

IN THE CIRCUIT COURT OF THE 11TH
JUDICIAL CIRCUIT, IN AND FOR
MIAMI-DADE COUNTY, FLORIDA

STATE OF FLORIDA, OFFICE OF FINANCIAL
REGULATION,

CASE NO.: 07-43672 CA 09

Plaintiff,

v.

BERMAN MORTGAGE CORPORATION, a
Florida corporation, M.A.M.C.
INCORPORATED, a Florida corporation, DANA
J. BERMAN, as Owner and Managing Member,

Defendant.

and,

DB ATLANTA, LLC, a Florida Limited Liability
Company, et al.,

Relief Defendants.

THE ORIGINAL
FILED ON:
JUN 16 2009
IN THE OFFICE OF
CIRCUIT COURT DADE CO. FL.

RECEIVER'S MOTION TO TREAT ALL INVESTORS IN
MAMC ISLAMORADA, LLC PARI PASSU

Michael I. Goldberg, as State Court Appointed Receiver over Defendants, Berman Mortgage Corporation, M.A.M.C. Incorporated, et al., and Relief Defendants DB Atlanta, LLC, et al., by and through undersigned counsel, hereby files this Motion to Treat All Investors in MAMC ISLAMORADA, LLC ("MAMC Islamorada") *Pari Passu*, and states:

1. On December 11, 2007, this Court appointed Michael Goldberg (the "Receiver") to be the Receiver for the Defendants and the Relief Defendants. *See* Temporary Injunction and Agreed Order Appointing Receiver ("Receivership Order"), previously filed with this Court.

2. M.A.M.C. Incorporated serviced a series of loans from investors assembled by Berman Mortgage Corporation totaling approximately \$25 Million loan to DB Islamorada, LLC, ("DB Islamorada") a Florida limited liability company created by Dana Berman and Shelie Sims

BERGER SINGERMAN
attorneys at law

Boca Raton Fort Lauderdale Miami Tallahassee

200 South Biscayne Boulevard Suite 1000 Miami, Florida 33131-5308 Telephone 305-755-9500 Facsimile 305-714-4340

Perdigon, for the purchase and development of 25-unit water-front condo-hotel development located at Mile Marker 81.5 Islamorada, Florida (the "Condo-Hotel Property").

3. To acquire the Condo-Hotel Property, DB Islamorada obtained a first mortgage of approximately \$5 Million from one set of MAMC Lenders in December 2003. The Lender Opportunity Notice circulated to potential lenders is attached hereto as **Exhibit A**. Although the notice represents the pre-development value of the Property as \$4.95 Million, the notice represents the total value of the project as \$25 Million.

4. In January 2004, DB Islamorada obtained a second mortgage loan from a second set of M.A.M.C. Lenders in the amount of \$1.2 Million. The Lender Opportunity Notice for the second mortgage is attached hereto as **Exhibit B**. The Lender Opportunity Notice represents the gross income of the project as \$29 Million and the loan-to-value ratio ("LTV") on the Property (including the first mortgage) as 22.24 percent.

5. Subsequently, a series of twelve future advances from twelve different sets of M.A.M.C. Lenders totaling over \$18 Million brought the first position mortgage from \$5 Million to \$ 23.6 Million. The Lender Opportunity Notices for the future advances are attached hereto as **Composite Exhibit C**. The Lender Opportunity Notice for the twelfth future advance represents the value of the project as between \$41 to \$44 Million and the LTV for the Property as 59 percent. *See* Composite Exhibit C. The additional debt of over \$18 Million represented by the twelve future advances was incurred despite the future advance cap contained in the first mortgage providing that there could be no more than \$15 Million of debt on the Property. *See, e.g.,* Exhibit A (representing the total cost of the project as \$15 Million, funded by the first mortgage and future advances).

6. DB Islamorada, LLC defaulted on the loans and was in Chapter 11 Bankruptcy proceedings at the time the Receivership was created. In the bankruptcy, the MAMC lenders acquired the Condo-Hotel Property through a credit bid at a sale pursuant to 11 U.S.C. § 363.

7. The Lenders assigned their interests in the credit bid to MAMC Islamorada, LLC, a Florida limited liability company created by the Receiver on behalf of MAMC Incorporated to

take title to the Condo-Hotel Property. On May 27, 2009, the Court ordered that MAMC Islamorada be brought into the Receivership as a Relief Defendant and, as such, its assets became part of the Receivership.

8. Although the future advance cap was exceeded by future advance number 7, the Lender Opportunity Notices continued to offer the loans as first mortgages on the Property. Additionally, the Lender Opportunity Notices reflect additional negligent misrepresentations regarding the value of the property. *Compare* Exhibits A through C.

9. The practical effect of the way the loan was serviced, i.e., the future advance lenders' investments were used to pay interest to both themselves and their predecessors, makes the true determination of priority extremely difficult. Additionally, through a series of inter-company loans that were not disclosed to the lenders, approximately \$2.6 Million of the Lenders' investments were appropriated to other projects, preventing the progress and ultimate development of the Property and thus, damaging all of the Lenders.

10. Upon information and belief, the Condo-Hotel Property is not worth (and was never worth) \$23.6 Million- the approximate amount of debt on the property. Rather, the Receiver believes the value of the Condo-Hotel Property is between \$4 to 6 Million.

11. Because DB Islamorada exceeded the future advance cap contained in the first mortgage, there is a conflict among the sets of Lenders in the DB Islamorada project as to priority of payment on any distributions. Accordingly, the Court would have to determine the treatment of the first mortgage holders up to the first \$15 Million of loans, the first mortgage holders on the future advances in excess of the \$15 Million future advance cap, and the second mortgage holders on the Property.

12. The Receiver is attempting to market the Property in the best interest of the Lenders, which group the Receivership was designed to protect. The Receiver seeks to prevent conflicts relating to the members of the Lender group claiming lien priority as to their competing loans. A dispute among the Lenders will serve to delay the case and may significantly impair or

reduce the Lenders' recovery more than if a consensus were reached to share any recovery with all Lenders in proportion to their respective investments.

13. The Receiver seeks to have the members of the Lender group share *pari passu* in any proceeds from the sale, liquidation, or the like, of MAMC Islamorada and its assets. Given the nature of the misrepresentations by DB Islamorada to all sets of Lenders, the Receiver believes treating the Lenders equally in any distributions in proportion to their respective investments is appropriate and equitable.

14. The Receiver has established a Loan Committee made up of Lenders in DB Islamorada project that includes Lenders from all lender sets. The Committee has unanimously voted to seek court approval to treat all Lenders equally in any recovery by the Receivership estate in relation to the Property. The granting of this motion will allow repayment of the Lenders to proceed in an orderly manner.

15. The Receiver will post this Motion and Notice of Hearing thereon to the Receivership website and distribute a copy of the Notice of Hearing and Motion to the Lenders via the posting and e-mail distribution procedures previously established by this Court for the purposes of the Receivership.

WHEREFORE, the Receiver moves this Court for entry of an Order finding that the notice and established procedures of posting to the Receivership website and e-mail distribution to the Lenders constitute adequate notice of the instant motion and hearing thereon; granting the Receiver's Motion to Treat All Investors in MAMC Islamorada, LLC *Pari Passu*, with respect to any recovery in proportion with each Lender's investment in the project; authorizing the Receiver to treat the first and second mortgage holders *pari passu* with respect to any distributions related to the project; and awarding such other relief deemed necessary and proper by this Court.

CERTIFICATE OF SERVICE

WE HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail and U.S. Mail on this **16th day of June 2009**, to:

Cristina Saenz
Assistant General Counsel
STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION
401 N.W. 2nd Avenue, Suite N-708
Miami, Florida 33128

Alan M. Sandler, Esquire
Counsel for Defendants, Joel and Deborah Sokol,
Darlene Levasser, Robert Dzimidas IRA,
Lawrence Meyer IRA, Lawrence Meyer Roth IR
and Mary Joe Meyer SD IRA and Mary Joe Meyer Roth IRA
SANDLER & SANDLER
117 Aragon Avenue
Coral Gables, Florida 33134

Allan A. Joseph, Esquire
Special Counsel for The Receiver
DAVID AND JOSEPH, P.L.
1001 Brickell Bay Drive, Suite 2002
Miami, Florida 33131

Charles W. Throckmorton, Esquire
Attorneys for Dana Berman
KOZYAK TROPIN THROCKMORTON, P.A.
2525 Ponce de Leon Boulevard, 9th Floor
Coral Gables, Florida 33134

Paul Huck, Esquire
Dean C. Colson, Esquire
COLSON HICKS EIDSON
255 Aragon Avenue, Second Floor
Coral Gables, Florida 33134

Jason S. Miller, Esquire
Counsel for Flagstar Bank
ADORNO & YOSS, LLP
2525 Ponce de Leon Boulevard, Suite 400
Coral Gables, Florida 33134

Respectfully submitted,

BERGER SINGERMAN
Attorneys for Receiver, Michael Goldberg
1000 Wachovia Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131
Phone: (305) 755-9500 / Fax: (305) 714-4340

By: _____

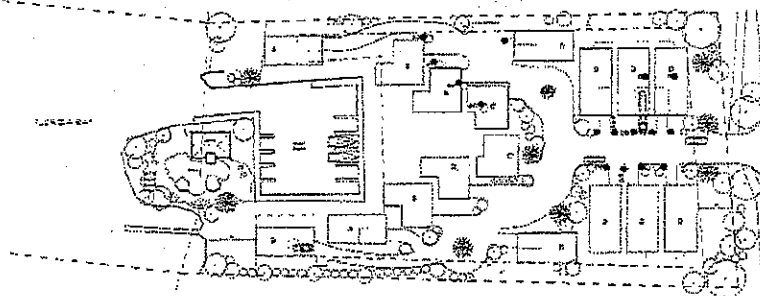

JAMES D. GASSENHEIMER
Florida Bar No. 959987
E-Mail: jgassenheimer@bergersingerman.com
ARIADNA HERNANDEZ
Florida Bar No. 020953
E-Mail: ahernandez@bergersingerman.com

cc: Michael Goldberg, Esq., as Receiver (via e-mail)
The Investor(s)/Lender(s) Group (via e-mail)
Posted to the Berman Mortgage Website

2161718-1



INDIGO BAY



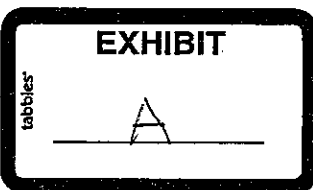
CONCEPTUAL SITE
SCALE 1/4" = 10'
INDIGO BAY
ISLAMORADA,
FLORIDA

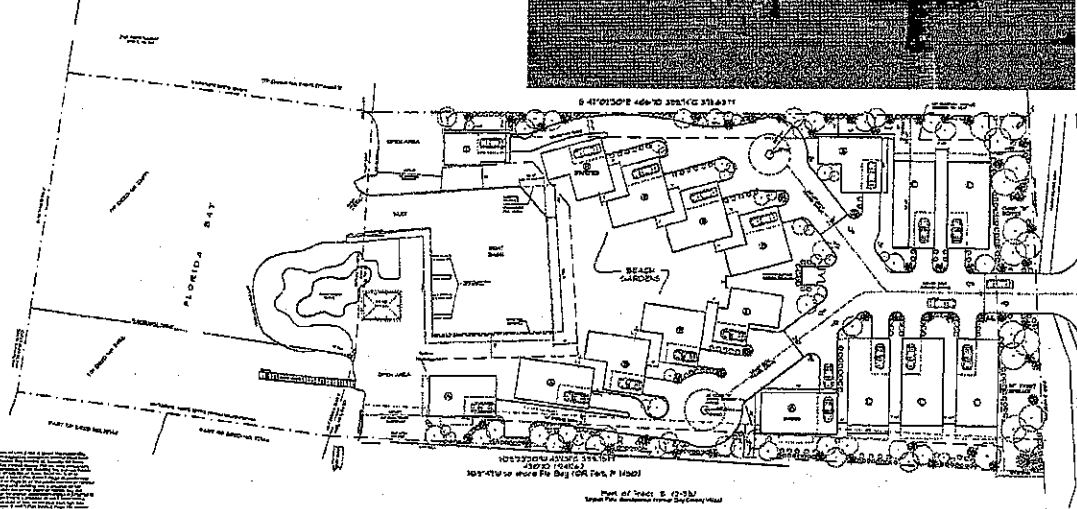
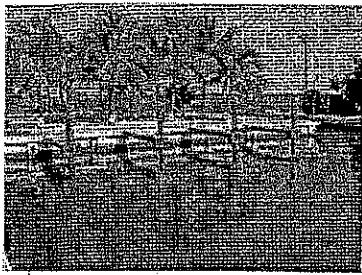


- \$5,200,000 first mortgage 5.16M
- 14.0% interest rate (13.0% interest rate net to lenders after BMC management fee)
- Lenders receive an additional 1 point at loan closing and 4 points at loan payoff
- Loan matures in 24 months and is expected to run to term
- There is no pre-payment penalty
- Six-month interest reserve
- THE BORROWER IS DB ISLAMORDA, L.L.C., WHOSE MANAGING MEMBER IS DANA J. BERMAN, PRESIDENT OF THE BERMAN GROUP.
- This loan is secured by a first mortgage on 1.95 acres of waterfront land and .5 acres of bay bottom located directly on the Gulf of Mexico. An existing motel on the site will be demolished and replaced by 17 waterfront single-family homes. A preliminary rendering of the project is shown above. Zoning for the site permits 44,000 buildable square feet. Using a conservative sale price of \$575 per square foot in this market, project sell-out is expected to be approximately \$25,000,000. Total costs, including land acquisition, will be approximately \$15,000,000 and will be funded by this loan, future advances to it and equity. There will be an equity injection of \$2,000,000 into the project by a member of the borrower. Preliminary approvals for the project have already been obtained from the City of Islamorada, permit applications begun and all consultants and contractors retained.
- The property was appraised at \$4,950,000, "as-is", by Joseph J. Blake and Associates, Inc.
- The LTV, based on the appraised value and the equity injection, is 74.82%

81350 -81450 Overseas Highway, Islamorada, FL 33036

Originated, funded and managed by Berman Mortgage Corporation and/or a wholly-owned affiliate





PROPOSED SITE PLAN

NO.	DESCRIPTION	AREA (SQ. FT.)	AREA (ACRES)
1	WATERFRONT SINGLE FAMILY HOMES	17,000	.39
2	BOAT SLIPS	1,000	.02
3	LANDSCAPING	1,000	.02
4	WATERFRONT POOL	1,000	.02
5	WATERFRONT PARKING	1,000	.02
6	WATERFRONT WALKWAY	1,000	.02
7	WATERFRONT FENCE	1,000	.02
8	WATERFRONT LIGHTING	1,000	.02
9	WATERFRONT SECURITY	1,000	.02
10	WATERFRONT MAINTENANCE	1,000	.02
11	WATERFRONT UTILITIES	1,000	.02
12	WATERFRONT FURNITURE	1,000	.02
13	WATERFRONT DECOR	1,000	.02
14	WATERFRONT ACCESSORIES	1,000	.02
15	WATERFRONT SUPPLIES	1,000	.02
16	WATERFRONT SERVICES	1,000	.02
17	WATERFRONT OTHER	1,000	.02
TOTAL		35,000	.80

LOCATION MAP

INDIGO BAY

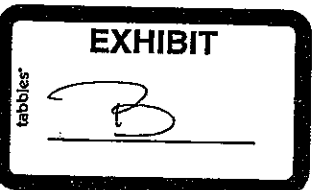
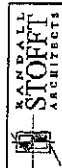
- \$1,250,000 2nd mortgage.
- 14.0% p.a. interest rate (13.0% p.a. interest rate net to lenders after BMC management fee).
- Lenders receive an additional 1 point at loan closing.
- Loan matures in 36 months, however it is projected that it will be prepaid in 18 months. In no event may the loan be paid off any later than project completion and sellout. At loan payoff, a bonus of \$250,000 will be paid on a pro-rata basis to the lenders participating in this loan.
- If the loan runs to maturity, the effective yield to the lenders will be approximately 20%. If the loan is prepaid in 18 months, the effective yield will be approximately 27%.
- Six-month interest reserve.
- THE BORROWER IS DB ISLAMORDA, L.L.C., WHOSE MANAGING MEMBER IS DANA J. BERMAN, PRESIDENT OF THE BERMAN GROUP.
- This loan is secured by a 2nd mortgage on 1.95 acres of waterfront land and .5 acres of bay bottom located directly on the Gulf of Mexico. An existing motel on the site is being demolished and replaced by 17 waterfront single family homes. Each home will include a boat slip in an enclosed basin. The project's final site plan is shown above. The homes will be priced from \$1,200,000 to \$2,200,000 for the 2,500 sq. ft. units closest to the bay and bay front pool. Five units have already been reserved. Preliminary approvals for the project have been obtained from the Village of Islamorada, the permitting application process has commenced and all consultants and contractors retained.
- The project, based on the sales completion method (as opposed to a method based on the former use of the property), is projected to have a gross price sell out of approximately \$29,000,000.
- The LTV, based on the sales completion method and including the existing \$5,200,000 1st mortgage, is 22.24%.
- Accredited prospective lenders are encouraged to review the project, the attached projections and to make independent inquiries.

81350 - 81450 Overseas Highway, Islamorada, FL 33036

Originated, funded and managed by Berman Mortgage Corporation and/or a wholly-owned affiliate

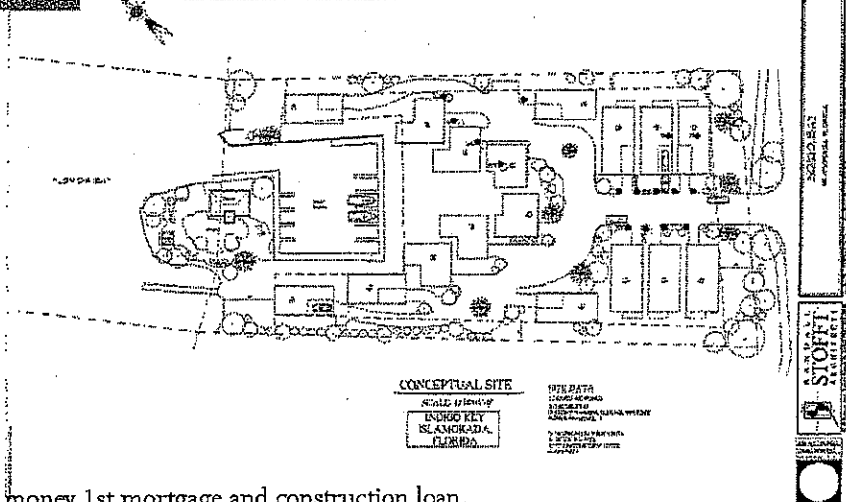


INDIGO BAY
LOANS AND INVESTMENTS
PORT OF CALIFORNIA





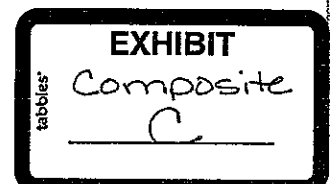
INDIGO BAY FUTURE ADVANCE

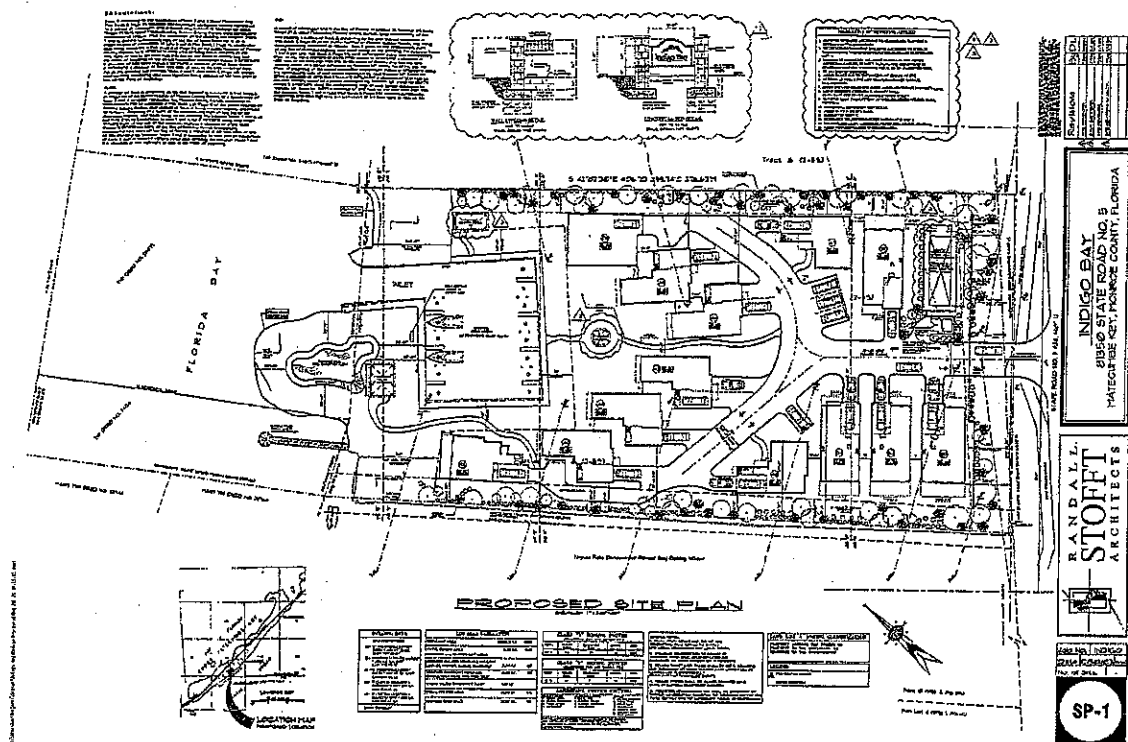


- \$1,000,000 future advance on purchase money 1st mortgage and construction loan.
- 14.0% interest rate (13.0% interest rate net to lenders after BMC management fee).
- Lenders receive an additional 1 point at loan closing and 4 points at loan payoff.
- Loan matures on January 1, 2006 and is expected to run to term.
- There is no pre-payment penalty.
- Six-month interest payment reserve from February 1, 2004 to July 1, 2004.
- **THE BORROWER IS DB ISLAMORDA, L.L.C., WHOSE MANAGING MEMBER IS DANA J. BERMAN, PRESIDENT OF THE BERMAN GROUP.**
- This loan is secured by a first mortgage on 1.95 acres of waterfront land and .5 acres of bay bottom located directly on Florida Bay in the Gulf of Mexico. An existing motel on the site was demolished (see aerial photograph of partially completed demolition above) and will be replaced by 17 waterfront single-family homes in a gated community. Construction is currently scheduled to commence approximately July 1, 2004. The project site plan is also shown above. Zoning for the site allows for 44,000 buildable square feet. Using a conservative sales price of \$750 per square foot in this market, gross project sell-out is expected to be approximately \$32,000,000. The homes are listed from \$1,200,000 to \$2,200,000. Twelve homes have been pre-sold to date. Construction costs will be approximately \$11,000,000, or \$250 per sq. ft., and will be funded by this future advance, additional future advances and equity from the borrower. Preliminary approvals for the project have already been obtained from the City of Islamorada, the building permit application process has begun and most consultants and contractors have been retained.
- The LTV, based on gross sell-out, taking into account the \$5,200,000 original principal amount of this 1st mortgage and the \$1,250,000 2nd mortgage, is 23.81%.

81350 –81450 Overseas Highway, Islamorada, FL 33036

Originated, funded and managed by Berman Mortgage Corporation and/or a wholly-owned affiliate





INDIGO BAY FUTURE ADVANCE 2

- \$1,000,000 future advance on 1st mortgage/construction loan.
- 14.0% interest rate (13.0% interest rate net to lenders after BMC management fee).
- Lenders receive 1 point at loan closing and an additional 4 points at loan payoff.
- Loan matures on January 1, 2006 and is expected to run to term.
- There is no pre-payment penalty.
- **THE BORROWER IS DB ISLAMORDA, L.L.C., WHOSE MANAGING MEMBER IS DANA J. BERMAN, PRESIDENT OF THE BERMAN GROUP.**
- This loan is secured by a first mortgage on 1.95 acres of waterfront land and .5 acres of bay bottom located directly on Florida Bay in the Gulf of Mexico. An existing motel on the site was demolished (see aerial photograph of partially completed demolition below) and will be replaced by 13 waterfront single-family homes in a gated community. Construction is currently scheduled to commence approximately October 1, 2004. Zoning for the site allows for Using a conservative sales price of market, gross project sell-out is \$24,000,000. The homes are listed Twelve homes have been pre-sold to approximately \$8,500,000, or \$250 this future advance, additional future borrower. Preliminary approvals for obtained from the City of application process has begun and have been retained.
- The LTV, based on gross sell-out, existing principal amount of this 1st mortgage, is 35.97%.

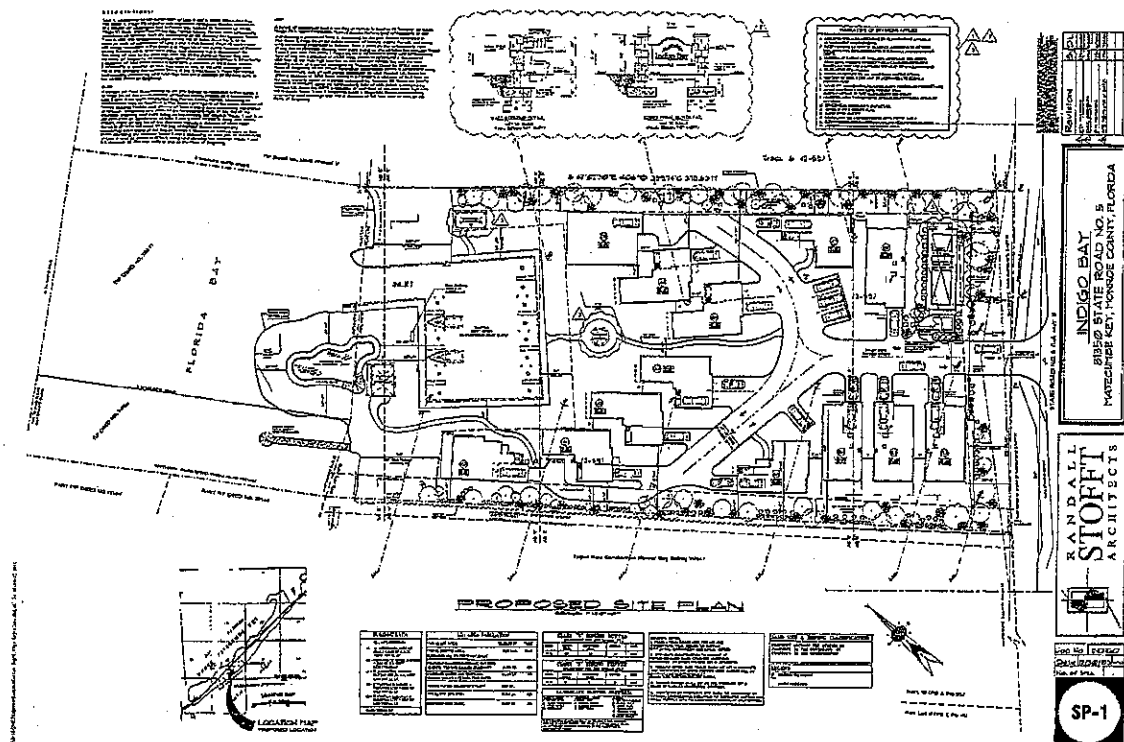


The project site plan is also shown 34,000 buildable square feet. \$700 per square foot in this expected to be approximately from \$1,200,000 to \$2,800,000. date. Construction costs will be per sq. ft., and will be funded by advances and equity from the the project have already been Islamorada, the building permit most consultants and contractors

taking into account the \$6,383,000 mortgage and the \$1,250,000 2nd

81350-81450 Overseas Highway, Islamorada, FL 33036

Originated, funded and managed by Berman Mortgage Corporation and/or a wholly-owned affiliate



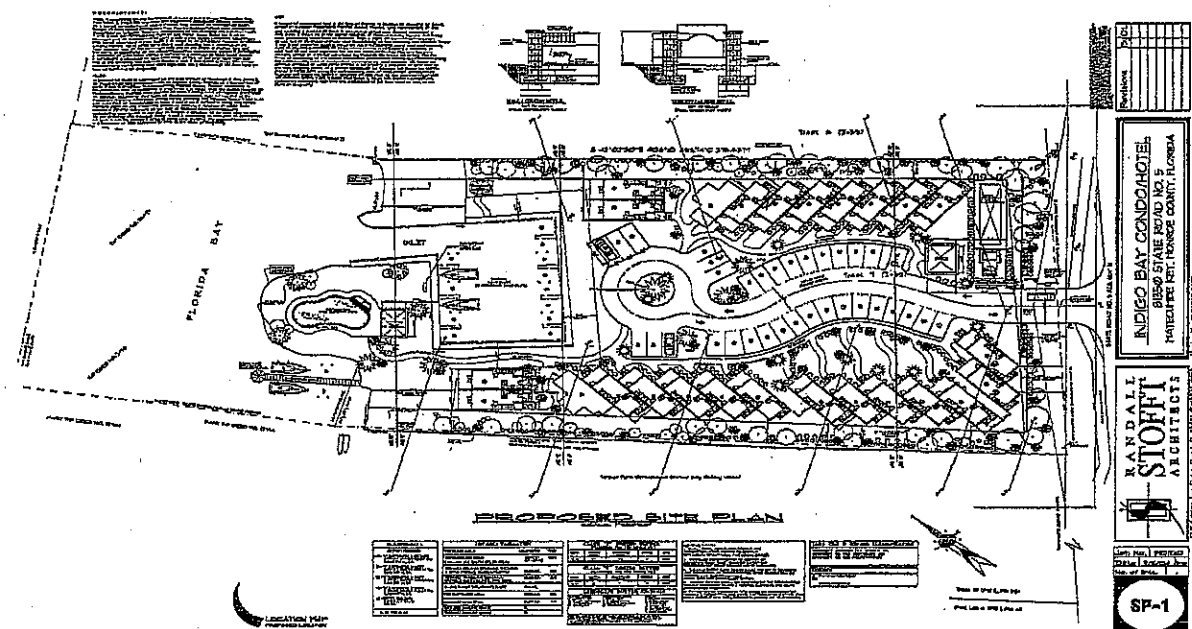
INDIGO BAY FUTURE ADVANCE 3

- \$500,000 future advance on 1st mortgage/construction loan.
- 14.0% interest rate (13.0% interest rate net to lenders after BMC management fee).
- Lenders receive 1 point at loan closing and an additional 4 points at loan payoff.
- Loan matures on January 1, 2006 and is expected to run to term.
- There is no pre-payment penalty.
- **THE BORROWER IS DB ISLAMORDA, L.L.C., WHOSE MANAGING MEMBER IS DANA J. BERMAN, PRESIDENT OF THE BERMAN GROUP.**
- This loan is secured by a first mortgage on 1.95 acres of waterfront land and .5 acres of bay bottom located directly on Florida Bay in the Gulf of Mexico. An existing motel on the site was demolished and will be replaced by 13 waterfront single-family homes in a gated community. The cleared site is shown below. Construction is currently scheduled to commence approximately December 1, 2004. The project site plan is also shown above. Zoning for the site allows for 34,000 buildable square feet. Using a conservative sales price of market, gross project sell-out is \$24,000,000. The homes are listed \$700 per square foot in this expected to be approximately \$1,200,000 to \$2,800,000. The homes are listed approximately \$8,500,000, or \$250 per sq. ft., and will be funded by advances and equity from the project have already been the building permit application and contractors have been taken into account the \$7,383,000 1st mortgage and the \$1,250,000 2nd mortgage, is 38.05%.



81350 - 81450 Overseas Highway, Islamorada, FL 33036

Originated, funded and managed by Berman Mortgage Corporation and/or a wholly-owned affiliate

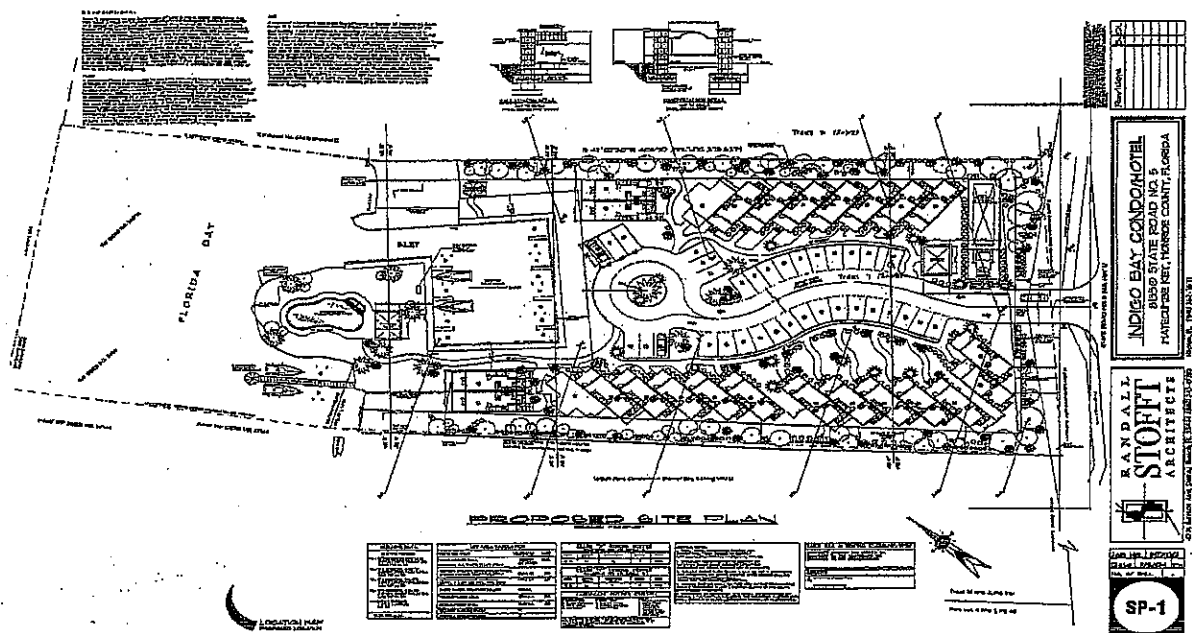


INDIGO BAY FUTURE ADVANCE 4

- \$1,000,000 1st mortgage - future advance/construction loan.
- 14.0% interest rate (13.0% interest rate net to lenders after BMC management fee).
- 1% to Lenders at loan closing.
- 4% to Lenders at loan payoff.
- Loan matures on January 1, 2006 and is expected to run to term.
- No pre-payment penalty.
- **THE BORROWER IS DB ISLAMORDA, L.L.C., WHOSE MANAGING MEMBER IS DANA J. BERMAN, PRESIDENT OF THE BERMAN GROUP.**
- This loan is secured by a first mortgage on 1.95 acres of waterfront land and .5 acres of bay bottom located directly on Florida Bay in the Gulf of Mexico.
- An existing motel on the site was demolished and will be replaced by a 25 unit condo-hotel (proposed site plan shown above):
 - 19 - 1 bedroom / 1.5 bath units at approximately 950 square feet; and
 - 6 - 2 bedrooms / 2 bath units at approximately 1,100 square feet.
- All of the 25 units are under non-binding reservation agreements and will convert to binding contracts within 30 days of receiving site plan approval from the Village of Islamorada.
- The gross project sell-out is expected to be approximately \$27.0 million with prices ranging from \$699,000 to \$1.6 million. Construction costs will be approximately \$4.7 million, or \$185 per sq. ft., and will be funded by this future advance, additional future advances and equity from the borrower.
- Preliminary approvals for the project have already been obtained from the City of Islamorada, the building permit application process has begun and most consultants and contractors have been retained. Construction is currently scheduled to commence in February 2005.
- The LTV, based on gross sell-out, taking into account the \$8,933,000 existing principal amount of this 1st mortgage and the \$1,250,000 2nd mortgage, is 37.7%.

81350-81450 Overseas Highway, Islamorada, FL 33036

Originated, funded and managed by Berman Mortgage Corporation and/or a wholly-owned affiliate

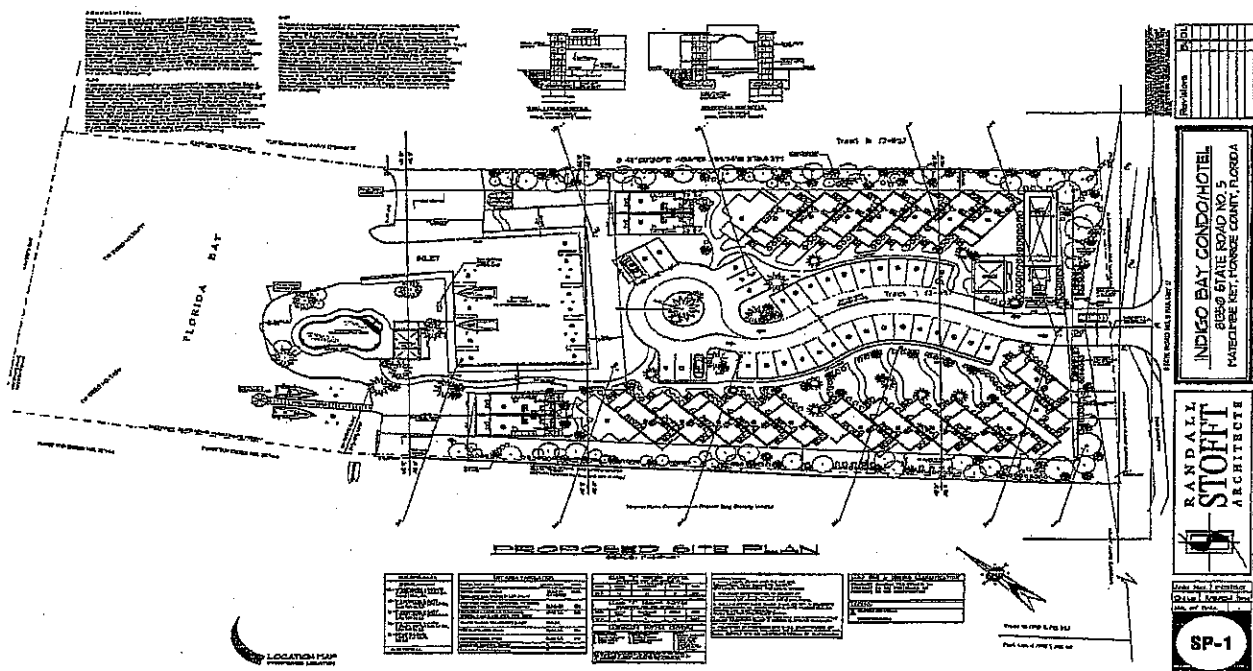


INDIGO BAY FUTURE ADVANCE 5

- \$1,000,000 1st mortgage - future advance/construction loan.
- 14.0% interest rate (13.0% interest rate net to lenders after BMC management fee).
- 1% to Lenders at loan closing.
- 4% to Lenders at loan payoff.
- Loan matures on January 1, 2006 and is expected to be paid off within 60 days.
- No pre-payment penalty.
- **THE BORROWER IS DB ISLAMORDA, L.L.C., WHOSE MANAGING MEMBER IS DANA J. BERMAN, PRESIDENT OF THE BERMAN GROUP.**
- This loan is secured by a first mortgage on 1.95 acres of waterfront land and .5 acres of bay bottom located directly on Florida Bay in the Gulf of Mexico.
- An existing motel on the site was demolished and is being replaced by a 25 unit condo-hotel (proposed site plan shown above):
 - 19 - 1 bedroom/ 1.5 bath units at approximately 950 square feet; and
 - 6 - 2 bedrooms / 2 bath units at approximately 1,100 square feet.
- All of the 25 units have been sold. 8 are binding contracts and the balance will convert shortly.
- The gross project sell-out is expected to be approximately \$27.0 million with prices ranging from \$699,000 to \$1.6 million. Construction costs will be approximately \$4.7 million, or \$185 per sq. ft.
- The loan will be refinanced within 60 days by TIB Bank of the Keys. They have committed to the construction loan.
- This project is under construction at this time.
- The LTV, based on gross sell-out, taking into account the \$9,933,000 existing principal amount of this 1st mortgage and the \$1,250,000 2nd mortgage, is 41.4%.

81350-81450 Overseas Highway, Islamorada, FL 33036

Originated, funded and managed by Berman Mortgage Corporation and/or a wholly-owned affiliate



INDIGO BAY FUTURE ADVANCE 6

- \$1,000,000 1st mortgage - future advance/construction loan.
- 14.0% interest rate (13.0% interest rate net to lenders after BMC management fee).
- 1% to Lenders at loan closing.
- 4% to Lenders at loan payoff.
- No pre-payment penalty.
- **THE BORROWER IS DB ISLAMORDA, L.L.C., WHOSE MANAGING MEMBER IS DANA J. BERMAN, PRESIDENT OF THE BERMAN GROUP.**
- This loan is secured by a first mortgage on 1.95 acres of waterfront land and .5 acres of bay bottom located directly on Florida Bay in the Gulf of Mexico.
- An existing motel on the site was demolished and is being replaced by a 25 unit condo-hotel (proposed site plan shown above):
 - 19 - 1 bedroom / 1.5 bath units at approximately 950 square feet; and
 - 6 - 2 bedrooms / 2 bath units at approximately 1,100 square feet.
- All of the 25 units have been sold. 8 are binding contracts and the balance will convert shortly.
- The gross project sell-out is expected to be approximately \$27.0 million with prices ranging from \$699,000 to \$1.6 million. Construction costs will be approximately \$4.7 million, or \$185 per sq. ft.
- The loan may be refinanced by TIB Bank of the Keys. They have committed to the construction loan. Or this loan may be carried for the remaining 9-12 months to finish the construction.
- This project is under construction at this time.
- The LTV, based on gross sell-out, taking into account the \$10,933,000 existing principal amount of this 1st mortgage and the \$1,250,000 2nd mortgage, is 45.1%.

81350-81450 Overseas Highway, Islamorada, FL 33036

Originated, funded and managed by Berman Mortgage Corporation and/or a wholly-owned affiliate



Urban Places

Indigo Bay / Islamorada

Print #51228068
Date: 12/28/05

Aerial Photography, Inc. 554-565-0164

Urban Places

Indigo Bay / Islamorada

Print #5122
Date: 12/28/05

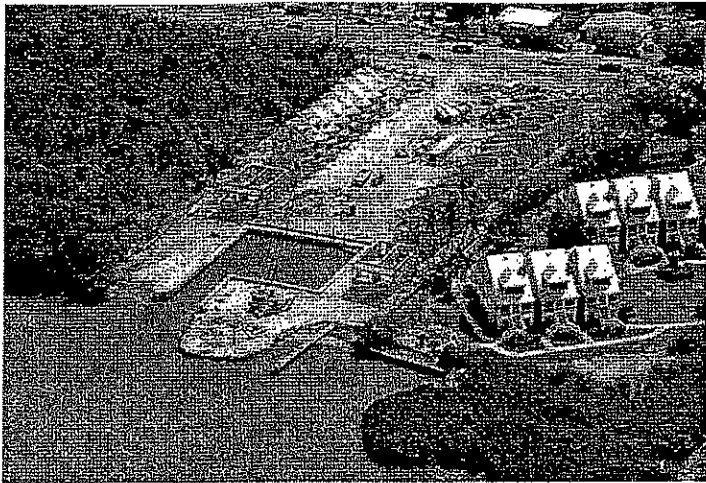
Aerial Photography, Inc. 554-565-0164

INDIGO BAY FUTURE ADVANCE 7

- \$3,000,000 1st mortgage - future advance/construction loan.
- 15.5% interest rate (14.5% interest rate net to lenders after MAMC management fee).
- 1% to Lenders at loan closing.
- No pre-payment penalty.
- **THE BORROWER IS DB ISLAMORDA, L.L.C., WHOSE MANAGING MEMBER IS DANA J. BERMAN, PRESIDENT OF THE BERMAN GROUP.**
- This loan is secured by a first mortgage on 1.95 acres of waterfront land and .5 acres of bay bottom located directly on Florida Bay in the Gulf of Mexico.
- An existing motel on the site was demolished and is being replaced by a 25 unit condo-hotel (proposed site plan shown above):
 - 19 - 1 bedroom/ 1.5 bath units at approximately 950 square feet; and
 - 6 - 2 bedrooms / 2 bath units at approximately 1,100 square feet.
- 10 units are under binding contracts.
- The gross project sell-out is expected to be approximately \$28.0 million with prices ranging from \$699,000 to \$1.7 million. Construction costs will be approximately \$7 million, or \$279 per sq. ft.
- TIB Bank of the Keys committed to financing the construction loan, but since the project is within 12 months of completion, the Borrower has decided to finish the project through Future Advances on the existing financing rather than incur new fees and interest guarantees with the TIB Bank loan.
- Construction is progressing ahead of schedule on the 25 unit Condo-Hotel, in spite of the hurricanes and some site redrawings. The project is approximately 35% complete with over 90% completion on the masonry shells.
- Delivery of the units is expected to start September 2006 with the last units delivered by December 2006.
- The LTV, based on gross sell-out, taking into account the \$11,033,000 existing principal amount of this 1st mortgage and the \$1,250,000 2nd mortgage, is 54.6%.

81350 - 81450 Overseas Highway, Islamorada, FL 33036

Originated, funded and managed by Berman Mortgage Corporation and/or a wholly-owned affiliate



New Urban Places

Indigo Bay / Islamorada

PHN 8882271032
Date: 6/27/05

www.Photographix.com 904 325 0136



New Urban Places

Indigo Bay / Islamorada

PHN 8882271033
Date: 6/27/05

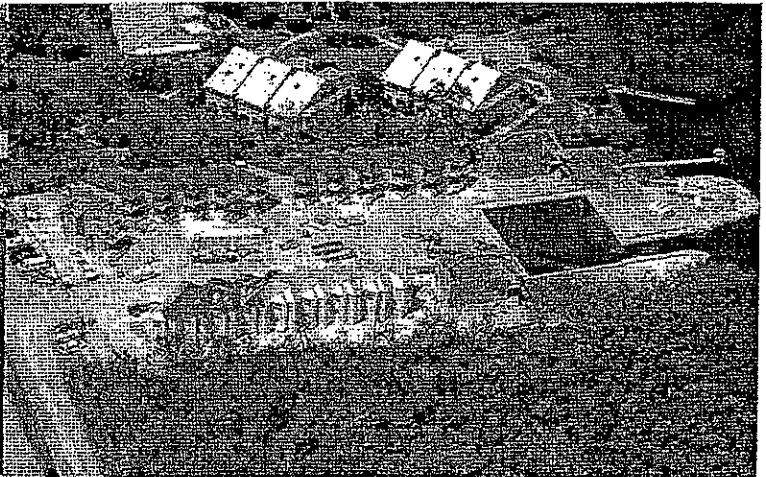
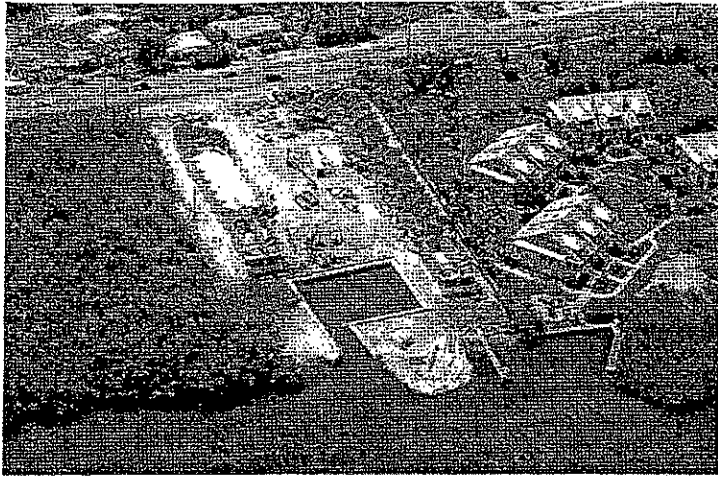
www.Photographix.com 904 325 0136

INDIGO BAY FUTURE ADVANCE 8

- \$2,500,000 1st mortgage - future advance/construction loan.
- 15.5% interest rate (14.5% interest rate net to lenders after MAMC management fee).
- 1% to Lenders at loan closing.
- No pre-payment penalty.
- **THE BORROWER IS DB ISLAMORDA, L.L.C., WHOSE MANAGING MEMBER IS DANA J. BERMAN, PRESIDENT OF THE BERMAN GROUP.**
- This loan is secured by a first mortgage on 1.95 acres of waterfront land and .5 acres of bay bottom located directly on Florida Bay in the Gulf of Mexico.
- An existing motel on the site was demolished and is being replaced by a 25 unit condo-hotel (proposed site plan shown above):
 - 19 - 2 bedroom/ 1.5 bath units at approximately 950 square feet; and
 - 6 - 2 bedrooms / 2 bath units at approximately 1,100 square feet.
- 10 units are under binding contracts.
- The gross project sell-out is expected to be approximately \$28.0 million with prices ranging from \$699,000 to \$1.7 million. Construction costs will be approximately \$7 million, or \$279 per sq. ft.
- TIB Bank of the Keys committed to financing the construction loan, but since the project is within 12 months of completion, the Borrower has decided to finish the project through Future Advances on the existing financing rather than incur new fees and interest guarantees with the TIB Bank loan.
- Construction is progressing ahead of schedule on the 25 unit Condo-Hotel, in spite of the hurricanes and some site re-drawings.
- 100% of the masonry shells and 70% of the Hardie board siding have been completed.
- The first building will be dried in (completion of roofing, windows & doors) within 30 days. Interior work will commence right after.
- Overall, the project is approximately 50% complete.
- Delivery of the units is expected to start September 2006 with the last units delivered by December 2006.
- The LTV, based on gross sell-out, taking into account \$14,603,000 existing principal amount of this 1st mortgage and the \$1,250,000 2nd mortgage, is 61.1%.

81350 - 81450 Overseas Highway, Islamorada, FL 33036

Originated, funded and managed by Berman Mortgage Corporation and/or a wholly-owned affiliate



New Urban Places

Indigo Bay / Islamorada

Print #60427832
Date 04/27/06

Print Photography Inc. 354-543-5434

New Urban Places

Indigo Bay / Islamorada

Print #60427033
Date 04/27/06

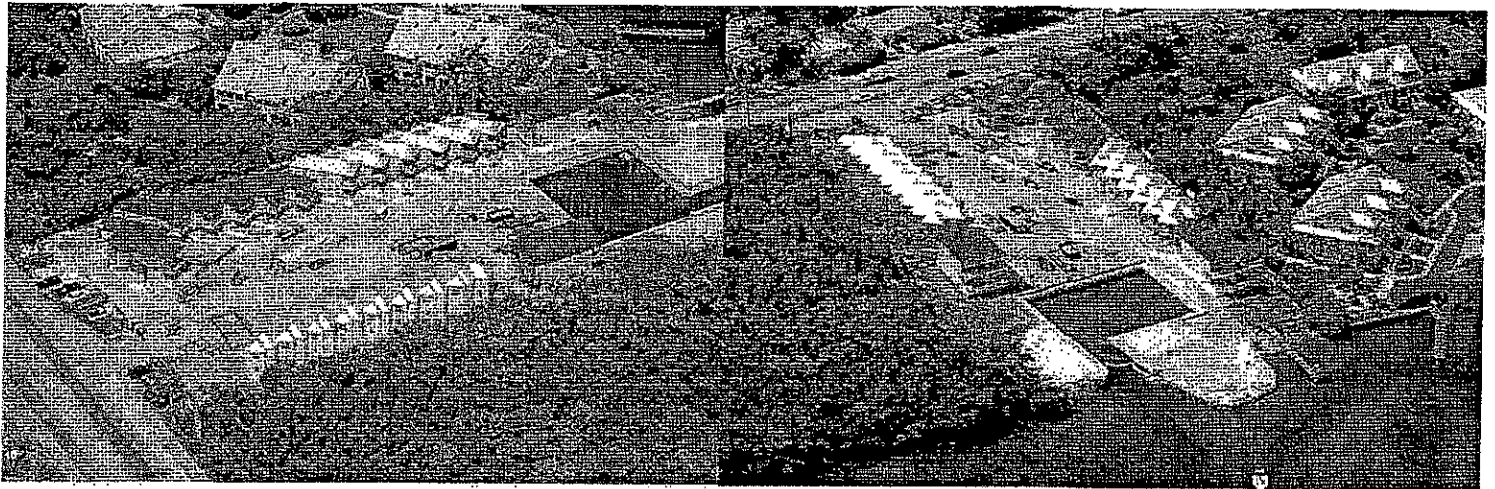
Print Photography Inc. 354-543-5434

INDIGO BAY FUTURE ADVANCE 9

- \$2,000,000 1st mortgage - future advance/construction loan.
- 15.5% interest rate (14.5% interest rate net to lenders after MAMC management fee).
- 1% to Lenders at loan closing.
- No pre-payment penalty.
- It is anticipated that the borrower will repay the loan in full in 6 to 9 months.
- **THE BORROWER IS DB ISLAMORDA, L.L.C., WHOSE MANAGING MEMBER IS DANA J. BERMAN, PRESIDENT OF THE BERMAN GROUP.**
- This loan is secured by a first mortgage on 1.95 acres of waterfront land and .5 acres of bay bottom located directly on Florida Bay in the Gulf of Mexico.
- An existing motel on the site was demolished and is being replaced by a 25 unit condo-hotel (proposed site plan shown above):
 - 19 - 2 bedroom/ 1.5 bath units at approximately 950 square feet; and
 - 6 - 2 bedrooms / 2 bath units at approximately 1,100 square feet.
- 10 units are under binding contracts.
- The gross project sell-out is expected to be approximately \$28.0 million with prices ranging from \$699,000 to \$1.7 million. Construction costs will be approximately \$7 million, or \$279 per sq. ft.
- TIB Bank of the Keys committed to financing the construction loan, but since the project is within 9 months of completion, the Borrower has decided to finish the project through Future Advances on the existing financing rather than incur new fees and interest guarantees with the TIB Bank loan.
- Construction is progressing ahead of schedule on the 25 unit Condo-Hotel, in spite of the hurricanes and some site re-drawings.
- 100% of the units are enclosed with their doors and windows and the exterior of the units are painted.
- Overall, the project is approximately 70% complete.
- Delivery of the units is expected to start September 2006 with the last units delivered by December 2006.
- The LTV, based on gross sell-out, taking into account \$15,853,000 existing principal amount of this 1st mortgage, is 63.8%.

81350—81450 Overseas Highway, Islamorada, FL 33036

Originated, funded and managed by Berman Mortgage Corporation and/or a wholly-owned affiliate



New Urban Places

Indigo Bay / Islamorada

Print #460620030
Date: 06/20/06

Printed Photograph: 100 100 100 100

New Urban Places

Indigo Bay / Islamorada

Print #460620030
Date: 06/20/06

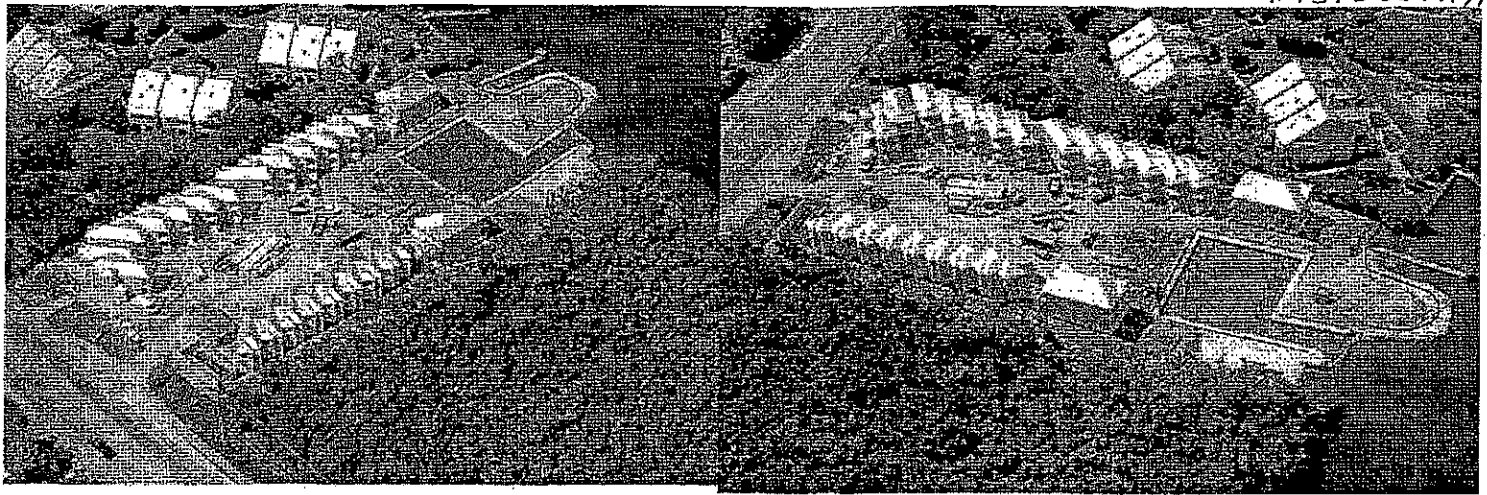
Printed Photograph: 100 100 100 100

INDIGO BAY FUTURE ADVANCE 10

- \$2,500,000 1st mortgage - future advance/construction loan.
- 15.5% interest rate (14.5% interest rate net to lenders after MAMC management fee).
- 1% to Lenders at loan closing.
- No pre-payment penalty.
- It is anticipated that the borrower will repay the loan in full in 5 to 8 months.
- **THE BORROWER IS DB ISLAMORDA, L.L.C., WHOSE MANAGING MEMBER IS DANA J. BERMAN, PRESIDENT OF THE BERMAN GROUP.**
- This loan is secured by a first mortgage on 1.95 acres of waterfront land and .5 acres of bay bottom located directly on Florida Bay in the Gulf of Mexico.
- An existing motel on the site was demolished and is being replaced by a 25 unit condo-hotel (proposed site plan shown above):
 - 19 - 2 bedroom/ 1.5 bath units at approximately 950 square feet; and
 - 6 - 2 bedrooms / 2 bath units at approximately 1,100 square feet.
- 10 units are under binding contracts.
- The gross project sell-out is expected to be approximately \$28.0 million with prices ranging from \$699,000 to \$1.7 million. Construction costs will be approximately \$7 million, or \$279 per sq. ft.
- Construction is progressing ahead of schedule on the 25 unit Condo-Hotel, in spite of the hurricanes and some site re-drawings.
- 100% of the units are enclosed with their doors, windows and roofs installed. The interior work has commenced and the exterior of the units are painted.
- Overall, the project is approximately 75% complete.
- Delivery of the units is expected to start October 2006.
- The LTV, based on gross sell-out, taking into account \$17,853,000 existing principal amount of this 1st mortgage, is 72.7%.

81350-81450 Overseas Highway, Islamorada, FL 33036

Originated, funded and managed by Berman Mortgage Corporation and/or a wholly-owned affiliate



New Urban Places
Islamorada, FL 33036

Indigo Bay / Islamorada

Print: 05/02/2002
Date: 05/02/2002

New Urban Places
Islamorada, FL 33036

Indigo Bay / Islamorada

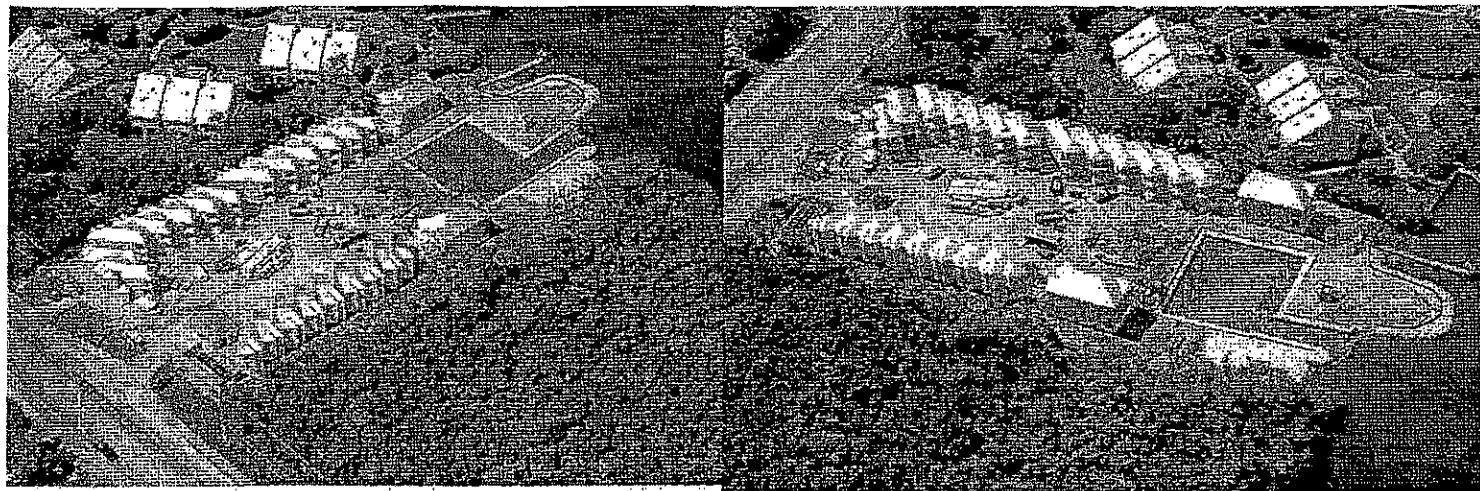
Print: 05/02/2002
Date: 05/02/2002

INDIGO BAY FUTURE ADVANCE 11

- \$2,500,000 1st mortgage - future advance/construction loan.
- 15.5% interest rate (14.5% interest rate net to lenders after MAMC management fee).
- 1% to Lenders at loan closing.
- No pre-payment penalty.
- It is anticipated that the borrower will repay the loan in full in 5 to 8 months.
- **THE BORROWER IS DB ISLAMORDA, L.L.C., WHOSE MANAGING MEMBER IS DANA J. BERMAN, PRESIDENT OF THE BERMAN GROUP.**
- This loan is secured by a first mortgage on 1.95 acres of waterfront land and .5 acres of bay bottom located directly on Florida Bay in the Gulf of Mexico.
- An existing motel on the site was demolished and is being replaced by a 25 unit condo-hotel (proposed site plan shown above):
 - 19 - 2 bedroom/ 1.5 bath units at approximately 950 square feet; and
 - 6 - 2 bedrooms / 2 bath units at approximately 1,100 square feet.
- 10 units are under binding contracts.
- The gross project sell-out is expected to be approximately \$28.0 million with prices ranging from \$699,000 to \$1.7 million. Construction costs will be approximately \$7 million, or \$279 per sq. ft.
- 100% of the units are enclosed with their doors, windows and roofs installed. The interior work has commenced and the exterior of the units are painted.
- Overall, the project is approximately 90% complete.
- The First 3 buildings will receive their Certificate of Occupancy (CO) in November with the balance of the Buildings in December.
- The LTV, based on gross sell-out, taking into account \$20,203,000 existing principal amount of this 1st mortgage, is 81.08%.

81350 - 81450 Overseas Highway, Islamorada, FL 33036

Originated and funded by Berman Mortgage Corporation and managed by MAMC, Inc.

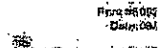


Indigo Bay / Islamorada



Indigo Bay / Islamorada

Indigo Bay / Islamorada



INDIGO BAY FUTURE ADVANCE 12

- ^{865K} \$1,500,000 1st mortgage - future advance/construction loan.
- 16% interest rate (15% interest rate net to lenders after MAMC management fee).
- 1% to Lenders at loan closing.
- No pre-payment penalty.
- It is anticipated that the borrower will repay the loan in full in 4 to 6 months.
- **THE BORROWER IS DB ISLAMORDA, L.L.C., WHOSE MANAGING MEMBER IS DANA J. BERMAN, PRESIDENT OF THE BERMAN GROUP.**
- This loan is secured by a first mortgage on 1.95 acres of waterfront land and .5 acres of bay bottom located directly on Florida Bay in the Gulf of Mexico.
- An existing motel on the site was demolished and is being replaced by a 25 unit condo-hotel (proposed site plan shown above):
 - 19 - 2 bedroom/ 1.5 bath units at approximately 950 square feet; and
 - 6 - 2 bedrooms / 2 bath units at approximately 1,100 square feet.
- A Market Feasibility Analysis was conducted by Goodkin Consulting for the Borrower in December 2006. They made a strong recommendation to convert the units to fractional ownership.
- The Borrower executed an agreement with DCP International, LLC that specializes in the sale of fractional units to market the property.
- The 25 condo units will become 240 fractional units plus a clubhouse.
- The gross project sell-out, under the fractional unit structure, is expected to be approximately \$44.0 million. Gross sell out after selling expense will be \$41.0M
- Unit prices will range from \$150,000 to \$200,000 per fractional unit with an average price of \$183,000.
- Construction of the project is almost 100% complete. COs are anticipated later this month.
- The Borrower expects to payoff the loan with an Institutional bank once only 30 units are pre-sold and an equity participation is raised.
- Loan proceeds will be used to pay for construction costs, for loan extension fees, for interest reserves and loan closing costs.
- The LTV, based on gross sell-out less selling expenses, taking into account \$22,703,000 existing principal amount of this 1st mortgage, is 59.0% .

81350 -81450 Overseas Highway, Islamorada, FL 33036

Originated and funded by Berman Mortgage Corporation and managed by MAMC, Inc.