

MORTGAGES LTD.
 CASH FLOW BUDGET
 PERIOD FROM AUGUST 14, 2008 TO JANUARY 31, 2009

	Aug. 1 to Aug 14	Aug. 14 to Aug 31	Sep	Oct	Nov	Dec	Jan. 09	Total Budget
SERVICE INCOME								
Origination Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lender Fees - Participation	442,000	155,000	55,000	55,000	55,000	55,000	55,000	817,000
Interest Income from Mtgs Ltd DOT Investments	0	442,000	155,000	55,000	55,000	55,000	55,000	817,000
TOTAL SERVICE INCOME								
OTHER INCOME								
Pool Management Fees	0	0	350,000	90,000	90,000	90,000	90,000	720,000
TOTAL OTHER INCOME								
HUMAN RESOURCES EXPENSES								
COMPENSATION								
Employees Compensation	101,162	115,000	230,000	230,000	230,000	230,000	230,000	1,366,162
TOTAL COMPENSATION	101,162	115,000	230,000	230,000	230,000	230,000	230,000	1,366,162
EMPLOYEE BENEFITS								
Group Health	0	16,300	16,300	16,300	16,300	16,300	16,300	97,800
TOTAL EMPLOYEE BENEFITS	0	16,300	16,300	16,300	16,300	16,300	16,300	97,800
TOTAL HUMAN RESOURCES EXPENSES	101,162	131,300	246,300	246,300	246,300	246,300	246,300	1,463,962
GENERAL AND ADMINISTRATIVE EXPENSES								
Bank Charges		300	300	300	300	300	300	1,500
Software Upgrades, Maintenance and Licensing		1,500	1,500	1,500	1,500	1,500	1,500	7,500
Online & Support Costs		100	100	100	100	100	100	500
Misc. Computer Expense		400	400	400	400	400	400	2,000
Dues & Subscriptions		150	150	150	150	150	150	750
Equipment Lease	4,331	4,300	4,300	4,300	4,300	4,300	4,300	25,831
Fees, Permits & Licenses		1,000	1,000	1,000	1,000	1,000	1,000	33,000
Insurance		15,000	15,000	15,000	15,000	15,000	15,000	75,000
Accounting Fees		150,000	200,000	180,000	180,000	180,000	140,000	1,000,000
Legal Fees			4,000	4,000	4,000	4,000	4,000	4,000
Tax Service Expense		3,000	3,000	3,000	3,000	3,000	3,000	15,000
Other Outside Services/Contract Labor		5,250	5,250	5,250	5,250	5,250	5,250	26,250
Consulting Expenses								

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	Aug. 1 to Aug. 14	Aug. 14 to Aug. 31	Sep	Oct	Nov	Dec	Jan. 09	Total Budget
Foreclosure/BK Expenses		53,000	80,000	80,000				213,000
ML Bankruptcy Expense - US Trustee fee		325	750	750	750	750	750	6,825
Postage & Shipping			2,500	2,500	2,500	2,500	2,500	13,500
Supplies & Misc.	1,000		1,000	1,000	1,000	1,000	1,000	5,000
Recording & Other Fees		18,000	18,000	18,000	18,000	18,000	18,000	108,000
Rent			25,000	25,000	25,000	25,000	25,000	125,000
REO Expenses			3,000	3,000	3,000	3,000	3,000	15,000
Repairs & Maintenance	1,069		2,500	2,500	2,500	2,500	2,500	13,569
Beeper & Cellphone	5,279		4,700	4,700	4,700	4,700	4,700	28,779
Telephone			1,000	1,000	1,000	1,000	1,000	5,000
T & E								0
Utilities (Included in lease payments)		250	500	500	500	500	500	2,750
Mileage Reimbursement		2,900		25,000				27,900
Taxes - Property			30,000	30,000	30,000			90,000
Entitlement work for Central and Highland			75,000					75,000
Cash Reserve/Moving Expenses				411,450	303,950	288,950	284,950	1,959,404
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	11,879	224,475	473,950	411,450	303,950	288,950	284,950	1,959,404
Net Cash Provided by/Used in Operations	(112,841)	86,225	(205,250)	(512,750)	(405,250)	(370,250)	(386,250)	(1,886,366)
Cash Provided by/Used in Financing Activities								
DJP Financing Draws - Stratera or other lender	100,000	100,000	3,000,000	520,000	450,000	450,000	380,000	6,000,000
DJP Financing Fees (2.5%)	(2,500)	(122,500)						(125,000)
Centerpoints Financing Fee - DIP of \$75mm			(250,000)					(250,000)
Payment of Stratera or other lender DIP Interest	(900)							(138,900)
Repayment of SVP Loan Principal and Interest			(522,000)					(522,000)
Repayment of Artemis Loan Principal and Interest			(2,070,000)					(2,070,000)
Net Cash Provided by/Used in Financing Activities	97,600	(23,400)	156,000	492,000	418,000	414,000	340,000	1,894,100
Beginning Cash Balance (as of August 4, 2008)	27,077	11,736	74,561	25,311	4,561	17,311	61,061	27,077
Net Change in Cash	(15,341)	62,825	(49,250)	(20,750)	12,750	43,750	(26,250)	7,734
Ending Cash Balance	11,736	74,561	25,311	4,561	17,311	61,061	34,811	34,811

MORTGAGES LTD.
ADDITIONAL POTENTIAL SOURCES OF CASH
PERIOD FROM AUGUST 14, 2008 TO JANUARY 31, 2009

LOW PROJECTION	25%	
Participation Spread		\$652,375
Extention Fees		214,341
Loan Pay Offs		0
Total Cash Inflow		<u>\$866,716</u>
MID PROJECTION	50%	
Participation Spread		\$1,304,750
Extention Fees		428,682
Loan Pay Offs		4,000,000
Total Cash Inflow		<u>\$5,733,432</u>
HIGH PROJECTION	75%	
Participation Spread		\$1,957,125
Extention Fees		643,024
Loan Pay Offs		6,000,000
Total Cash Inflow		<u>\$8,600,149</u>