows:

a. Up to and until such time that Client has received the sum total of \$ 50,000.00 ("Conversion Amount") in accordance with the terms of this provision:

1. Servicer shall receive 30% of monies to which Client is entitled pursuant to the Distribution Schedule more particularly described in paragraph 6 hereinabove as Servicing Fees, after Legal Costs (as defined hereinabove in paragraph 7.1) are reimbursed to Servicer; and
2. Client shall receive 70% of monies to which Client is entitled pursuant to the Distribution Schedule more particularly described in paragraph 6 hereinabove after Legal Costs (as defined hereinabove in paragraph 7.1) are reimbursed to Servicer (see attached Exhibit A - Pre-Breakeven Distributions).

b. At such time, and at all times thereafter, when Client has received the sum total of the Conversion Amount from Servicer's efforts:

1. Servicer shall receive 50% of monies to which Client is entitled pursuant to the Distribution Schedule more particularly described in paragraph 6 hereinabove as its Servicing Fee, after Legal Costs (as defined hereinabove in paragraph 7.1) are reimbursed to Servicer; and
2. Client shall receive 50% of monies to which Client is entitled pursuant to the Distribution Schedule more particularly described in paragraph 6 hereinabove (see attached Exhibit C - Post-Breakeven Distributions), after Legal Costs (as defined hereinabove in paragraph 7.1) are reimbursed to Servicer.

c. In the event that the Conversion Amount could be satisfied after the first day of any month and prior to the last day of that same month, then the Servicing Fee shall be calculated as a hybrid of the Servicing Fees set forth hereinabove, to wit (see attached Exhibit B - Near-Breakeven Distributions):

1. The Servicing Fee for all amounts collected that amount up to the Conversion Amount, shall be calculated as set forth hereinabove in paragraph 7.2.a.
2. The Servicing Fee for all amounts collected that month in excess of the Conversion Amount, shall be calculated as set forth hereinabove in paragraph 7.2.b.

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7.3. Payment of Servicing Fee. All Servicing Fees shall be deducted and/or withheld from all distributions to which Client may be entitled pursuant to paragraph 6 hereinabove.

8. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or enforceable provision as may be possible and be legal, valid and enforceable.

9. Counterpart Execution. This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one agreement, but in making proof hereof it shall only be necessary to produce one such counterpart.

10. Texas Law to Apply. This Agreement shall be construed under and in accordance with the substantive laws of the State of Texas, and all obligations of the parties created hereunder are performable in Dallas County, Texas.

11. Heading. The headings used in this Agreement are used for administrative purposes only and do not constitute substantive matter to be considered in construing the terms of this Agreement.

12. Parties Bound. This Agreement contains the entire understanding between the parties and supersedes any prior understandings or written or oral agreements, representations or warranties between them respecting the within subject matter. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

13. Amendment. This Agreement may be amended or modified, in writing, by the parties.

IN WITNESS WHEREOF, this Agreement is effective 9/13/2010

CLIENT:



By: _____

Title: _____

Date: _____

SERVICER:

HERITAGE PACIFIC FINANCIAL LLC

By: Chris Ganter

Title: ceo

Date: 9/13/2010

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Exhibit A - Pre-Breakeven Distributions

Investment Over Time

HPAC Investors	Month M			Month N		
	UPB	Investment	% of Total	UPB	Investment	% of Total
RI 1	\$40,000,000	\$400,000	57.1%	\$40,000,000	\$400,000	20.0%
RI 2	\$5,000,000	\$50,000	7.1%	\$5,000,000	\$50,000	2.5%
RI 3	\$25,000,000	\$250,000	35.7%	\$25,000,000	\$250,000	12.5%
RI 4				\$30,000,000	\$300,000	15.0%
RI 5				\$100,000,000	\$1,000,000	50.0%
Total	\$70,000,000	\$700,000	100.0%	\$200,000,000	\$2,000,000	100.0%

Gross Collections Over Time

	Month M	Month N
Gross	\$72,000	\$210,000
Legal Fees	\$2,000	\$10,000
Subtotal	\$70,000	\$200,000
Net @ 70%	\$49,000	\$140,000
Net @ 50%	\$35,000	\$100,000

Monthly Distributions Over Time

RI 1	\$28,000.00	
RI 2	\$3,500.00	\$28,000.00
RI 3	\$17,500.00	\$3,500.00
RI 4		\$17,500.00
RI 5		\$21,000.00
Total	\$49,000.00	\$70,000.00

\$140,000.00

Cumulative Distributions Over Time

RI 1	\$28,000.00	
RI 2	\$3,500.00	\$56,000.00
RI 3	\$17,500.00	\$7,000.00
RI 4		\$35,000.00
RI 5		\$21,000.00
Total	\$49,000.00	\$70,000.00

\$189,000.00

NOTES

1. RI 1, RI 2, and RI 3 start in month M. RI 4 and RI 5 start later in month N.
2. Distributions are prorated based on percentage of total UPB in collections.
3. If the cumulative return to an investor is less than the amount invested, the distribution is calculated as 70% of the monthly gross collections less legal fees.
4. RI 1, whose cumulative distributions are less than the initial investment receives a 70% distribution in months M and N.

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Exhibit B - Near-Break-even Distributions

Investment Over Time

HPAC Investors	Month M			Month N		
	UPB	Investment	% of Total	UPB	Investment	% of Total
RI 1	\$40,000,000	\$400,000	57.1%	\$40,000,000	\$400,000	20.0%
RI 2	\$5,000,000	\$50,000	7.1%	\$5,000,000	\$50,000	2.5%
RI 3	\$25,000,000	\$250,000	35.7%	\$25,000,000	\$250,000	12.5%
RI 4				\$30,000,000	\$300,000	15.0%
RI 5				\$100,000,000	\$1,000,000	50.0%
Total	\$70,000,000	\$700,000	100.0%	\$200,000,000	\$2,000,000	100.0%

Gross Collections Over Time

	Month M	Month N
Gross	\$72,000	\$210,000
Legal Fees	\$2,000	\$10,000
	\$70,000	\$200,000
Net @ 70%	\$49,000	\$140,000
Net @ 50%	\$35,000	\$100,000

Monthly Distributions Over Time

RI 1	\$28,000.00	\$22,857.14
RI 2	\$3,500.00	\$3,500.00
RI 3	\$17,500.00	\$17,500.00
RI 4		\$21,000.00
RI 5		\$70,000.00
Total	\$49,000.00	\$134,857.14

Cumulative Distributions Over Time

RI 1	\$390,000.00	\$412,857.14
RI 2	\$3,500.00	\$7,000.00
RI 3	\$17,500.00	\$35,000.00
RI 4		\$21,000.00
RI 5		\$70,000.00
Total	\$49,000.00	\$133,857.14

NOTES

- RI 1, whose cumulative distribution is close to the amount invested, receives a partial 70% distribution in month N up to the amount invested, and a partial 50% distribution over the amount invested.

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Exhibit C - Post-Breakeven Distributions

Investment Over Time

HPAC Investors	Month M			Month N		
	UPB	Investment	% of Total	UPB	Investment	% of Total
RI 1	\$40,000,000	\$400,000	57.1%	\$40,000,000	\$400,000	20.0%
RI 2	\$5,000,000	\$50,000	7.1%	\$5,000,000	\$50,000	2.5%
RI 3	\$25,000,000	\$250,000	35.7%	\$25,000,000	\$250,000	12.5%
RI 4				\$30,000,000	\$300,000	15.0%
RI 5				\$100,000,000	\$1,000,000	50.0%
Total	\$70,000,000	\$700,000	100.0%	\$200,000,000	\$2,000,000	100.0%

Gross Collections Over Time

	Month M	Month N
Gross	\$72,000	\$210,000
Legal Fees	\$2,000	\$10,000
	\$70,000	\$200,000
Net @ 70%	\$49,000	\$140,000
Net @ 50%	\$35,000	\$100,000

Monthly Distributions Over Time

RI 1	\$28,000.00	\$20,000.00
RI 2	\$3,500.00	\$3,500.00
RI 3	\$17,500.00	\$17,500.00
RI 4		\$21,000.00
RI 5		\$70,000.00
Total	\$49,000.00	\$132,000.00

Cumulative Distributions Over Time

RI 1	\$400,000.00	\$420,000.00
RI 2	\$3,500.00	\$7,000.00
RI 3	\$17,500.00	\$35,000.00
RI 4		\$21,000.00
RI 5		\$70,000.00
Total	\$49,000.00	\$181,000.00

NOTES

- RI 1, whose cumulative distribution exceeds the amount invested, receives a 50% distribution in month N.

MORTGAGE LOAN SALE AGREEMENT

This MORTGAGE LOAN SALE AGREEMENT ("Agreement") is entered into and effective on September 13, 2010, by and between HPAC 18 LLC ("Seller") and [REDACTED] ("Buyer").

Article 1. Agreement to Sell and Purchase Mortgage Loans. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Mortgage Loans described in the Mortgage Loan Schedule attached hereto as Exhibit A (hereinafter "Mortgage Loans") and made a part hereof by reference, subject to the terms, provisions, conditions, limitations, waivers and disclaimers set forth in this Agreement.

Article 2. Purchase Price/Payment. On or before September 13, 2010 (hereinafter "Closing Date") and Buyer's receipt of the fully executed Mortgage Loan Sale Agreement and Bill of Sale, Buyer shall pay to Seller by wire transfer in immediately available funds to the account designated by Seller, the purchase price of \$ 50,000.00 (hereinafter "Purchase Price") for those Mortgage Loans shown on Exhibit A. Upon completion of said wire transfer to Seller's designated account, Buyer shall own the Mortgage Loans, free and clear of any lien or encumbrance whatsoever. Upon confirmation of receipt of the wire transfer, Seller shall commence the transfer of the Mortgage Loans and documents as more fully set forth in Article 3.

Article 3. Transfer of Mortgage Loans. The Mortgage Loans shall be transferred and assigned pursuant to the Bill of Sale, in the form attached hereto as Exhibit B and made a part hereof by reference, which Bill of Sale shall sell, transfer, assign, set-over, quitclaim and convey to Buyer all right, title and interest of Seller in and to each of the Mortgage Loans sold. On the Closing Date, or such date as may be mutually agreed upon by Seller and Buyer, Seller shall execute and deliver to Buyer the Bill of Sale and such other documents as are proper, appropriate or reasonably necessary for the legal transfer and/or negotiation of its right, title and interest in and to the Mortgage Loans purchased pursuant to this Agreement.

Article 4. Transfer of Documents. Within three (3) Business Day of the Closing Date, Seller agrees to provide Buyer with the following documentation with respect to the Mortgage Loans: (i) the original Mortgage Note in the collateral file and if such note is not in the collateral file, an affidavit of lost note with a copy of the note as an exhibit, (ii) the original Mortgage in the collateral file and if such Mortgage is not in the collateral file, a copy of the Mortgage, (iii) originals or copies, to the extent the same are in Seller's possession, of any other document or instrument executed by an Obligor in connection with the original funding or any subsequent modification of any of the Mortgage Loans, and (iv) any and all other documents and instruments in Seller's possession related to any of the Mortgage Loans, even though not executed or delivered by an Obligor (e.g., originals or copies of any title policies insuring the lien of any Mortgage).

Article 5. Due Diligence. Buyer has had the opportunity to conduct such due diligence review and analysis of the Mortgage Loan Documents files and related information, together with such records as are generally available to the public from local, county, state and federal authorities, record-keeping offices and courts (including, without limitation, any bankruptcy courts in which any Obligor(s), guarantor or surety, if any, may be subject to any pending bankruptcy proceedings), as the Buyer deemed necessary, proper or appropriate in order to make a complete informed decision with respect to the purchase and acquisition of the Mortgage Loans. Buyer is aware of the level of and form of documentation with respect to each Mortgage Loan and takes each Mortgage Loan with the knowledge that such documentation may be incomplete or inaccurate.

Article 6. Economic Risk. The transactions contemplated by this Agreement are not intended in any way to constitute the sale of a "security" or "securities" within the meaning of any applicable securities laws, and none of the representations, warranties or agreements of the Buyer shall create any inference that the transactions involve any "security" or "securities". Buyer acknowledges, understands and agrees that the acquisition of these Mortgage Loans involves a high degree of risk and is suitable only for persons or entities of substantial financial means that have no need for liquidity and who can hold the Mortgage Loans indefinitely or bear the partial or entire loss of value.

Article 7. No Representations or Warranties. Buyer is a sophisticated investor and its bid and decision to purchase the Mortgage Loans are based upon its own independent expert evaluations of the Mortgage Loans, the Mortgage Loan Documents and other materials made available by Seller and deemed relevant by Buyer and its agents. Buyer has not relied in entering into this Agreement upon any oral or written information from Seller, or any of its respective employees, affiliates, agents or representatives, other than the representations and warranties of Seller contained herein. Buyer has had an opportunity to perform an examination of the Mortgage Loans and to become aware of the physical condition of the Mortgaged Properties and the security interest on the Mortgage Properties (or the lack thereof with respect to the Mortgage Loans). Buyer further acknowledges that no employee or representative of Seller has been authorized to make, and that Buyer has not relied upon, any statements or representations other than those specifically contained in this Agreement. WITHOUT LIMITING THE FOREGOING, BUYER ACKNOWLEDGES THAT, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, SELLER HAS MADE NO REPRESENTATIONS OR WARRANTIES AS TO THE MORTGAGE LOANS (INCLUDING WITHOUT LIMITATION, THE VALUE, MARKETABILITY, WHETHER NOT A SECURED MORTGAGE LOAN IS, IN FACT, SECURED BY A MORTGAGED PROPERTY, CONDITION OR FUTURE PERFORMANCE THEREOF, THE EXISTENCE OF LEASES OR THE STATUS OF ANY TENANCIES OR OCCUPANCIES WITH RESPECT THERETO, THE APPLICABILITY OF ANY RENT CONTROL OR RENT STABILIZATION LAWS OR THE COMPLIANCE OR LACK OF COMPLIANCE THEREOF WITH ANY LAWS (INCLUDING WITHOUT LIMITATION, ENVIRONMENTAL, LAND USE OR OCCUPANCY LAWS)). Additionally, Buyer acknowledges that Seller makes no warranty or representation, express or implied, or arising by operation of law, including, but not limited to, any warranty of condition, habitability, merchantability, or fitness for a particular purpose of the Mortgaged Properties or any portion thereof, or with respect to the environmental or physical condition of such Mortgaged Properties. Seller hereby specifically disclaims any warranty, guaranty or representation, oral or written, past, present or



future, of, as, to, or concerning (i) the presence or absence of any environmentally toxic or hazardous substances on, in or under the Mortgaged Properties or on, in or under any property adjacent to such Mortgaged Properties or (ii) the manner of construction or condition or state of repair or lack of repair of any improvements located thereon. Buyer has decided to forego any effort to inspect the Mortgaged Properties and hereby agrees to purchase the Mortgage Loans after taking into account the risks inherent in foregoing any such inspections, Buyer recognizing that those Mortgaged Properties which secure certain of the Mortgage Loans constitute security in favor of Buyer only in their "as is" condition "with all faults" as of the date hereof. Buyer acknowledges that the Mortgage Loans (including the loan documents) may have limited or no liquidity, that a Secured Mortgage Loan may be unsecured, and Buyer has the financial wherewithal to own the Mortgage Loans for an indefinite period of time and to bear the economic risk of an outright purchase of the Mortgage Loans and a total loss of the Purchase Payment for the Mortgage Loans. Buyer acknowledges and agrees that Seller has not and does not represent, warrant or covenant the nature, accuracy, completeness, enforceability or validity of any of the Mortgage Loans, the related loan documents, or any information or documents made available to Buyer or its counsel, accountants or advisors in connection with the Mortgage Loans and, all documentation, information, analysis and/or correspondence, if any, which is or may be sold, transferred, assigned and conveyed to Buyer with respect to any and all Mortgage Loans is sold, transferred, assigned and conveyed to Buyer on an "AS IS, WHERE IS" basis, WITH ALL FAULTS. Seller makes no representations and warranties other than those set forth in this Agreement. Buyer is aware that (i) the Mortgage Loans are delinquent, (ii) the originating lenders' efforts to collect the delinquencies have been unsuccessful, and (iii) with respect to the Unsecured Mortgage Loans, all liens have been extinguished (and possibly some of the liens have been extinguished with respect to the Secured Mortgage Loans), and thus the Buyer acknowledges that the Purchase Price has been adjusted accordingly. Therefore, and subject only to the representations and warranties set forth in this Agreement, the Mortgage Loans are being sold to Buyer on an AS-IS, WHERE-IS basis and Seller has made no additional representations or warranties, expressed or implied, as to the Mortgage Loans.

Article 8. Governing Law, Waiver of Jury Trial, Attorney's Fees. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas, without reference to the choice of law principles thereof, by a court of competent jurisdiction in Dallas County, Texas. EACH OF THE PARTIES HERETO WAIVES ITS RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREBY OR THEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY PARTY AGAINST THE OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH OF THE PARTIES HERETO AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS PARAGRAPH AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. If either party becomes involved in litigation (including bankruptcy proceedings), arbitration or other proceedings arising out of or relating to this Agreement, the court or arbitrator in arbitration shall award legal expenses (including, without limitation, reasonable attorney's fees, court costs and other legal expenses) to the prevailing party.

Article 9. Severability. In the case any provision in this Agreement shall be found by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be construed and enforced as if it had been more narrowly drawn so as not to be invalid, illegal or unenforceable, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

Article 10. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns.

IN WITNESS WHEREOF, each of the undersigned parties to this Agreement has caused this Agreement to be duly executed in its name by one of its duly authorized officers or members, all as of the date first written above.

BUYER:

SELLER:

[Redacted Signature]
By: DocuSigned By: [Redacted]

HPAC 13AHR70B2F4647A
Chris Ganter
By: DocuSigned By: Chris Ganter

By: _____

By: Chris Ganter

Title: President

Title: CEO

EXHIBIT A

Mortgage Loan Schedule
TO BE ASSIGNED AT A LATER DATE

EXHIBIT B

Form of
Bill of Sale

FOR VALUE RECEIVED and pursuant to the terms and conditions of that certain Mortgage Loan Sale Agreement dated September 13, 2010 made by and between [REDACTED] ("Buyer"), and Heritage Pacific Financial, LLC d/b/a Heritage Pacific Financial ("Seller"), Seller does hereby sell, assign and convey to Buyer, its successors and assigns, all right, title and interest in and to those certain Mortgage Loans described in Exhibit A delivered and made a part hereof for all purposes, totaling Mortgage Loans with an aggregate principal balance of

The Bill of Sale is executed without recourse and without representation or warranty, as to collectability or otherwise, expressed or implied except as set forth in the Mortgage Loan Sale Agreement.

Executed on (date) 10/12/2010

Heritage Pacific Financial, LLC d/b/a Heritage Pacific Financial

Chris Garter

By: DocuSigned By: Chris Garter

Printed Name: Chris Garter

Title: CFO

MORTGAGE LOAN SALE AGREEMENT

This MORTGAGE LOAN SALE AGREEMENT ("Agreement") is entered into and effective on September 13, 2010, by and between HPAC 18 LLC ("Seller") and [REDACTED] ("Buyer").

Article 1. Agreement to Sell and Purchase Mortgage Loans. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Mortgage Loans described in the Mortgage Loan Schedule attached hereto as Exhibit A (hereinafter "Mortgage Loans") and made a part hereof by reference, subject to the terms, provisions, conditions, limitations, waivers and disclaimers set forth in this Agreement.

Article 2. Purchase Price/Payment. On or before September 13, 2010 (hereinafter "Closing Date") and Buyer's receipt of the fully executed Mortgage Loan Sale Agreement and Bill of Sale, Buyer shall pay to Seller by wire transfer in immediately available funds to the account designated by Seller, the purchase price of \$ 50,000.00 (hereinafter "Purchase Price") for those Mortgage Loans shown on Exhibit A. Upon completion of said wire transfer to Seller's designated account, Buyer shall own the Mortgage Loans, free and clear of any lien or encumbrance whatsoever. Upon confirmation of receipt of the wire transfer, Seller shall commence the transfer of the Mortgage Loans and documents as more fully set forth in Article 3.

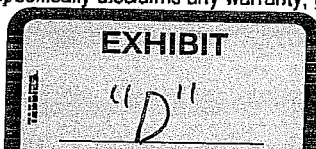
Article 3. Transfer of Mortgage Loans. The Mortgage Loans shall be transferred and assigned pursuant to the Bill of Sale, in the form attached hereto as Exhibit B and made a part hereof by reference, which Bill of Sale shall sell, transfer, assign, set-over, quitclaim and convey to Buyer all right, title and interest of Seller in and to each of the Mortgage Loans sold. On the Closing Date, or such date as may be mutually agreed upon by Seller and Buyer, Seller shall execute and deliver to Buyer the Bill of Sale and such other documents as are proper, appropriate or reasonably necessary for the legal transfer and/or negotiation of its right, title and interest in and to the Mortgage Loans purchased pursuant to this Agreement.

Article 4. Transfer of Documents. Within three (3) Business Day of the Closing Date, Seller agrees to provide Buyer with the following documentation with respect to the Mortgage Loans: (i) the original Mortgage Note in the collateral file and if such note is not in the collateral file, an affidavit of lost note with a copy of the note as an exhibit, (ii) the original Mortgage in the collateral file and if such Mortgage is not in the collateral file, a copy of the Mortgage, (iii) originals or copies, to the extent the same are in Seller's possession, of any other document or instrument executed by an Obligor in connection with the original funding or any subsequent modification of any of the Mortgage Loans, and (iv) any and all other documents and instruments in Seller's possession related to any of the Mortgage Loans, even though not executed or delivered by an Obligor (e.g., originals or copies of any title policies insuring the lien of any Mortgage).

Article 5. Due Diligence. Buyer has had the opportunity to conduct such due diligence review and analysis of the Mortgage Loan Documents files and related information, together with such records as are generally available to the public from local, county, state and federal authorities, record-keeping offices and courts (including, without limitation, any bankruptcy courts in which any Obligor(s), guarantor or surety, if any, may be subject to any pending bankruptcy proceedings), as the Buyer deemed necessary, proper or appropriate in order to make a complete informed decision with respect to the purchase and acquisition of the Mortgage Loans. Buyer is aware of the level of and form of documentation with respect to each Mortgage Loan and takes each Mortgage Loan with the knowledge that such documentation may be incomplete or inaccurate.

Article 6. Economic Risk. The transactions contemplated by this Agreement are not intended in any way to constitute the sale of a "security" or "securities" within the meaning of any applicable securities laws, and none of the representations, warranties or agreements of the Buyer shall create any inference that the transactions involve any "security" or "securities". Buyer acknowledges, understands and agrees that the acquisition of these Mortgage Loans involves a high degree of risk and is suitable only for persons or entities of substantial financial means that have no need for liquidity and who can hold the Mortgage Loans indefinitely or bear the partial or entire loss of value.

Article 7. No Representations or Warranties. Buyer is a sophisticated investor and its bid and decision to purchase the Mortgage Loans are based upon its own independent expert evaluations of the Mortgage Loans, the Mortgage Loan Documents and other materials made available by Seller and deemed relevant by Buyer and its agents. Buyer has not relied in entering into this Agreement upon any oral or written information from Seller, or any of its respective employees, affiliates, agents or representatives, other than the representations and warranties of Seller contained herein. Buyer has had an opportunity to perform an examination of the Mortgage Loans and to become aware of the physical condition of the Mortgaged Properties and the security interest on the Mortgage Properties (or the lack thereof with respect to the Mortgage Loans). Buyer further acknowledges that no employee or representative of Seller has been authorized to make, and that Buyer has not relied upon, any statements or representations other than those specifically contained in this Agreement. WITHOUT LIMITING THE FOREGOING, BUYER ACKNOWLEDGES THAT, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, SELLER HAS MADE NO REPRESENTATIONS OR WARRANTIES AS TO THE MORTGAGE LOANS (INCLUDING WITHOUT LIMITATION, THE VALUE, MARKETABILITY, WHETHER NOT A SECURED MORTGAGE LOAN IS, IN FACT, SECURED BY A MORTGAGED PROPERTY, CONDITION OR FUTURE PERFORMANCE THEREOF, THE EXISTENCE OF LEASES OR THE STATUS OF ANY TENANCIES OR OCCUPANCIES WITH RESPECT THERETO, THE APPLICABILITY OF ANY RENT CONTROL OR RENT STABILIZATION LAWS OR THE COMPLIANCE OR LACK OF COMPLIANCE THEREOF WITH ANY LAWS (INCLUDING WITHOUT LIMITATION, ENVIRONMENTAL, LAND USE OR OCCUPANCY LAWS)). Additionally, Buyer acknowledges that Seller makes no warranty or representation, express or implied, or arising by operation of law, including, but not limited to, any warranty of condition, habitability, merchantability, or fitness for a particular purpose of the Mortgaged Properties or any portion thereof, or with respect to the environmental or physical condition of such Mortgaged Properties. Seller hereby specifically disclaims any warranty, guaranty or representation, oral or written, past, present or



future, of, as, to, or concerning (i) the presence or absence of any environmentally toxic or hazardous substances on, in or under the Mortgaged Properties or on, in or under any property adjacent to such Mortgaged Properties or (ii) the manner of construction or condition or state of repair or lack of repair of any improvements located thereon. Buyer has decided to forego any effort to inspect the Mortgaged Properties and hereby agrees to purchase the Mortgage Loans after taking into account the risks inherent in foregoing any such inspections, Buyer recognizing that those Mortgaged Properties which secure certain of the Mortgage Loans constitute security in favor of Buyer only in their "as is" condition "with all faults" as of the date hereof. Buyer acknowledges that the Mortgage Loans (including the loan documents) may have limited or no liquidity, that a Secured Mortgage Loan may be unsecured, and Buyer has the financial wherewithal to own the Mortgage Loans for an indefinite period of time and to bear the economic risk of an outright purchase of the Mortgage Loans and a total loss of the Purchase Payment for the Mortgage Loans. Buyer acknowledges and agrees that Seller has not and does not represent, warrant or covenant the nature, accuracy, completeness, enforceability or validity of any of the Mortgage Loans, the related loan documents, or any information or documents made available to Buyer or its counsel, accountants or advisors in connection with the Mortgage Loans and, all documentation, information, analysis and/or correspondence, if any, which is or may be sold, transferred, assigned and conveyed to Buyer with respect to any and all Mortgage Loans is sold, transferred, assigned and conveyed to Buyer on an "AS IS, WHERE IS" basis, WITH ALL FAULTS. Seller makes no representations and warranties other than those set forth in this Agreement. Buyer is aware that (i) the Mortgage Loans are delinquent, (ii) the originating lenders' efforts to collect the delinquencies have been unsuccessful, and (iii) with respect to the Unsecured Mortgage Loans, all liens have been extinguished (and possibly some of the liens have been extinguished with respect to the Secured Mortgage Loans), and thus the Buyer acknowledges that the Purchase Price has been adjusted accordingly. Therefore, and subject only to the representations and warranties set forth in this Agreement, the Mortgage Loans are being sold to Buyer on an AS-IS, WHERE-IS basis and Seller has made no additional representations or warranties, expressed or implied, as to the Mortgage Loans.

Article 8. Governing Law; Waiver of Jury Trial, Attorney's Fees. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas, without reference to the choice of law principles thereof, by a court of competent jurisdiction in Dallas County, Texas. EACH OF THE PARTIES HERETO WAIVES ITS RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREBY OR THEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY PARTY AGAINST THE OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH OF THE PARTIES HERETO AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS PARAGRAPH AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. If either party becomes involved in litigation (including bankruptcy proceedings), arbitration or other proceedings arising out of or relating to this Agreement, the court or arbitrator in arbitration shall award legal expenses (including, without limitation, reasonable attorney's fees, court costs and other legal expenses) to the prevailing party.

Article 9. Severability. In the case any provision in this Agreement shall be found by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be construed and enforced as if it had been more narrowly drawn so as not to be invalid, illegal or unenforceable, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

Article 10. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns.

IN WITNESS WHEREOF, each of the undersigned parties to this Agreement has caused this Agreement to be duly executed in its name by one of its duly authorized officers or members, all as of the date first written above.

BUYER:

[Redacted]

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By: [Redacted] _____
DocuSigned By: [Redacted]

By: _____

Title: member _____

SELLER:

HPAC 18 LLC

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By: Chris Gantner _____
DocuSigned By: Chris Gantner

By: Chris Gantner _____

Title: CEO _____

EXHIBIT A

Mortgage Loan Schedule
TO BE ASSIGNED AT A LATER DATE

EXHIBIT B

Form of
Bill of Sale

FOR VALUE RECEIVED and pursuant to the terms and conditions of that certain Mortgage Loan Sale Agreement dated September 13, 2010 made by and between [REDACTED] ("Buyer"), and Heritage Pacific Financial, LLC d/b/a Heritage Pacific Financial ("Seller"), Seller does hereby sell, assign and convey to Buyer, its successors and assigns, all right, title and interest in and to those certain Mortgage Loans described in Exhibit A delivered and made a part hereof for all purposes, totaling Mortgage Loans with an aggregate principal balance of

The Bill of Sale is executed without recourse and without representation or warranty, as to collectability or otherwise, expressed or implied except as set forth in the Mortgage Loan Sale Agreement.

Executed on (date) 9/13/2010

Heritage Pacific Financial, LLC d/b/a Heritage Pacific Financial

By: Chris Ganter
DocuSigned By: Chris Ganter

Printed Name: Chris Ganter

Title: CEO

MANAGEMENT & SERVICING AGREEMENT

This MANAGEMENT & SERVICING AGREEMENT (this "Agreement") is made and entered into by and between [REDACTED] ("CLIENT"), and Heritage Pacific Financial ("SERVICER") (collectively, the "Parties"). The Parties agree to each and all of the terms and conditions described herein.

1. Definitions. The following definitions shall apply unless expressly stated otherwise in any provision:

- a. "Client's Portfolio" means the group of accounts/loans identified in attached Exhibit "A" that are subject to this Agreement and owned by Client.
- b. "HPAC Collection Pool" means the group of debt portfolios that are subject to this Agreement and/or an agreement substantially similar to this Agreement.
- c. "Client's UPB" means the sum of the unpaid balance (UPB) of the loans comprising Client's Portfolio.
- d. "Pool UPB" means the sum of the unpaid balance (UPB) of all the loans comprising the HPAC Collection Pool.
- e. "Net Proceeds" means the total of all monies collected by Servicer on each and every account in the HPAC Collection Pool, less Servicing Fees as described in this Agreement.
- f. "HPAC Collection Pool Fund" means the account held by Servicer, on behalf of each and every client whose debt portfolios comprise the HPAC Collection Pool, in which Net Proceeds are deposited until monies in the HPAC Collection Pool Fund are distributed in accordance with this Agreement.
- g. "Client's Pro Rata Share" means the percentage-share in which Client's Portfolio has in the total HPAC Collection Pool based upon the following calculation: $\text{Client's UPB} / \text{Pool UPB} = \text{Client's Pro Rata Share}$.
- h. "Servicing Commencement Date" the first day of the month immediately following the date on which this Agreement is executed.

2. Term. The term of this Agreement shall begin on October 01, 2010 and shall terminate upon the earliest to occur of: (a) all of the loans in Client's Portfolio is settled, collected, sold, or otherwise disposed of; or (b) this Agreement is terminated by written notice of either party to this Agreement, delivered to the other party via certified mail, return receipt requested, at that party's last known business address on or before the sixtieth (60th) day before the date on which this Agreement shall terminate.

3. Transfer of Ownership. Client hereby assigns and transfers an undivided one percent (1%) interest in Client's Portfolio to Servicer. Upon termination of this Agreement, Client shall have the first right of refusal in the purchase of Servicer's one percent (1%) interest in Client's Portfolio. Upon termination of this Agreement, Servicer's shall, without undue delay, assign and transfer its one percent (1%) interest in Client's Portfolio to Client.

4. HPAC Collection Pool. Client acknowledges and agrees that, in the servicing and/or collection of Client's Portfolio, Client's Portfolio shall be pooled, on the Servicing Commencement Date, with other like and similar debt portfolios ("HPAC Collection Pool"). Client's Portfolio shall remain separate and distinct from the other debt portfolios comprising the HPAC Collection Pool and shall only be pooled for the purposes of servicing, collections, and shared receivables as more particularly described in attached Exhibit A and B which are incorporated herein by reference. Client acknowledges and agrees that no servicing or collections shall be commenced until the Servicing Commencement Date.

5. Management & Servicing. Client agrees that Servicer will manage the collection process on behalf of Client. Servicer, in its sole discretion, will determine which combination of internal and external collection resources to employ. Client acknowledges and agrees that Servicer shall make decisions, manage, service and collect, on Client's Portfolio as part of the HPAC Collection Pool, based on the best interest of the HPAC Collection Pool and not as to the individual interest of any debt portfolio comprising the HPAC Collection Pool. Services to be rendered in accordance with this Agreement include any and all reasonable and necessary actions to

collect on the non-performing debt in Client's Portfolio, including but not limited to skip tracing, mail campaigns, negotiations, and legal actions, unless otherwise agreed to in writing by and between Client and Servicer.

6. Distribution.

6.1. Date of Distribution. Servicer will distribute the HPAC Collection Pool Fund monthly or quarterly depending on the size of the account. Servicer will send a distribution summary report to Client no later than 10 days after the end of each calendar month.

6.2. Calculations. Client's UPB, Pool UPB, and Client's Pro Rate Share shall be calculated on the first day of each month.

6.3. Amount of Distribution. Client shall be entitled to, and Servicer shall distribute to Client, at Client's last known address in Servicer's records, Client's **Pro Rata Share of the gross collections of the HPAC Collection Pool Fund** in accordance with the terms of this Agreement ("Distribution Schedule").

7. Servicing Fee.

7.1. Legal Costs. Client shall be liable to reimburse Servicer for any and all legal fees (including but not limited to attorney's fees, filing fees, service of process fees, recording fees, deposition costs, and the like) that Servicer may have advanced to Client in the servicing and/or collection of any and all accounts in Client's Portfolio ("Legal Costs"). Said Legal Costs shall be reimbursed to Servicer, deducted and/or withheld from all distributions to which Client may be entitled pursuant to paragraph 6 hereinabove, prior to payment of Servicing Fees to Servicer as set forth hereinbelow.

7.2. Amount of Servicing Fee. The Servicing Fee shall be as follows:

a. Up to and until such time that Client has received the sum total of \$ 50,000.00 ("Conversion Amount") in accordance with the terms of this provision:

1. **Servicer shall receive 30%** of monies to which Client is entitled pursuant to the Distribution Schedule more particularly described in paragraph 6 hereinabove as Servicing Fees, after Legal Costs (as defined hereinabove in paragraph 7.1) are reimbursed to Servicer; and
2. **Client shall receive 70%** of monies to which Client is entitled pursuant to the Distribution Schedule more particularly described in paragraph 6 hereinabove, after Legal Costs (as defined hereinabove in paragraph 7.1) are reimbursed to Servicer (see attached **Exhibit A - Pre-Breakeven Distributions**).

b. At such time, and at all times thereafter, when Client has received the sum total of the Conversion Amount from Servicer's efforts:

1. **Servicer shall receive 50%** of monies to which Client is entitled pursuant to the Distribution Schedule more particularly described in paragraph 6 hereinabove, as its Servicing Fee, after Legal Costs (as defined hereinabove in paragraph 7.1) are reimbursed to Servicer; and
2. **Client shall receive 50%** of monies to which Client is entitled pursuant to the Distribution Schedule more particularly described in paragraph 6 hereinabove (see attached **Exhibit C - Post-Breakeven Distributions**), after Legal Costs (as defined hereinabove in paragraph 7.1) are reimbursed to Servicer.

c. In the event that the Conversion Amount should be satisfied after the 1st day of any month and prior to the last day of that same month, then the Servicing Fee shall be calculated as a hybrid of the Servicing Fees set forth hereinabove, to wit (see attached **Exhibit B - Near-Breakeven Distributions**):

1. The Servicing Fee for all amounts collected that month, up to the Conversion Amount, shall be calculated as set forth set forth hereinabove in paragraph 7.2.a.
2. The Servicing Fee for all amount collected that month, in excess of the Conversion Amount, shall be calculated as set forth hereinabove in paragraph 7.2.b.

7.3. Payment of Servicing Fee. All Servicing Fees shall be deducted and/or withheld from all distributions to which Client may be entitled pursuant to paragraph 6 hereinabove.

8. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or enforceable provision as may be possible and be legal, valid and enforceable.

9. Counterpart Execution. This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one agreement, but in making proof hereof it shall only be necessary to produce one such counterpart.

10. Texas Law to Apply. This Agreement shall be construed under and in accordance with the substantive laws of the State of Texas, and all obligations of the parties created hereunder are performable in Dallas County, Texas.

11. Heading. The headings used in this Agreement are used for administrative purposes only and do not constitute substantive matter to be considered in construing the terms of this Agreement.

12. Parties Bound. This Agreement contains the entire understanding between the parties and supersedes any prior understandings or written or oral agreements, representations or warranties between them respecting the within subject matter. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

13. Amendment. This Agreement may be amended or modified, in writing, by the parties.

IN WITNESS WHEREOF, this Agreement is effective 9/13/2010

CLIENT:

[Redacted]

SERVICER:

HERITAGE PACIFIC FINANCIAL LLC

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[Redacted]

By: DocuSigned By [Redacted]

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Chris Gantler

By: DocuSigned By: Chris Gantler

Title: member

Title: ceo

Date: 9/17/2010

Date: 9/13/2010

Exhibit A - Pre-Breakeven Distributions**Investment Over Time**

HPAC Investors	Month M			Month N		
	UPB	Investment	% of Total	UPB	Investment	% of Total
RI 1	\$40,000,000	\$400,000	57.1%	\$40,000,000	\$400,000	20.0%
RI 2	\$5,000,000	\$50,000	7.1%	\$5,000,000	\$50,000	2.5%
RI 3	\$25,000,000	\$250,000	35.7%	\$25,000,000	\$250,000	12.5%
RI 4				\$30,000,000	\$300,000	15.0%
RI 5				\$100,000,000	\$1,000,000	50.0%
Total	\$70,000,000	\$700,000	100.0%	\$200,000,000	\$2,000,000	100.0%

Gross Collections Over Time

	Month M	Month N
Gross	\$72,000	\$210,000
Legal Fees	\$2,000	\$10,000
Subtotal	\$70,000	\$200,000
Net @ 70%	\$49,000	\$140,000
Net @ 50%	\$35,000	\$100,000

Monthly Distributions Over Time

RI 1	\$28,000.00	\$28,000.00
RI 2	\$3,500.00	\$3,500.00
RI 3	\$17,500.00	\$17,500.00
RI 4		\$21,000.00
RI 5		\$70,000.00
Total	\$49,000.00	\$140,000.00

Cumulative Distributions Over Time

RI 1	\$28,000.00	\$56,000.00
RI 2	\$3,500.00	\$7,000.00
RI 3	\$17,500.00	\$35,000.00
RI 4		\$21,000.00
RI 5		\$70,000.00
Total	\$49,000.00	\$189,000.00

NOTES

1. RI 1, RI 2, and RI 3 start in month M. RI 4 and RI 5 start later in month N.
2. Distributions are prorated based on percentage of total UPB in collections.
3. If the cumulative return to an investor is less than the amount invested, the distribution is calculated as 70% of the monthly gross collections less legal fees.
4. RI 1, whose cumulative distributions are less than the initial investment receives a 70% distribution in months M and N.

Exhibit B - Near-Breakeven Distributions

Investment Over Time

HPAC Investors	Month M			Month N		
	UPB	Investment	% of Total	UPB	Investment	% of Total
RI 1	\$40,000,000	\$400,000	57.1%	\$40,000,000	\$400,000	20.0%
RI 2	\$5,000,000	\$50,000	7.1%	\$5,000,000	\$50,000	2.5%
RI 3	\$25,000,000	\$250,000	35.7%	\$25,000,000	\$250,000	12.5%
RI 4				\$30,000,000	\$300,000	15.0%
RI 5				\$100,000,000	\$1,000,000	50.0%
Total	\$70,000,000	\$700,000	100.0%	\$200,000,000	\$2,000,000	100.0%

Gross Collections Over Time

	Month M	Month N
Gross	\$72,000	\$210,000
Legal Fees	\$2,000	\$10,000
	\$70,000	\$200,000
Net @ 70%	\$49,000	\$140,000
Net @ 50%	\$35,000	\$100,000

Monthly Distributions Over Time

RI 1	\$28,000.00	\$22,857.14
RI 2	\$3,500.00	\$3,500.00
RI 3	\$17,500.00	\$17,500.00
RI 4		\$21,000.00
RI 5		\$70,000.00
Total	\$49,000.00	\$134,857.14

Cumulative Distributions Over Time

RI 1	\$390,000.00	\$412,857.14
RI 2	\$3,500.00	\$7,000.00
RI 3	\$17,500.00	\$35,000.00
RI 4		\$21,000.00
RI 5		\$70,000.00
Total	\$49,000.00	\$183,857.14

NOTES

1. RI 1, whose cumulative distribution is close to the amount invested, receives a partial 70% distribution in month N up to the amount invested, and a partial 50% distribution over the amount invested.

Exhibit C - Post-Breakeven Distributions**Investment Over Time**

HPAC Investors	Month M			Month N		
	UPB	Investment	% of Total	UPB	Investment	% of Total
RI 1	\$40,000,000	\$400,000	57.1%	\$40,000,000	\$400,000	20.0%
RI 2	\$5,000,000	\$50,000	7.1%	\$5,000,000	\$50,000	2.5%
RI 3	\$25,000,000	\$250,000	35.7%	\$25,000,000	\$250,000	12.5%
RI 4				\$30,000,000	\$300,000	15.0%
RI 5				\$100,000,000	\$1,000,000	50.0%
Total	\$70,000,000	\$700,000	100.0%	\$200,000,000	\$2,000,000	100.0%

Gross Collections Over Time

	Month M	Month N
Gross	\$72,000	\$210,000
Legal Fees	\$2,000	\$10,000
Net @	\$70,000	\$200,000
70%	\$49,000	\$140,000
Net @		
50%	\$35,000	\$100,000

Monthly Distributions Over Time

RI 1	\$28,000.00	\$20,000.00
RI 2	\$3,500.00	\$3,500.00
RI 3	\$17,500.00	\$17,500.00
RI 4		\$21,000.00
RI 5		\$70,000.00
Total	\$49,000.00	\$132,000.00

Cumulative Distributions Over Time

RI 1	\$400,000.00	\$420,000.00
RI 2	\$3,500.00	\$7,000.00
RI 3	\$17,500.00	\$35,000.00
RI 4		\$21,000.00
RI 5		\$70,000.00
Total	\$49,000.00	\$181,000.00

NOTES

1. RI 1, whose cumulative distribution exceeds the amount invested, receives a 50% distribution in month N.

MORTGAGE LOAN SALE AGREEMENT

This MORTGAGE LOAN SALE AGREEMENT ("Agreement") is entered into and effective on September 13, 2010, by and between HPAC 18 LLC ("Seller") and [REDACTED] ("Buyer").

Article 1. Agreement to Sell and Purchase Mortgage Loans. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Mortgage Loans described in the Mortgage Loan Schedule attached hereto as Exhibit A (hereinafter "Mortgage Loans") and made a part hereof by reference, subject to the terms, provisions, conditions, limitations, waivers and disclaimers set forth in this Agreement.

Article 2. Purchase Price/Payment. On or before September 13, 2010 (hereinafter "Closing Date") and Buyer's receipt of the fully executed Mortgage Loan Sale Agreement and Bill of Sale, Buyer shall pay to Seller by wire transfer in immediately available funds to the account designated by Seller, the purchase price of \$ 50,000.00 (hereinafter "Purchase Price") for those Mortgage Loans shown on Exhibit A. Upon completion of said wire transfer to Seller's designated account, Buyer shall own the Mortgage Loans, free and clear of any lien or encumbrance whatsoever. Upon confirmation of receipt of the wire transfer, Seller shall commence the transfer of the Mortgage Loans and documents as more fully set forth in Article 3.

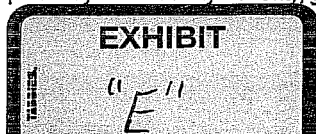
Article 3. Transfer of Mortgage Loans. The Mortgage Loans shall be transferred and assigned pursuant to the Bill of Sale, in the form attached hereto as Exhibit B and made a part hereof by reference, which Bill of Sale shall sell, transfer, assign, set-over, quitclaim and convey to Buyer all right, title and interest of Seller in and to each of the Mortgage Loans sold. On the Closing Date, or such date as may be mutually agreed upon by Seller and Buyer, Seller shall execute and deliver to Buyer the Bill of Sale and such other documents as are proper, appropriate or reasonably necessary for the legal transfer and/or negotiation of its right, title and interest in and to the Mortgage Loans purchased pursuant to this Agreement.

Article 4. Transfer of Documents. Within three (3) Business Day of the Closing Date, Seller agrees to provide Buyer with the following documentation with respect to the Mortgage Loans: (i) the original Mortgage Note in the collateral file and if such note is not in the collateral file, an affidavit of lost note with a copy of the note as an exhibit, (ii) the original Mortgage in the collateral file and if such Mortgage is not in the collateral file, a copy of the Mortgage, (iii) originals or copies, to the extent the same are in Seller's possession, of any other document or instrument executed by an Obligor in connection with the original funding or any subsequent modification of any of the Mortgage Loans, and (iv) any and all other documents and instruments in Seller's possession related to any of the Mortgage Loans, even though not executed or delivered by an Obligor (e.g., originals or copies of any title policies insuring the lien of any Mortgage).

Article 5. Due Diligence. Buyer has had the opportunity to conduct such due diligence review and analysis of the Mortgage Loan Documents files and related information, together with such records as are generally available to the public from local, county, state and federal authorities, record-keeping offices and courts (including, without limitation, any bankruptcy courts in which any Obligor(s), guarantor or surety, if any, may be subject to any pending bankruptcy proceedings), as the Buyer deemed necessary, proper or appropriate in order to make a complete informed decision with respect to the purchase and acquisition of the Mortgage Loans. Buyer is aware of the level of and form of documentation with respect to each Mortgage Loan and takes each Mortgage Loan with the knowledge that such documentation may be incomplete or inaccurate.

Article 6. Economic Risk. The transactions contemplated by this Agreement are not intended in any way to constitute the sale of a "security" or "securities" within the meaning of any applicable securities laws, and none of the representations, warranties or agreements of the Buyer shall create any inference that the transactions involve any "security" or "securities". Buyer acknowledges, understands and agrees that the acquisition of these Mortgage Loans involves a high degree of risk and is suitable only for persons or entities of substantial financial means that have no need for liquidity and who can hold the Mortgage Loans indefinitely or bear the partial or entire loss of value.

Article 7. No Representations or Warranties. Buyer is a sophisticated investor and its bid and decision to purchase the Mortgage Loans are based upon its own independent expert evaluations of the Mortgage Loans, the Mortgage Loan Documents and other materials made available by Seller and deemed relevant by Buyer and its agents. Buyer has not relied in entering into this Agreement upon any oral or written information from Seller, or any of its respective employees, affiliates, agents or representatives, other than the representations and warranties of Seller contained herein. Buyer has had an opportunity to perform an examination of the Mortgage Loans and to become aware of the physical condition of the Mortgaged Properties and the security interest on the Mortgage Properties (or the lack thereof with respect to the Mortgage Loans). Buyer further acknowledges that no employee or representative of Seller has been authorized to make, and that Buyer has not relied upon, any statements or representations other than those specifically contained in this Agreement. WITHOUT LIMITING THE FOREGOING, BUYER ACKNOWLEDGES THAT, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, SELLER HAS MADE NO REPRESENTATIONS OR WARRANTIES AS TO THE MORTGAGE LOANS (INCLUDING WITHOUT LIMITATION, THE VALUE, MARKETABILITY, WHETHER NOT A SECURED MORTGAGE LOAN IS, IN FACT, SECURED BY A MORTGAGED PROPERTY, CONDITION OR FUTURE PERFORMANCE THEREOF, THE EXISTENCE OF LEASES OR THE STATUS OF ANY TENANCIES OR OCCUPANCIES WITH RESPECT THERETO, THE APPLICABILITY OF ANY RENT CONTROL OR RENT STABILIZATION LAWS OR THE COMPLIANCE OR LACK OF COMPLIANCE THEREOF WITH ANY LAWS (INCLUDING WITHOUT LIMITATION, ENVIRONMENTAL, LAND USE OR OCCUPANCY LAWS)). Additionally, Buyer acknowledges that Seller makes no warranty or representation, express or implied, or arising by operation of law, including, but not limited to, any warranty of condition, habitability, merchantability, or fitness for a particular purpose of the Mortgaged Properties or any portion thereof, or with respect to the environmental or physical condition of such Mortgaged Properties. Seller hereby specifically disclaims any warranty, guaranty or representation, oral or written, past, present or



future, of, as, to, or concerning (i) the presence or absence of any environmentally toxic or hazardous substances on, in or under the Mortgaged Properties or on, in or under any property adjacent to such Mortgaged Properties or (ii) the manner of construction or condition or state of repair or lack of repair of any improvements located thereon. Buyer has decided to forego any effort to inspect the Mortgaged Properties and hereby agrees to purchase the Mortgage Loans after taking into account the risks inherent in foregoing any such inspections, Buyer recognizing that those Mortgaged Properties which secure certain of the Mortgage Loans constitute security in favor of Buyer only in their "as is" condition "with all faults" as of the date hereof. Buyer acknowledges that the Mortgage Loans (including the loan documents) may have limited or no liquidity, that a Secured Mortgage Loan may be unsecured, and Buyer has the financial wherewithal to own the Mortgage Loans for an indefinite period of time and to bear the economic risk of an outright purchase of the Mortgage Loans and a total loss of the Purchase Payment for the Mortgage Loans. Buyer acknowledges and agrees that Seller has not and does not represent, warrant or covenant the nature, accuracy, completeness, enforceability or validity of any of the Mortgage Loans, the related loan documents, or any information or documents made available to Buyer or its counsel, accountants or advisors in connection with the Mortgage Loans and, all documentation, information, analysis and/or correspondence, if any, which is or may be sold, transferred, assigned and conveyed to Buyer with respect to any and all Mortgage Loans is sold, transferred, assigned and conveyed to Buyer on an "AS IS, WHERE IS" basis, WITH ALL FAULTS. Seller makes no representations and warranties other than those set forth in this Agreement. Buyer is aware that (i) the Mortgage Loans are delinquent, (ii) the originating lenders' efforts to collect the delinquencies have been unsuccessful, and (iii) with respect to the Unsecured Mortgage Loans, all liens have been extinguished (and possibly some of the liens have been extinguished with respect to the Secured Mortgage Loans), and thus the Buyer acknowledges that the Purchase Price has been adjusted accordingly. Therefore, and subject only to the representations and warranties set forth in this Agreement, the Mortgage Loans are being sold to Buyer on an AS-IS, WHERE-IS basis and Seller has made no additional representations or warranties, expressed or implied, as to the Mortgage Loans.

Article 8. Governing Law, Waiver of Jury Trial, Attorney's Fees. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas, without reference to the choice of law principles thereof, by a court of competent jurisdiction in Dallas County, Texas. EACH OF THE PARTIES HERETO WAIVES ITS RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREBY OR THEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY PARTY AGAINST THE OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH OF THE PARTIES HERETO AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS PARAGRAPH AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. If either party becomes involved in litigation (including bankruptcy proceedings), arbitration or other proceedings arising out of or relating to this Agreement, the court or arbitrator in arbitration shall award legal expenses (including, without limitation, reasonable attorney's fees, court costs and other legal expenses) to the prevailing party.

Article 9. Severability. In the case any provision in this Agreement shall be found by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be construed and enforced as if it had been more narrowly drawn so as not to be invalid, illegal or unenforceable, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

Article 10. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns.

IN WITNESS WHEREOF, each of the undersigned parties to this Agreement has caused this Agreement to be duly executed in its name by one of its duly authorized officers or members, all as of the date first written above.

BUYER:

SELLER:

[Redacted Signature]
4071BCCB94964D1...
By: [Redacted Signature] DocuSigned By: [Redacted Signature]
By: _____
Title: General Partner

HPAC 18 LLC
5ADFF70B2F4647A...
By: Chris Ganter DocuSigned By: Chris Ganter
By: Chris Ganter
Title: CEO

EXHIBIT A

Mortgage Loan Schedule
TO BE ASSIGNED AT A LATER DATE

EXHIBIT B

Form of
Bill of Sale

FOR VALUE RECEIVED and pursuant to the terms and conditions of that certain Mortgage Loan Sale Agreement dated September 13, 2010 made by and between [REDACTED] ("Buyer"), and Heritage Pacific Financial, LLC d/b/a Heritage Pacific Financial ("Seller"), Seller does hereby sell, assign and convey to Buyer, its successors and assigns, all right, title and interest in and to those certain Mortgage Loans described in Exhibit A delivered and made a part hereof for all purposes, totaling Mortgage Loans with an aggregate principal balance of

The Bill of Sale is executed without recourse and without representation or warranty, as to collectability or otherwise, expressed or implied except as set forth in the Mortgage Loan Sale Agreement.

Executed on (date) 9/13/2010

Heritage Pacific Financial, LLC d/b/a Heritage Pacific Financial
5ADFF7052F4847A...

By: Chris Ganter
[DocuSigned By: Chris Ganter]

Printed Name: Chris Ganter

Title: CFO

HP Number	UPB	Sub-Investor	Sales Price 125bps
HP017480	\$ 5,177.00	[REDACTED]	\$ 64.71
HP017671	\$ 5,336.40	[REDACTED]	\$ 66.71
HP014852	\$ 5,404.40	[REDACTED]	\$ 67.56
HP017673	\$ 5,582.16	[REDACTED]	\$ 69.78
HP017470	\$ 5,642.85	[REDACTED]	\$ 70.54
HP017545	\$ 5,734.25	[REDACTED]	\$ 71.68
HP017058	\$ 5,812.65	[REDACTED]	\$ 72.66
HP017586	\$ 6,131.45	[REDACTED]	\$ 76.64
HP017643	\$ 6,191.10	[REDACTED]	\$ 77.39
HP017540	\$ 6,417.40	[REDACTED]	\$ 80.22
HP017500	\$ 6,650.83	[REDACTED]	\$ 83.14
HP015335	\$ 6,894.88	[REDACTED]	\$ 86.19
HP017349	\$ 7,063.50	[REDACTED]	\$ 88.29
HP017660	\$ 7,528.47	[REDACTED]	\$ 94.11
HP015066	\$ 7,820.14	[REDACTED]	\$ 97.75
HP017482	\$ 7,861.05	[REDACTED]	\$ 98.26
HP019886	\$ 7,979.81	[REDACTED]	\$ 99.75
HP017692	\$ 8,324.65	[REDACTED]	\$ 104.06
HP017640	\$ 8,594.69	[REDACTED]	\$ 107.43
HP016271	\$ 8,679.82	[REDACTED]	\$ 108.50
HP017598	\$ 8,796.54	[REDACTED]	\$ 109.96
HP020290	\$ 8,918.70	[REDACTED]	\$ 111.48
HP020982	\$ 9,143.38	[REDACTED]	\$ 114.29
HP017355	\$ 9,218.17	[REDACTED]	\$ 115.23
HP014927	\$ 9,575.98	[REDACTED]	\$ 119.70
HP017681	\$ 9,810.60	[REDACTED]	\$ 122.63
HP020435	\$ 9,890.11	[REDACTED]	\$ 123.63
HP017694	\$ 9,925.09	[REDACTED]	\$ 124.06
HP017696	\$ 10,153.22	[REDACTED]	\$ 126.92
HP015962	\$ 10,462.67	[REDACTED]	\$ 130.78
HP017594	\$ 10,624.39	[REDACTED]	\$ 132.80
HP016475	\$ 10,932.76	[REDACTED]	\$ 136.66
HP017693	\$ 11,118.63	[REDACTED]	\$ 138.98
HP017716	\$ 11,387.06	[REDACTED]	\$ 142.34
HP016398	\$ 11,498.71	[REDACTED]	\$ 143.73
HP017678	\$ 12,227.92	[REDACTED]	\$ 152.85
HP017578	\$ 12,987.49	[REDACTED]	\$ 162.34
HP015494	\$ 13,136.12	[REDACTED]	\$ 164.20
HP015149	\$ 13,447.57	[REDACTED]	\$ 168.09
HP014652	\$ 13,627.91	[REDACTED]	\$ 170.35
HP015107	\$ 14,051.96	[REDACTED]	\$ 175.65
HP017389	\$ 14,214.59	[REDACTED]	\$ 177.68
HP016125	\$ 14,378.47	[REDACTED]	\$ 179.73
HP021078	\$ 14,719.60	[REDACTED]	\$ 184.00
HP018962	\$ 15,351.84	[REDACTED]	\$ 191.90
HP017711	\$ 15,665.44	[REDACTED]	\$ 195.82

HP021019	\$ 15,769.21	[REDACTED]	\$ 197.12
HP016436	\$ 16,191.81	[REDACTED]	\$ 202.40
HP019773	\$ 16,470.07	[REDACTED]	\$ 205.88
HP017676	\$ 16,669.07	[REDACTED]	\$ 208.36
HP021027	\$ 16,920.08	[REDACTED]	\$ 211.50
HP016002	\$ 17,227.27	[REDACTED]	\$ 215.34
HP017587	\$ 17,635.99	[REDACTED]	\$ 220.45
HP018626	\$ 17,848.41	[REDACTED]	\$ 223.11
HP016488	\$ 17,983.66	[REDACTED]	\$ 224.80
HP016005	\$ 18,726.00	[REDACTED]	\$ 234.08
HP015742	\$ 19,154.41	[REDACTED]	\$ 239.43
HP016405	\$ 19,325.57	[REDACTED]	\$ 241.57
HP027461	\$ 19,956.97	[REDACTED]	\$ 249.46
HP016539	\$ 20,501.20	[REDACTED]	\$ 256.27
HP019153	\$ 21,014.63	[REDACTED]	\$ 262.68
HP017878	\$ 21,334.33	[REDACTED]	\$ 266.68
HP021356	\$ 21,683.75	[REDACTED]	\$ 271.05
HP016848	\$ 22,034.21	[REDACTED]	\$ 275.43
HP017272	\$ 22,336.36	[REDACTED]	\$ 279.20
HP021055	\$ 22,593.68	[REDACTED]	\$ 282.42
HP018318	\$ 23,016.02	[REDACTED]	\$ 287.70
HP021069	\$ 23,130.30	[REDACTED]	\$ 289.13
HP018475	\$ 23,556.41	[REDACTED]	\$ 294.46
HP018287	\$ 23,907.81	[REDACTED]	\$ 298.85
HP016167	\$ 24,080.12	[REDACTED]	\$ 301.00
HP019710	\$ 24,491.73	[REDACTED]	\$ 306.15
HP020637	\$ 24,807.93	[REDACTED]	\$ 310.10
HP016818	\$ 24,941.78	[REDACTED]	\$ 311.77
HP018429	\$ 25,326.37	[REDACTED]	\$ 316.58
HP019018	\$ 25,885.72	[REDACTED]	\$ 323.57
HP015866	\$ 26,223.85	[REDACTED]	\$ 327.80
HP018120	\$ 26,689.05	[REDACTED]	\$ 333.61
HP018173	\$ 27,426.33	[REDACTED]	\$ 342.83
HP018691	\$ 27,633.82	[REDACTED]	\$ 345.42
HP019369	\$ 27,977.47	[REDACTED]	\$ 349.72
HP019233	\$ 28,378.82	[REDACTED]	\$ 354.74
HP027650	\$ 28,549.64	[REDACTED]	\$ 356.87
HP019358	\$ 28,662.99	[REDACTED]	\$ 358.29
HP020006	\$ 29,354.37	[REDACTED]	\$ 366.93
HP016796	\$ 29,704.33	[REDACTED]	\$ 371.30
HP027667	\$ 30,125.03	[REDACTED]	\$ 376.56
HP016859	\$ 30,243.84	[REDACTED]	\$ 378.05
HP021394	\$ 30,798.09	[REDACTED]	\$ 384.98
HP020229	\$ 31,345.19	[REDACTED]	\$ 391.81
HP027427	\$ 32,176.86	[REDACTED]	\$ 402.21
HP027710	\$ 33,142.67	[REDACTED]	\$ 414.28
HP020262	\$ 34,772.08	[REDACTED]	\$ 434.65

HP019227	\$ 35,817.94	[REDACTED]	\$	447.72
HP018920	\$ 37,542.61	[REDACTED]	\$	469.28
HP027905	\$ 38,709.45	[REDACTED]	\$	483.87
HP020087	\$ 40,544.55	[REDACTED]	\$	506.81
HP017111	\$ 42,779.82	[REDACTED]	\$	534.75
HP021216	\$ 44,548.39	[REDACTED]	\$	556.85
HP027557	\$ 46,070.57	[REDACTED]	\$	575.88
HP016088	\$ 46,177.94	[REDACTED]	\$	577.22
HP027568	\$ 46,375.03	[REDACTED]	\$	579.69
HP016704	\$ 46,458.31	[REDACTED]	\$	580.73
HP014736	\$ 47,283.01	[REDACTED]	\$	591.04
HP020973	\$ 47,514.99	[REDACTED]	\$	593.94
HP015430	\$ 48,050.02	[REDACTED]	\$	600.63
HP021386	\$ 48,571.26	[REDACTED]	\$	607.14
HP027794	\$ 49,176.78	[REDACTED]	\$	614.71
HP015382	\$ 49,355.15	[REDACTED]	\$	616.94
HP021575	\$ 49,392.18	[REDACTED]	\$	617.40
HP016943	\$ 50,179.94	[REDACTED]	\$	627.25
HP018972	\$ 50,692.90	[REDACTED]	\$	633.66
HP015755	\$ 52,796.90	[REDACTED]	\$	659.96
HP018282	\$ 54,201.33	[REDACTED]	\$	677.52
HP020741	\$ 54,962.34	[REDACTED]	\$	687.03
HP015752	\$ 56,698.31	[REDACTED]	\$	708.73
HP019323	\$ 58,095.99	[REDACTED]	\$	726.20
HP027749	\$ 61,950.87	[REDACTED]	\$	774.39
HP019580	\$ 62,590.32	[REDACTED]	\$	782.38
HP018982	\$ 65,793.82	[REDACTED]	\$	822.42
HP027711	\$ 66,523.53	[REDACTED]	\$	831.54
HP027662	\$ 67,398.25	[REDACTED]	\$	842.48
HP016950	\$ 68,382.07	[REDACTED]	\$	854.78
HP027958	\$ 83,395.42	[REDACTED]	\$	1,042.44
HP027728	\$ 92,422.96	[REDACTED]	\$	1,155.29
HP028000	\$ 102,506.52	[REDACTED]	\$	1,281.33
HP027681	\$ 119,435.34	[REDACTED]	\$	1,492.94
HP027922	\$ 142,506.01	[REDACTED]	\$	1,781.33
HP027889	\$ 357,280.77	[REDACTED]	\$	4,466.01

Debt Allocation Totals

100 bps

125 bps

Client Name:



Investment:

50,000.00

Portfolio Summary

# Loans	129	129
UPB	\$3,999,999.31	\$3,999,999.31
Sales Price	\$39,999.99	\$49,999.99
Average Loan Size	\$31,007.75	\$31,007.75
Delta	(\$39,999.99)	\$0.01

Campbell McLaurin

From: [REDACTED]
Sent: Thursday, October 27, 2011 3:00 PM
To: Campbell McLaurin
Subject: Fwd: Heritage Pacific
Attachments: Scan.pdf

Here is a copy of the agreement. It was signed online and I could not find my copy. This is [REDACTED] scan of it. Mine is the same, including the same amount except it was with [REDACTED] and signed by me.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]