Exhibits to Private Offering Memorandum
of REO Profits Team4, LLC
dated March 21, 2008

TABLE OF CONTENTS

(Exhibit cover pages fonts highlighted in yellow for ease of reference.)

Exhibit " A "

Example Promissory Note
and
Master Agreement for Note Trustee

Secured Promissory Note

FOR VALUE RECEIVED, REO Profits Team4, LLC, a Delaware Limited Liability Company (hereafter "REPT4" or "Company"), promises to pay to Barry W. Ferich and /or Rachael Ferich, Trustees for the Series 'A' Membership Certificate Owners of REO Profits Team4, LLC. a Delaware Limited Liability Company, or order, FOR THE BENEFIT OF:

(***Name of 'A' unit Investor)***_____

the principal sum of _____ and 00/100 DOLLARS ($_____), (amount invested in 'A' units by Investor) with interest from the date hereof, at the rate of

Thirteen percent (13%) per annum

non-compounded, on the unpaid balance until paid or terminated, both principal and interest payable in lawful money of the United States of America, or as may be otherwise provided for by the Operating Agreement of REO Profits Team4, LLC (the Operating Agreement), an agreement duly executed between the parties hereto and to which the beneficiaries hereunder, and each of them, are a signatory party. This note is payable at the office of the holder of the Note, or at such other place as the legal holder may designate in writing. The principal and interest shall become due and payable pursuant to the terms of the Operating Agreement, a copy of which is attached hereto and made a part hereof.

This note is to be secured as per the terms of the Operating Agreement of the Company. A **NEW FIRST DEED OF TRUST** shall be executed in favor of Note Trustee as security for this note against any real property REPT4 shall acquire that is not (a) re-sold within ninety (90) days, or (b) encumbered by other financing of any kind. In addition, all acquired **MORTGAGE NOTE AND TRUST ASSETS OF THE COMPANY** are hereby pledged as security for this note, including any and all such existing assets and those the Company may acquire at any time in the future before this note is paid or settled, which however shall be junior to any financing used when such assets are acquired by the Company or refinanced by it.

Maker hereby waives protest, presentment, notice of dishonor, and notice of acceleration of maturity and agrees to continue to remain bound for the payment of principal, interest and all other sums due under this Note and Security Agreement notwithstanding any change or changes by way of release, surrender, exchange, modification or substitution of any security for this Note or by way of any extension or extensions of time for the payment of principal and interest; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice or consent of any of them. Upon default the holder of this Note may employ an attorney to enforce the holder's rights and remedies. In such event the maker, principal, surety, guarantor and endorsers of this Note and the beneficiaries hereunder each agree to handle all aspects of resolving the matter as per the terms of the Operating Agreement of REPT4, and specifically Article XV therein titled "Conflict Resolution"; an agreement to which they, and each of them, are a party. The rights

and remedies of the holder as provided in this Note, and any instrument securing this Note shall be cumulative and may be pursued singly, successively, or together against the property described in the Security Agreement or any other funds, property or security, in the sole discretion of the holder, subject however to the terms of the Article XV of the aforesaid Operating Agreement, to which each is a signatory party. The failure to exercise any such right or remedy shall not be a waiver or release of such rights or remedies or the right to exercise any of them at another time. This Note shall be governed by and construed in accordance with the laws of the State Delaware. Venue for any dispute resolution hereunder shall be Wilmington, Delaware, as per the Operating Agreement of REO Profits Team4, LLC**.**

IN TESTIMONY WHEREOF, the duly authorized Managing Member(s) of maker hereof, REO Profits Team4, LLC, a Delaware Limited Liability Company, have hereunto set their hands and impressed their company seal, and written in addition hereon, next to their names and the company seal, the word "SEAL", so as to make it appear beside their names, the day and year first above written.

For: **REO Profits Team4, LLC, a Delaware Limited Liability Company**
Address: ----------

********** EXAMPLE DRAFT COPY - ORIGINAL TO BE SIGNED AT CLOSING **********

X_____ X_____
G. Patrick Dague Gary Erickson

Duly Authorized Managing Members

(SEAL)

Note Trustee, by his signature on a written Master Agreement for Note Trustee made by and between himself, the Maker hereof, and the beneficiaries hereunder, has confirmed he has read and understands the terms of the Operating Agreement with respect to his duties hereto, and as stipulated in the said Master Agreement, and he has expressly agreed to abide by each such term and condition therein, as those terms and conditions may apply to his obligations to beneficiaries hereunder when acting in his official capacity as Note Trustee on their behalf. He shall execute the below written "Satisfaction" of this Note and cause the First Deed of Trust securing it to be released when this Note is satisfied per the terms of the Master Agreement, or satisfied as per any one particular term or condition therein, and return same to maker.

THIS PORTION TO BE EXECUTED
ONLY UPON SATISFACTION OF THIS NOTE

The debt evidenced by this Note has been satisfied in full this ____ day of _____, 20___.

Signed:_____, Note Trustee

MASTER AGREEMENT
for
NOTE TRUSTEE

March 21, 2008

This Master Agreement for Note Trustee is entered into on date first above written by and between Barry W. Ferich and Rachael Ferich, Trustees for REO Profits Team4, LLC, a Delaware Limited Liability Company, Series 'A' Membership Certificate Owners, whose address is 6923 Mewall Drive (hereafter "Note Trustee") and REO Profits Team4, LLC, a Delaware Limited Liability Company, whose address is c/o Gary Erickson, Attorney at Law , 3061 Clairemont Drive, San Diego, CA 92117, (hereafter "REPT4" or "Company"), and by the Series 'A' Certificate owner Members of REPT4, and each of them individually and collectively, who do or will own and control the issued and outstanding Series 'A' Membership Certificates ('A' units) issued by REPT4. 'A' unit owners are hereafter collectively referred to herein as "Beneficiaries".

RECITALS

1. REPT4 developed a Private Placement Offering Memorandum ("PPM") to offer certain Membership Certificates for sale as a private securities offering (the Offering) under certain exemptions available under United States Security and Exchange Commission for an offering of securities.

2. Beneficiaries who subscribe to the Offering and acquire 'A' units become fully paid and non-assessable Members of REPT4, and participate with other Members in certain of the risks, potential benefits and earnings of the company.

3. As disclosed in the PPM, a copy of which is attached hereto and made a part hereof, REPT4 intends to use proceeds of the Offering to acquire real properties at discounts significantly below current market value from various banks and financial institutions. Said real properties may be located in any place deemed reasonable for investment in the sole opinion of the Company. REPT4 may also, should an exceptional opportunity arise in the opinion of its Managing Members, acquire one or more real estate secured notes at significant discounts as an investment for the Company.

4. The 'A' units issued by REPT4 to Beneficiaries carry with them certain rights and potential benefits. One such right and benefit is that Beneficiaries shall share an equivalent interest in certain separate individual Promissory Notes ("the Notes") executed by REPT4, payable to each of them individually as beneficiaries in care of the Note Trustee. **The interest of each such individual owner of the 'A' units of the Company in the Notes is to be exactly equivalent, dollar for dollar, to their investment in the 'A' units. Thus, REPT4 shall execute a promissory note identical in form to the example attached hereto, payable in care of Note Trustee and for the benefit of each such Investor in the 'A' units, for the exact**

amount of their investment.

5. As disclosed in the PPM a third party trustee and co-trustee are to hold the Notes and any security for them, including where applicable original Deeds of Trust which secure the Notes on behalf of the Beneficiaries. The third party trustee and co-trustee are referred to herein as the "Note Trustee". Barry W. Ferich and Rachael Ferich are the "Note Trustee".

6. The parties to the Notes, being REPT4 as the Maker of the Notes, the Note Trustee, and the Beneficiaries, to include each such Beneficiary individually, and all of them collectively acting as one body, desire to enter into this Agreement to further and more clearly define certain terms of the working relationship by, among and between them and to define and clarify, with respect of each to the others, certain of their rights, duties, obligations and liabilities;

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

I
THE NOTES

1. Written Form of the Notes

The Notes shall be written substantially as shown in Exhibit 'A' to the PPM, a copy of which is attached herewith and made a part hereof.

2. Security Interest

Beneficiaries shall have a security interest in the real and personal property of the Company equal to the value of the Notes, plus all accrued interest thereon, which however shall be junior to any financing used when the assets are acquired by the Company or refinanced by it. In the case of real property held, owned and controlled by the Company that is acquired for all cash, which the Company reasonably expects it may hold for a period of thirty days or longer before transfer of title to a third party as a result of a sale, the Company shall **as soon as reasonably possible after acquiring such real property** cause a **First Deed of Trust to be recorded against that property in favor of Note Trustee**, for him to hold for benefit of Beneficiaries.

3. Payments

REPT4 shall, at the sole discretion of its Managing Member(s) and when funds are reasonably available from operations of the Company, make payments on the Notes. Each such payment shall apply first to Principal, and then to interest. All unpaid and owing principal and interest due under the Notes are to accrue, non-compounded, until all Company-owned real properties and personal properties are sold or until the Notes, and each of them, have been otherwise paid or otherwise discharged as per the terms of the Company Operating Agreement and the disclosures in the PPM.

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II
DUTIES OF MANAGING MEMBER(S) OF REPT4 WITH RESPECT TO THE NOTES

With respect to Company funds received from Beneficiaries as a result of their investment in the 'A' units, Company Managing Member(s) are specifically to execute a separate promissory note in the form described in the PPM to Note Trustee on behalf of EACH of the Beneficiaries. The Managing Member(s) shall exercise diligence, skill and prudence in the operation of the Company and in the acquisition and resale of the assets of the Company, so as to retire the Notes by one of the several mechanisms provided in the Operating Agreement of the Company, including all principal and interest, at the earliest reasonable opportunity consistent with the objectives of the Company and its Members. Thereafter, with regard to any and all assets and properties of the Company remaining after the Company has retired the Notes, the Managing Members shall continue to operate the Company with an eye to earning maximum profits for Beneficiaries and other Members of the Company.

III
DUTIES and LIABILITY OF NOTE TRUSTEE

The duties, obligations and liabilities or of the Note Trustee shall be, and are, strictly limited to the following:

(a) the Trustee shall hold the original Notes and Deeds of Trust, and any other assets that come under his control which he holds for benefit of the Beneficiaries, at the office of a third party accountant, or in a bank safe deposit box, or at any other location where it is reasonable and safe in his opinion to keep those assets;

(b) the Note Trustee shall timely provide an accounting of assets or cause a third party accounting professional to provide it when he is required to do so by operation of this agreement to facilitate the intent of this agreement ;

(c) the Note Trustee, or on his instructions any third party accountant or other designated professional and competent party he selects, shall timely deliver assets under his control that are held on behalf of the Beneficiaries, including delivery of those assets to any title or escrow company or to the Managing Member(s) of the Company, when required by operation of this agreement, or by any part hereof;

(d) in the event of the bankruptcy of REPT4, whether voluntary or involuntary, or in the event of its termination of operations of the Company for any other reason whatsoever while any of the Notes remain outstanding and in the hands of or under the control of the Note Trustee, he is to then call a meeting of the Beneficiaries by letter sent by regular mail to their last known address, and an e-mail to their e-mail

address if available, for a time not less then ten days, nor more then twenty one days later;

(e) at any meeting of the Beneficiaries as contemplated in the above paragraph the Note Trustee shall tender his resignation in writing to the Beneficiaries, with a copy to each including a copy by U.S. mail to those not in attendance, and all duties of the original Note Trustee shall then cease. His resignation shall then be immediately effective. The Beneficiaries may then re-elect him if they wish to do so and if he agrees to continue to serve as Note Trustee, or they may elect a new, replacement Note Trustee, such as an attorney or a CPA or other competent person of their choice to take his place as per Article VI hereof;

(f) the Note Trustee may otherwise resign at any time subject to giving notice to the Beneficiaries as per paragraph (b) above, which notice shall include calling a meeting where his replacement may be elected by the Beneficiaries, or where the Beneficiaries may take any other action the majority of them, by majority vote, shall deem reasonable and appropriate;

(g) the Note Trustee shall provide an accounting of assets to the Managing Member(s) of the Company, paid for by the Company, in a format consistent with normal and customary accounting practices, within three business days of receiving any such request for an accounting of assets. This may be prepared by the third party accountant holding assets for the Note Trustee, or by any other accounting professional of his choice. This same information is to be provided to the Beneficiaries at any time a majority, by majority vote, shall request it;

(h) except in the case of theft of the assets of the Beneficiaries, where that theft is proven in a criminal court and the Note Trustee is found guilty, pleads guilty or enters a plea of "no contest", no liability of any kind shall attach to the Note Trustee concerning the performance of his duties;

(i) the Note Trustee shall be, and is, expressly directed and authorized, without liability to himself of any kind, to follow the instructions of the Managing Member(s) of the Company with respect to all assets he holds and controls on behalf of the Beneficiaries when those instructions fall within the guidelines of the Operating Agreement of the Company, particularly subsections 9.3, 9.4, 9.4(A), 9.4(B), 9.4(C) and 9.4(D) thereof, as quoted verbatim below, and he agrees to do so;

SECTION 9.3 Net profits, as they relate to funds and other assets which may be available for distribution to Members as a result of the business operations of the Company and the making of any interim or final distribution of profits based thereon, are defined as all remaining funds and other assets available for distribution after first accounting for all operational costs and expenses, and accounting for any previous distributions of net profits to Members which may have established a new tax basis for them, less any fees that may be payable to the Managing Member(s) under this Agreement, and then further deducting the original or

remaining basis-per-membership-unit, prorated per Member. The remaining balance shall be the net profits available for distribution to the Members for tax purposes. For the purposes of this paragraph the term "net profits" shall, however, exclude any real property depreciation taken for tax purposes during the period any particular real property may be held as a rental.

SECTION 9.4 The Company shall make certain distributions to holders of Series 'A' units of the Company from time to time in the form of payments on the Notes held on their behalf by the Note Trustee, until they are paid in full, plus interest. Specifically, when a property or financial asset is sold or refinanced the Company will use the proceeds, after all costs and expenses and excepting a reasonable reserve for Company operations, to pay off in cash as much as the remaining outstanding total balance of the Notes as possible, first to Principal and then to Interest. The Note Trustee shall oversee the distribution of such payments, which shall be paid, on a pro-rated basis, to each 'A' unit beneficiary holding a Note. No distributions may be made to Members to pay down or pay-off the Notes at any time, however, that are not reasonably based on either (a) the net operating income of the Company or (b) proceeds from the sale or refinance of one or more Company owned financial assets or real properties, or (c) distributions of the assets of the Company which are made at the sole discretion of the Managing Member(s).

A. With regard to distributions made to Members to retire the Notes, investors in the Series 'A' Membership Certificates shall, and do, jointly and severally have a pledged security interest in all real property and financial assets owned and controlled by the Company, regardless of whether or not a written security instrument has been delivered to the Note Trustee for any particular such asset. That security interest shall remain in place and in force until such time as the Notes are retired by one of the several mechanisms for same contemplated herein. A third party trustee shall be named to act on their behalf under the terms of a "Master Agreement for Note Trustee" which the Company shall cause to be created, or has created, for that purpose.

B. In any instance where proceeds of a sale or refinance of a Company owned asset pledged as security to the Note Trustee by a written security instrument delivered to him for benefit of the 'A' unit Members is not sufficient to clear the face dollar amount of that security instrument, the Company shall be required to pay only as much of the stated face amount thereon as is reasonably possible and in the best interest of the Company in the sole opinion of the Managing Member(s), and the Note Trustee shall then release the security instrument back to the Company.

C. Nothing in this Agreement, in the Offering Memorandum, or in the Master Agreement for Note Trustee shall be construed in any way to limit the ability of the Managing Member(s) to either buy or sell any real property or any trust deed secured mortgage notes or other financial assets of any kind or type whatsoever, at any time and at their sole discretion, if doing so is, in their sole opinion, in the best interests of the Company and its Members. They have full powers in that regard.

IV
COMPENSATION TO NOTE TRUSTEE

. The Note Trustee shall be paid $100.00 for each Note he holds, manages and releases

on behalf of the 'A' unit Subscribers. In addition he shall earn a fee of $200.00 per hour for his time in reviewing and handling matters related to any escrow documents or other documents he may handle on behalf of the 'A' unit Subscribers, limited however to a maximum of five hours per month. If his time spent on these matters reasonably and consistently exceeds five hours per month he shall inform the Company and REPT4 may enter negotiations with him concerning that provision in his contract

V
WAIVER OF CONFLICT OF INTEREST

The Note Trustee is related to one of the Sponsors of the offering. The foregoing notwithstanding, the parties hereto expressly agree to forever waive and release any "Conflict of Interest" concerns and issues which may arise as a result of that potential conflict of interest, and the Note Trustee agrees to diligently perform his duties without regard to the fact he is related by marriage to one of the officers of the Company.

VI
RIGHT OF BENEFICIARIES TO ELECT NEW TRUSTEE

In the event of resignation of the trustee hereunder the Beneficiaries have the right to name a new trustee to act on their behalf. Such vote shall in all respects be governed by the Operating Agreement of REPT4 as it relates to voting and voting rights, except however that only Members of REPT4 who hold and own Series 'A' Membership Certificates of REPT4 may vote for any new election of a trustee for the Notes. In addition, by vote at any duly called meeting a simple majority of the Series 'A' Membership Certificate owners may demand the resignation of the Note Trustee at any time, and he shall then within 72 hours provide a full accounting of all assets he holds on their behalf and shall deliver those assets as he may then be instructed, at which time his all of his duties and obligations hereunder shall cease.

VII
INCORPORATION OF DISCLOSURES AND INFORMATION IN PPM

The parties hereto, and each Beneficiary of the Note who shall have become a Beneficiary as a result of investing in the Series 'A' Membership Certificates offered by REPT4, agree that the information and disclosures in the PPM of REPT4 dated Of even date hereof shall be used for reference to resolve any questions which may arise relating to this Agreement.

VIII
VENUE AND RULES GOVERNING DISPUTES

The laws of Delaware govern this agreement. Venue for any dispute which may arise that may in any way involve or relate to this Agreement, irrespective of the place signed and unless otherwise mutually agreed in writing by the parties, shall be in Wilmington, Delaware and all such disputes shall be resolved as per the terms of the Conflict Resolution rules spelled out in the Operating Agreement of REPT4, Article XV therein, titled Conflict Resolution. If a matter be brought in a court of law, then the court shall be the court of appropriate jurisdiction

in Wilmington, Delaware. If an action be brought in a court of law for any reason whatsoever in any other state or city, that action shall be subject to immediate dismissal for failure to meet the venue requirements of this Agreement.

IX
Miscellaneous

The following provisions shall and do also apply to this Agreement:

(a) Any notice or other communication under this Agreement shall be in writing and shall be considered given when mailed by regular US Mail, unless specified otherwise in this Agreement for certain notices.

(b) This Agreement contains a complete statement of all of the arrangements among the parties with respect to the Notes and cannot be changed or terminated orally or in any manner other than by a written agreement executed by all (100%) of the beneficiaries of the Notes.

(c) There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties relating to the subject matter of this Agreement that are not fully expressed in this Agreement, including the Private Placement Offering Memorandum of the Company dated Of even date hereof and the Operating Agreement of the Company, both of which are incorporated herein and made a part hereof by reference, or in this Agreement as it may be amended from time to time in writing by 100% approval of the parties hereto

(d) This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party that caused this Agreement to be drafted.

(e) This Agreement is intended to be performed in accordance with, and only to the extent permitted by, applicable laws, ordinances, rules and regulations. If any provision of this Agreement, or the application thereof to any person or circumstance, shall for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement, and the application of that provision found invalid with respect to one person or circumstance, shall otherwise not be affected and shall continue to apply to other persons or circumstances and shall be enforced to the extent permitted by law.

(f) Anything hereinbefore in this Agreement to the contrary notwithstanding, all references to the Property of the Company is deemed to include the profits, losses and cash flow owned or held by the Company.

(g) Prior to approving this Agreement and signing it the Company recommends each new Member have it reviewed by legal counsel of their choice, with particular attention to Article XV of the Operating Agreement of the Company governing Conflict Resolution.

(h) Irrespective of the place of execution or performance, and irrespective of the domicile of any party hereto, and irrespective of the location of the offices of the Company, and irrespective of the location of any property the Company may own now or in the future, all parties hereto agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware as those laws are applied to agreements made and to be performed in the State of Delaware.

(i) The captions, headings and table of contents in this Agreement are solely for convenience of reference and shall not affect its interpretation.

(j) This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which shall be deemed to constitute a single document.

(k) Whenever the context so requires, the male gender used herein shall be deemed to include the female gender, the female gender shall be deemed to include the male gender, the singular shall be deemed to include the plural and the plural shall be deemed to include the singular.

IN WITNESS WHEREOF, for themselves, their heirs, successors and assigns, the undersigned affix their signature(s) hereto as of the date first above written and mutually covenant and agree to execute promptly all other documents and perform all further acts that may be necessary or desirable to carry out the purposes of this MASTER AGREEMENT FOR NOTE TRUSTEE, and agree to otherwise be bound by this Agreement for the specific and certain purposes for which it is made and entered into by and between the parties hereto.

Gary Erickson, authorized Managing Member	–	March 21, 2008
G. Patrick Dague, authorized Managing Member	-	March 21, 2008
Barry W. Ferich, Note Trustee	-	March 21, 2008
Rachael Ferich, Note Co-Trustee	-	March 21, 2008

X_____

Member / Printed name here:

X_____

Member / Printed name here:

X_____

Member / Printed name here:

Exhibit " B "

Delaware Certificate of Formation

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "REO PROFITS TEAM4, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SEVENTEENTH DAY OF MARCH, A.D. 2008.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "REO PROFITS TEAM4, LLC" WAS FORMED ON THE THIRTEENTH DAY OF MARCH, A.D. 2008.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE NOT BEEN ASSESSED TO DATE.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

4518728 8300

080325385

AUTHENTICATION: 6455563

DATE: 03-17-08

You may verify this certificate online at corp.delaware.gov/authver.shtml

Exhibit " C "

Legal Opinion Letter

METHVEN & ASSOCIATES

METHVEN & ASSOCIATES
ATTORNEYS
2232 SIXTH STREET
BERKELEY, CALIFORNIA 94710

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March 21 , 2008

Gary Erickson, Attorney at Law
G. Patrick Dague, Managing Member
REO Profits Team4 LLC
3061 Clairmont Drive
San Diego, CA 92117

Re: REO Profits Team4 LLC
Methven & Associates File No. 2752-1

Dear Mr. Erickson and Mr. Dague:

You have requested a legal opinion in connection with the proposed issuance by **REO Profits Team4 LLC**,, a Delaware Limited Liability Company, ("Company") of Trust Deed Secured Series A Certificates pursuant to the terms of a private placement memorandum dated February 14, 2008 ("Memorandum").

We have reviewed copies of the following documents ("Documents"):

a. The Certificate of Formation of the Company filed in the State of Delaware on March13, 2008;
b. A Certificate of Good Standing certified by the Secretary of State of the State of Delaware on March 17, 2008;
c. The Operating Agreement of the Company, signed March 21, 2008 by Gary Erickson, G. Patrick Dague;
d. Start-Up Resolutions of the Company authorizing the offering and signed March 21, 2008 by Gary Erickson and G. Patrick Dague;
e. The Private Placement Memorandum dated March 21, 2008 ("Memorandum"); and
f. The Subscription Agreement for the offering;

and based solely on these Documents can give the following opinion, subject to the conditions set out below:

1. To our actual knowledge, the Company is a duly organized and validly existing Limited Liability Company in good standing under the laws of the State of Delaware and has full power and authority to own its properties and to conduct business pursuant to its operating documents; and

2. To our actual knowledge, the offering and sale of up to a combined aggregate total

10,000 Series A Membership Certificates offered at $1,000.00 each, pursuant to the Memorandum, has been duly and validly authorized by all action necessary or required to be taken by the Company pursuant to its operating agreement.

3. The offering itself appears to meet the exemptions to registration under which it is being made.

When used in this opinion, the words "to our actual knowledge" signify that in the course of our representation of the Company, no information has come to our attention that would give us actual knowledge that any of the opinions we express are not accurate or that any of the foregoing Documents are not accurate and complete.

We do not express any opinion concerning any laws other than the federal laws of the United States and the laws of the State of California. Certain provisions contained in the Documents state that, under certain circumstances, certain issues arising under the Documents shall be governed by the laws and jurisdiction of the State of Delaware. We render no opinion about the laws or jurisdiction of the State of Delaware.

The opinions rendered here are based upon the assumptions that (i) all signatures on the Documents are genuine; and (ii) all Documents submitted to us as copies are true and correct reproductions of the originals of such documents.

Very truly yours,

METHVEN & ASSOCIATES
Kenneth Priore, Esq.

OPERATING AGREEMENT

and

COMPANY START-UP RESOLUTIONS OF

of

REO PROFITS TEAM4, LLC

A Delaware Limited Liability Company

Exhibit " D "

Start-up Resolutions

and

Operating Agreement

OPERATING AGREEMENT

and

COMPANY START-UP RESOLUTIONS OF

of

REO PROFITS TEAM4, LLC

A Delaware Limited Liability Company

START-UP RESOLUTIONS

REO PROFITS TEAM4, LLC, a Delaware Limited Liability Company

March 21, 2008

The undersigned, being the persons who caused the Certificate of Formation of **REO PROFITS TEAM4, LLC, a Delaware Limited Liability Company**, to be filed with the Secretary of State of the State of Delaware, and who are shown thereon as Gary M. Erickson and G. Patrick Dague, who are as of this date, the sole Members of the Company, hereby adopt the following resolutions:

1. Election of Managing Members, Appointment of Officers and Principal Members

RESOLVED, that Gary M. Erickson and G. Patrick Dague shall be, and are, elected to be the Managing Members of the Company, to serve until December 31, 2009, with elections for the term of 2010 to be made at the second annual meeting of the Members of the Company, and they shall serve until their successor(s) is / are elected and qualified, or until their earlier resignation or removal. Ms. Julene Webb is appointed as an officer of the Company and as a Principal Member of the Company.

2. Adoption of Operating Agreement

RESOLVED, that certain Operating Agreement bearing the heading "OPERATING AGREEMENT OF REO PROFITS TEAM4, LLC, a Delaware Limited Liability Company", dated of even date herewith, a true copy of which is attached to hereto, and an additional true copy of which is placed in the minutes book of the Company, is hereby adopted as the Operating Agreement of this Company.

3. Authorization to Issue Series '1' Membership Certificates

RESOLVED, that the issuance of the Series '1' Membership Certificates of the Company, one each, to Company founders Mr. G. Patrick Dague and Mr. Gary M. Erickson and one to Principal Member Ms. Julene Webb, with each such Series '1' Membership Certificate to have rights, privileges and benefits as stated in the Operating Agreement, is hereby adopted, approved and directed.

4. Authorization to Offer, Sell and Issue Series 'A' Membership Certificates

RESOLVED, authority for sale and issuance of Series 'A' Certificates of the Company pursuant to a Private Offering Memorandum, with each such 'A' unit Membership Certificate to have rights, privileges and benefits as stated in the Operating Agreement of the Company, is hereby adopted, approved and directed.

5. Authorization to Operate, Open Bank Accounts and Own Properties

RESOLVED, that the Company as of March 21, 2008 is now an operating Company. The Managing Member(s) are hereby solely authorized to take all steps necessary in their discretion to operate the Company as per its Operating Agreement, and within the level of authority respectively authorized therein to them. This shall include opening and maintaining bank accounts, credit lines, savings deposits and other accounts at financial institutions as may be required to meet the objectives of the Company, and to buy, own and sell property, including real property, on behalf of the Company.

6. Approval of Master Agreement for Note Trustee

RESOLVED, that certain Master Agreement for Note Trustee dated of even date herewith concerning certain Promissory Notes and Deeds of Trust to be executed by REO Profits Team4, LLC as maker and payee, wherein the beneficiaries shall be the owners of the Series 'A' Membership Certificates of the Company, a true copy of which is placed in the minutes book of the Company, is hereby adopted, approved and ratified.

G. Patrick Dague, Managing Member March 21, 2008

Gary Erickson, Managing Member March 21, 2008

OPERATING AGREEMENT

OF

REO PROFITS TEAM4, LLC

A Delaware Limited Liability Company

Table of Contents

OPERATING AGREEMENT
of
REO Profits Team4, LLC, a Delaware Limited Liability Company

March 21, 2008

This Operating Agreement ("Agreement") for REO Profits Team4, LLC, a Delaware Limited Liability Company ("Company") affirmed and adopted by resolution of the Members and entered into jointly and severally by and between the parties hereto, is effective as of March 21, 2008 between and among the Members. It confirms our understanding and agreement with the matters contained herein, and each of them, as follows:

ARTICLE I
Definitions

SECTION 1.1. As used herein, the following terms and phrases shall have the meanings indicated:

A. "Act" shall mean the Delaware Limited Liability Company Act, as amended.

B. "Capital Account" shall mean, with respect to each Member, the account established for each Member pursuant to Article V, which will initially equal the Capital Contributions of each such Member and will be (a) increased by the amount of Net Profits allocated to each such Member and (b) reduced by the amount of Net Losses allocated to each such Member plus the amount of Cash Distributions distributed to each such Member. Members' Capital Accounts shall be determined and maintained in accordance with the rules of paragraph (b)(2)(iv) of Regulation Section 1.704-1 of the Code.

C. "Capital Contributions" shall mean the amount, in U.S. dollars, contributed by the Members pursuant to Article V hereof.

D. "Cash Distributions" shall have the meaning provided pursuant to Article X.

E. "Code" shall mean the Internal Revenue Code of the United States, as it may be amended from time to time after the date hereof.

F. "Member(s)" shall mean the person(s) designated as such in this Agreement, including Managing Member(s), Principal Member(s) and non-officer Member(s) who may acquire an interest in the Company, as well as any successor(s) to their interests as such in the Company; and any other person or entity who, pursuant to this Agreement, shall become a Member and is issued a Membership Certificate by the Company.

G. "Principal Member(s)" shall mean Member(s) designated as officer(s) of the Company, who are not the Managing Member(s), who hold any of the Series '1' Membership Certificates issued by the Company.

H. "Managing Member(s)" shall mean the Member (or Members) selected by the Members at a meeting duly called and held for such purpose who is (are) duly elected to serve as Managing Member(s) of the Company and who bear the responsibility for control and operation of the Company as an operating business entity.

I. “Notes”, when the word is capitalized (i.e. “the Notes”) shall mean those certain promissory notes issued by the Company in care of the Note Trustee, one each, and in the exact amount of their subscribed investment in the ‘A’ units, for benefit of each ‘A’ unit Certificate Member of the Company.

J. “Note Trustee” shall mean a third party trustee who receives, holds and cancels the Notes when paid, including any documented security for them, on behalf of the ‘A’ unit Members of the Company.

K. “Master Agreement for Note Trustee” shall mean the written agreement duly executed between the Company, the Note Trustee and the ‘A’ unit Members of the Company that authorizes the Note Trustee to act on behalf of the ‘A’ unit Members of the Company. It defines and clarifies the working relationship by, among and between them with respect of each to the others, concerning their rights, duties, obligations and liabilities.

L. “Net Profits” and “Net Losses” shall mean the net profit or net loss, respectively, of the Company determined in accordance with Article IX.

M. The words “membership interest”, “units” “Certificates” and “Membership Certificates” shall all interchangeably mean a Member's interest in fully paid and non-assessable series of the Membership Certificates of the Company owned by that Member. A membership interest may be evidenced by a certificate issued by the Company, and shall be in proportion to the Member's share of the Series ‘A’ and / or ‘B’ membership certificates outstanding. Profits and losses within the Series ‘A’ Certificates and profits and losses within the Series ‘B’ Certificates shall be proportionally and separately allocated within each such series of the units.

N. A Member's Interest shall be a certificated security within the meaning of section 8-102 of the uniform commercial code, section 8-103(c).

O. “Company” shall mean this Limited Liability Company.

P. “Person” shall mean any natural person, corporation, partnership, joint venture, association, limited liability company or other business or legal entity.

Q. The Private Placement Securities Offering Memorandum for offering and sale of the Series ‘A’ Membership Certificates of the Company shall be referred to herein as the “Offering Memorandum” or the “PPM”. A true copy of same is attached hereto and made a part hereof.

ARTICLE II
Organization of the Company

SECTION 2.1 The purpose of the Company is profit for its members through the acquisition, holding and liquidation of real property and for any other lawful business for which limited liability companies may be organized, and to do all things necessary or useful in connection with the foregoing.

SECTION 2.2 The Members shall be Members in the Company and shall continue to do business under the name of the Company until the Member(s) shall change the name, or the Managing Member(s) shall properly file a fictitious business name of their choice and do business under that name, or until the Company shall terminate.

SECTION 2.3 The principal address of the Company shall be such place or places as the Managing Member(s) may determine. The Managing Member(s) will give notice to each person as to the principal address of the Company when he becomes a Member and shall promptly notify all Members after any change in the location of the principal office of the Company.

SECTION 2.4 If no action to the contrary is taken pursuant to the terms of this agreement the Company shall terminate not later then December 31, 2019, or in the alternative at the time of final winding-up of operations, after all assets have been sold or transferred out of the name of the Company, and a final accounting has been rendered to the Members.

ARTICLE III
Status of Members

SECTION 3.1 No Member will be bound by or be personally liable for the expenses, liabilities or obligations of the Company.

SECTION 3.2 No Member will be entitled to withdraw any part of his Capital Account or to receive any distributions from the Company except as expressly provided in this Agreement.

SECTION 3.3 No Member will have the right to require partition of the property of the Company or to compel any sale or appraisal of the Company's assets or any sale of a deceased Member's interest in the Company's assets in any manner, except as may be authorized by this Agreement.

ARTICLE IV
Membership Certificates Authorized

SECTION 4.1 The Company is authorized to issue one class, consisting of two separate series, of its Membership Certificates; specifically Series ‘1’ Membership Certificates and Series ‘A’ Membership Certificates.

SECTION 4.2 The number of Series ‘1’ Membership Certificates authorized to be issued shall be and are a maximum of three (3) such Certificates. No other of the Series ‘1’ Membership Certificates are authorized to be issued at any price, at any time, to any other person or entity and the Company is hereby prohibited, by this section 4.2 of this Agreement, from ever doing so. This section 4.2 may not be voided or amended without approval of 100% in interest of both the holders of record of the Series ‘1’ Membership Certificates and the holders of record of 100% in interest of the Series ‘A’ Membership Certificates.

SECTION 4.3 One Series ‘1’ Membership Certificates shall be issued to Mr. G. Patrick Dague, Company co-founder, one to Mr. Gary Erickson, Company co-founder, and one to Ms. Julene Webb, Principal Member.

SECTION 4.4 The number of Series ‘A’ Membership Certificates authorized to be issued shall be a maximum of twenty thousand (20,000) such Certificates.

SECTION 4.5 Each, or all, of the Series ‘A’ Membership Certificates shall be issued at the discretion of the Managing Member(s) to persons or entities who subscribe to become Members of the Company, who are legally qualified to become Members, and who

contribute capital to the Company in an amount per Certificate as may be established by the Company and it's Managing Member(s).

SECTION 4.6 The Series 'A' Membership Certificate owners shall have certain priority for cash distributions from the profits of the Company. Holders of the 'A' units shall each be issued a promissory note (the Notes) by the Company, payable in care of the Note Trustee, in the exact amount of their investment, with a face interest rate of thirteen percent (13%) per annum, non-compounded. As beneficiaries of the Notes each shall have a security interest, in care of the Note Trustee in the real property and financial assets (trust deed secured mortgage notes) the Company may acquire pursuant to its business activities, which shall be delivered in written form to the Note Trustee within thirty (30) days of receipt of those assets. The said security interest shall be equal, for each 'A' unit Member, to the outstanding balance of the Note each one holds, including all accrued and unpaid interest thereon, or if sufficient assets are not available for the total thereof, then a proportionate amount of such assets prorated to each as may be available for that purpose. The Note Trustee, under the terms of the Master Agreement for Note Trustee, shall hold the Notes on their behalf, act to protect their interest, oversee distributions to them as the Notes are retired, and return paid or otherwise retired notes to the Company. The 'A' units will not initially be secured by real property when they are offered and sold by the Company.

SECTION 4.7 The provisions of Section 4.6 of this Section notwithstanding, should Managing Members at any time discover an opportunity to acquire one or more real properties or trust deed secured mortgage notes at prices discounted by such a great magnitude that they reasonably believe the asset(s) can be resold within ninety (90) days for cash to a third party buyer at a significant profit to the Company, those assets shall continue by operation of this agreement be pledged security for the Notes, however a separate security agreement shall not be required to be executed by the Company for them and delivered to the Note Trustee. If such assets are not sold within ninety (90) days then a separate security agreement shall be executed by the Company concerning them and delivered to the Note Trustee.

SECTION 4.8 The 'A' Membership Certificate owners shall and do have certain priority rights over the owners of the Series '1' unit owners for cash distributions, as per the terms of this agreement, and as per the description of those rights in the Offering Memorandum.

ARTICLE V
Capital

SECTION 5.1 Company founders G. Patrick Dague and Gary Erickson, and Principal Member Ms. Julene Webb have contributed one hundred ($100.00) U.S. dollars each to the Company, and paid certain pre-formation and formation expenses, and have otherwise have put forth time and effort as necessary to establish the Company as a business entity, in exchange for which the Company is authorized to issue to them, and shall issue to them, one (1) Series '1' Membership Certificate each. In addition the Company shall issue to Mr. Dague and Mr. Erickson a promissory note in the amount of $28,000 for pre-formation time, efforts and funds expended by them to set up the Company, which note shall be paid out of proceeds of sale of the 'A' units, as contemplated herein.

SECTION 5.2 Each Member now or subsequently holding any of the authorized and issued Series 'A' Membership Certificates shall contribute to the Company in exchange for their respective Membership interests, the sum of one thousand U.S. dollars for each such Membership Certificate issued.

SECTION 5.3 When Membership Certificates are offered and sold the contribution amount required from new Member may be increased or decreased at the discretion of the Managing Member(s) of the Company, as may be needed in their sole opinion for the best interest of the Company and all of its members.

SECTION 5.4 The Company shall maintain within its books, records and account ledgers an individual accounting of the Capital Account for each Member.

SECTION 5.5 No Member shall be required to make any additional contributions to the capital of the Company.

ARTICLE VI
Voting Rights

SECTION 6.1 Each of the issued and outstanding Membership Certificates, including the Series '1' Membership Certificates, shall entitle the owner of record thereof to one vote per each Certificate on all matters that come before the Certificate holders for a vote. Thus the owner of 100 Membership Certificates may cast 100 votes, and etc.

SECTION 6.2 For matters put before the Members at a properly noticed and scheduled meeting of the Members, 50% in interest plus one vote of the quorum present (as a quorum is defined in Section 7.5 hereof) at any such meeting shall, unless otherwise expressly required herein, decide the vote. The exceptions are: (a) should the Managing Member(s) believe it is in the best interest of the Company and its Members to keep the Company operating in order to maximize profits and gains for all Members, then it shall and does require an affirmative vote of 75% in interest of all Members to terminate the Company, unless however the Company has reached its absolute termination date of December 31, 2019, and (b) any vote of the Members to replace the original serving Managing Member(s) who sponsored formation of the Company, with new Managing Member(s) shall and does require an affirmative vote of 75% in interest of all Members, and (c) any future change to Article IX hereof (Profits and Losses) or any Section therein, and any change to the authorized number of Series '1' Membership Certificates that may be issued shall and does require an affirmative vote of 100% in interest of all Members.

ARTICLE VII
Meeting of Members

SECTION 7.1 An annual meeting of Members shall be held on the second Thursday of each November, with however the first such meeting to be November, 2009, at a time and place (either within or without the State of its organization) as shall be fixed by the Managing Member(s) of the Company. At the annual meeting the Members entitled to vote for election of the Managing Member(s) shall vote for and elect Managing Member(s) to carry on with the business of the Company for the next fiscal year, and to transact such other business as may properly be brought before the meeting. If no quorum be present then the current Managing Member(s) shall continue in place until such time as meeting with a quorum, represented by proxy or in person, be present to conduct the business of the Company with respect to election of its Managing Member(s).

SECTION 7.2 A special meeting of Members may be called at any time by the Managing Member(s).

SECTION 7.3 A special meeting of all Members shall be called at any time by the Managing Member(s) at the request in writing of a minority in interest of at least thirty five percent (35%) of all Members. Any such request shall state the purpose or purposes of the proposed meeting. Business transacted at any special meeting of Members shall be confined to the purposes set forth in the notice thereof.

SECTION 7.4 Written notice of the time, place and purpose of every meeting of Members (and, if other than an annual meeting, the person or persons at whose discretion the meeting is being called), shall be given by the Managing Member(s) to each Member of record entitled to vote at such meeting, not less than ten nor more than sixty days prior to the date set for the meeting. Notice shall be given either personally or by mailing said notice by first class mail to each Member at his address appearing on the record book of the Company or at such other address supplied by him in writing to the Managing Member(s) of the Company for the purpose of receiving notice.

A. A written waiver of notice setting forth the purposes of the meeting for which notice is waived, signed by the person or persons entitled to such notice, whether before or after the time of the meeting stated therein, shall be deemed equivalent to the giving of such notice. The attendance by a Member at a meeting either in person or by proxy without protesting the lack of notice thereof shall constitute a waiver of notice.

B. All notices given with respect to an original meeting shall extend to any and all adjournments thereof and such business as might have been transacted at the original meeting may be transacted at any adjournment thereof; no notice of any adjourned meeting need be given if an announcement of the time and place of the adjourned meeting is made at the original meeting.

SECTION 7.5 Fifty percent in interest of all outstanding Membership Certificates, plus one Certificate, shall constitute a quorum for conducting business at any properly noticed meeting of the Company except as otherwise provided by statute or by another Article of this Agreement, and except that a quorum for a vote to replace the original serving Managing Member(s) who sponsored formation of the Company, with new Managing Member(s) shall be at least seventy five percent in interest of all outstanding Membership Certificates, plus one Certificate. If, however, a quorum shall not be present or represented at any meeting of Members, the Members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. When a quorum is once present to organize a meeting, such quorum is not deemed broken by the subsequent withdrawal of any Members.

SECTION 7.6 Every Member shall be entitled to vote in accordance with his membership interest of record on the date fixed as the record date for said meeting and may so vote in person or by proxy. Subject to the provisions of Article VI hereof all such Members may vote for election of Managing Member(s) of the Company.

A. For the purpose of mathematically compiling votes, each Member, unless otherwise provided herein, shall be and is entitled to vote the total number of Certificates he owns or controls on any matter where a Member is entitled to vote.

B. Every proxy must be signed by the Member entitled to vote or by his duly authorized attorney-in-fact and shall be valid only if filed with the Managing Member(s) of the Company prior to the commencement of voting on the matter in regard to

which said proxy is to be voted. Every proxy shall be revocable at the pleasure of the person executing it except as otherwise provided by statute, and each proxy filed with the Managing Member shall be valid until withdrawn, cancelled or revoked by the Member who authorized it, unless otherwise provided in the proxy. Unless the proxy by its terms provides for a specific revocation date and except as otherwise provided by statute, revocation of a proxy shall not be effective unless and until such revocation is executed in writing by the Member who executed such proxy and the revocation is filed with the Managing Member(s) of the Company.

C. All meetings of Members shall be presided over by the Managing Member(s), or if not present, by a Member or other party as may be directed by the Managing Member, or if no such person is selected by the Managing Member to conduct the meeting, then by a person chosen by a simple majority vote of those Members actually present, whether a quorum is there or not, and as the first order of business at the meeting. The Managing Member(s) or the person presiding at the meeting shall appoint any capable and willing person present to act as secretary of the meeting.

SECTION 7.7 For the purpose of determining the Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof or to express consent or dissent from any proposal without a meeting, or for the purpose of voting for a new Managing Member(s) or for the purpose of any other action authorized under this Operating Agreement for which all members have a vote, the Members may fix, in advance, a date as the record date for any such determination of Members. Such date shall not be more than fifty nor less than ten days before the date of any meeting nor more than twenty-one days prior to any action taken without a meeting. When a determination of Members of record entitled to notice of or to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless the Members fix a new record date under this Section for the adjourned date.

SECTION 7.8 The Company shall be entitled to treat the holder of record of any membership interest as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim or interest in such membership interest on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the Act.

ARTICLE VIII
Management

SECTION 8.1 The Company, at its inception, has two (2) Managing Members, Mr. Gary Erickson and Mr. G. Patrick Dague, who are jointly responsible for control and operation of the Company, and one (1) Principal Member(s), Ms. Julene Webb, who shall be and is designated as an officer of the Company charged to assist the Managing Members as may be necessary and expedient for the benefit of the Company and its Members.

A. The Managing Member(s) are to be guided in all decisions affecting the Company by the provisions of this Agreement and the Offering Memorandum dated March 21, 2008, which is made a part hereof by reference. Should any matter come to their attention for a decision where they do not mutually agree on the proper decision to make, and should they then be unable to reach a compromise decision that both agree is fair and reasonably protects and cares for the interest of the Company and its Members, then one or both of them may call a meeting of the Principal Member(s) and put that decision to a vote, wherein the Principal Member(s) will share one vote between them and Mr. Dague and Mr. Erickson will have one vote each. In the event of a tie vote for any reason Mr. Dague shall then make a decision on the disputed matter and his decision shall be final.

B. If either Mr. Dague or Mr. Erickson should resign, or if one of them is removed from office under the provisions of this Section, a replacement Managing Member shall not be elected, and from that date forward the Company will operate with only one Managing Member.

C. If both of the original Managing Members resign or are removed from office under the provisions of this Section the Members may elect a person or persons to manage the company who either is or is not a Member. If the person(s) so elected is not a Member his title shall be the "Operating Manager". The duly elected new Managing Member or Operating Manager shall then have all of the management rights, duties and obligations of the original Managing Member(s) except as they may be modified by any other terms of this agreement, or as they may be modified by terms of his employment agreement with the Company, as approved by a majority vote of the Members.

C. The conduct of the Company's business shall be controlled and conducted by the Managing Member(s) in accordance with this Agreement, and in light of the information, disclosures and guidelines contained in the Offering Memorandum. In addition to and not in limitation of any rights and powers conferred by law or other provisions of this Agreement, the Managing Member(s) shall have full and broad powers to do all things reasonably necessary in their sole discretion to advance the interests of the Company and increase profits for the Members, including without limitation all powers and rights reasonably necessary, proper, convenient or advisable in their sole discretion to effectuate and carry out the purposes, and business objectives of the Company. This shall specifically include the acquisition of real property or trust deed secured mortgage notes, the sale thereof, and any financing related thereto they deem to be necessary and in the best interest of the Company and its Members.

D. The Managing Member(s) may vote at meetings of the Members in proportion to their Membership interests in the Company, with one vote per each Certificate held and owned. They, or either of them, may also represent by proxy any other member of the Company who delivers a written proxy for that purpose.

SECTION 8.2 No Member will take part in or interfere in any manner with the conduct or control of the business of the Company or have any right or authority to act for or bind the Company except as provided in this Agreement.

SECTION 8.3 Elected Managing Member(s) shall hold office from January 1 to December 31 of each year for which elected, or until a successor has been elected and qualified, except however the first term of the Managing Member(s) shall run to December 31, 2009. A vacancy in the office of Managing Member arising from any cause may be filled, subject to the provisions of 8.1(A) hereof, for the un-expired portion of the term by the Members.

SECTION 8.4 Any Managing Member may resign at any time by giving written notice to all (100%) of the Members by regular mail at their last known address. Any such resignation shall take effect at the time specified in a written letter of resignation or, if the time is not specified therein, upon the receipt thereof, irrespective of whether any such resignations shall have been accepted.

SECTION 8.5 Any Managing Member who becomes disabled to the extent that a licensed physician certifies he is then currently unable to fulfill his duties due to his disability, and the he will likely (but not certainly) remain unable to do so for a period of 90 days or more, shall be removed from office, unless another physician hired by the disabled

Managing Member shall certify to the contrary. Removal from office shall automatically follow ten days after written notice is sent to the disabled Managing Member informing him he is being removed from office due to his disability, with the letter to be sent by both regular and certified mail, and whether or not receipt thereof is acknowledged. A disabled Managing Member may also be removed and replaced as per Article VII hereof.

A. Any managing Member who pleads guilty to or is convicted of a felony, files for personal bankruptcy protection, or dies, shall by operation of this Agreement and without notice be immediately disqualified to serve as Managing Member of the Company and all of his rights, duties, obligations and responsibilities as a Managing Member of the Company shall immediately cease, and the Members shall then immediately be notified by the remaining Managing Member, if there is one, or by the Company accounting professional if there is no remaining Managing Member.

B. Should the Company at any time be operated by only one Managing Member, that Managing Member shall instruct the professional person handling accounting matters for the Company to notify all Members in the event of his death, disability, or removal from office by operation of this Section 8.5 of this Agreement. He shall in addition provide an undated letter to the accounting professional for that purpose, which letter shall call for an immediate meeting of the Members if he, as the sole remaining Managing Member dies, becomes disabled or is removed from office by operation of this Section of this agreement. The accounting professional is, in such event, to be instructed to promptly mail a copy of that letter to all members so action can be taken by the members to appoint replacement Managing Member(s) or an Operating Manager to take over the Company.

C. The written consent of both Managing Members shall be required to permit the Company to incur an indebtedness or obligation greater than twenty-five thousand dollars ($25,000.00). All checks, drafts, or other instruments requiring the Company to make payment of an amount less than ten thousand dollars ($10,000.00) may be signed by any Manager, acting alone. Any check, draft, or other instrument requiring the Company to make payment in the amount of ten thousand dollars ($10,000.00) or more shall require the signatures of both Managing Members, or one Managing Member and one Principal Member, acting together. Any Manager or Principal Member, acting alone, may endorse checks, drafts, or other evidence of indebtedness to the Company, but only for deposit into one of the Company's accounts.

SECTION 8.6 The Managing Member(s) shall also serve as Tax Matters Member as such term is defined in Code Section 6231 (a)(7).

SECTION 8.7 The Company shall pay a $200.00 per month fee to the currently serving Managing Member(s) for miscellaneous costs and petty expenses they may incur in running the Company; no accounting of those expenses shall be required. If a real property owned by the Company is rented one of the Managing Members shall be designated as “property supervisor” and a property management oversight fee of $45.00 per month shall be paid to that Managing Member for each property so rented, which shall be paid in addition to any fees paid to a professional property management company.

SECTION 8.8 The Managing Member(s) shall not draw a salary except by voted approval of 75% in interest of all members at a properly noticed meeting.

A. The Managing Member(s) shall be reimbursed for all reasonable Company related expenses. This all include all printing, mailing and other marketing expenses reasonably related to the sale of the 'A' Membership Certificates of the Company, as well as reasonable travel expenses, costs of client meals, dinner presentations and the like. It shall also include all reasonable expenses related to oversight of Company owned property, including travel expenses, cost of gasoline and air fare to make on-sight visits and inspections of its real properties, and all business expenses reasonably related to the sale of its real properties. The $200.00 per month fee paid to the Managing Member(s) shall not be considered when reimbursing them for such expenses.

B. On acquisition of any Company owned real property or deeply discounted trust deed secured financial assets the Managing Member(s) shall be paid a fee equal to 6% of the acquisition price (the "acquisition fee") for coordinating the purchase and reviewing documents related to thereto. This acquisition fee shall be in addition to any other commissions and fees, including any real estate referral fees they may earn representing the Company on the acquisition of is properties or financial assets. However the Managing Members shall pay, as a deduction from any acquisition fees they may earn, in any state where legally authorized to do so, any and all "finder's fees" that are due and payable to third parties. Finders fees are payable to third parties (specifically excluding Managing Member(s) and Principal Members) who have "found" potential investors and then merely introduced them to the Company, if such a legally qualified third party investor acquires any of the 'A' unit Membership Certificates of the Company. Finders fees paid to such "finders" shall be 3% of the funds invested by an investor, paid directly from acquisition fees earned by the Managing Members and deducted as an expense to them, and not as an expense of the Company.

C. Provisions of paragraph above notwithstanding, in the event the Company should ever at any time acquire real property wherein any kind of third party financing (i.e. excluding any financing by Members) in excess of 51% of the purchase price is involved, the acquisition fee payable to the Managing Member(s) shall be limited to an amount exactly equal to any finder fees then due and payable to third parties, if any, plus three percent (3%) of the purchase price paid, or 6% of the acquisition price, whichever is less.

D. On sale of any Company owned real property or financial asset the Managing Member(s) shall be paid a fee equal to 1.5% of the sales price for coordinating the sale and reviewing documents related to the sale, which fee shall be in addition to any other commissions and fees, including any real estate referral fees, they may earn representing the Company on any sale of a Company owned property, and which fee shall be in addition to any brokerage fee paid to any other real estate broker or other professional involved in the sale.

E. In addition to the above, and subject to the Company reaching at least five million dollars ($5,000,000.00) in investor funding, the Managing Members and Principal Members of the Company may, but are not required, to buy, directly from the Company, one house at a price equal to the cost paid by the Company plus ten percent (10%). No commissions or fees of any kind will be paid to the Managing Members or Principal Members as a result of the sale of any such property to them. They may only buy one house between them at that price.

SECTION 8.9 Any person made or threatened to be made a party to an action or proceeding, whether civil or criminal, by reason of the fact that he, his executor, administrator or testator, or intestate, then, is, or was a Managing Member, Principal

Member, employee or agent of the Company, or then serves or has served on behalf of the company in any capacity at the request of the Company, shall be indemnified by the Company against reasonable expenses, judgments, fines and amounts actually and necessarily incurred in connection with the defense of such action or proceeding or in connection with an appeal therein, to the fullest extent permissible by the Act. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled.

ARTICLE IX
Profits and Losses

SECTION 9.1 The total of the Net Profits and Net Losses of the Company shall be established using standard business accounting practices, and shall be the net profits and net losses of the Company as determined for Federal income tax purposes. However for the purpose of determining that portion of net profits that may be due to holder(s) of record of the Series '1' Membership Certificates real property depreciation shall not be considered, and shall be allocated entirely to the Series 'A' unit members.

A. Any future amendment of this Article IX shall and does require the voted approval of 100% in interest of all Members, specifically to include all Series '1' Membership Certificate owners of record as of the date and time of the vote.

SECTION 9.2 The end of each fiscal year for the Company shall be December 31 of each calendar year. Net profits and losses shall be allocated for tax purposes at the end of each fiscal year to the Series 'A' holders in proportion to their percentage interest in the Company.

SECTION 9.3 Net profits, as they relate to funds and other assets which may be available for distribution to Members as a result of the business operations of the Company and the making of any interim or final distribution of profits based thereon, are defined as all remaining funds and other assets available for distribution after first accounting for all operational costs and expenses, and accounting for any previous distributions of net profits to Members which may have established a new tax basis for them, less any fees that may be payable to the Managing Member(s) under this Agreement, and then further deducting the original or remaining basis-per-membership-unit, prorated per Member. The remaining balance shall be the net profits available for distribution to the Members for tax purposes. For the purposes of this paragraph the term "net profits" shall, however, exclude any real property depreciation taken for tax purposes during the period any particular real property may be held as a rental.

SECTION 9.4 The Company shall make certain distributions to holders of Series 'A' units of the Company from time to time in the form of payments on the Notes held on their behalf by the Note Trustee, until they are paid in full, plus interest. Specifically, when a property or financial asset is sold or refinanced the Company will use the proceeds, after all costs and expenses and excepting a reasonable reserve for Company operations, to pay off in cash as much as the remaining outstanding total balance of the Notes as possible, first to Principal and then to Interest. The Note Trustee shall oversee the distribution of such payments, which shall be paid, on a pro-rated basis, to each 'A' unit beneficiary holding a Note. No distributions may be made to Members to pay down or pay-off the Notes at any time, however, that are not reasonably based on either (a) the net operating income of the Company or (b) proceeds from the sale or refinance of one or more Company owned financial assets or real properties, or (c) distributions of the assets of the Company which are made at the sole discretion of the Managing Member(s).

A. With regard to distributions made to Members to retire the Notes, investors in the Series 'A' Membership Certificates shall, and do, jointly and severally have a pledged security interest in all real property and financial assets owned and controlled by the Company, regardless of whether or not a written security instrument has been delivered to the Note Trustee for any particular such asset. That security interest shall remain in place and in force until such time as the Notes are retired by one of the several mechanisms for same contemplated herein. A third party trustee shall be named to act on their behalf under the terms of a "Master Agreement for Note Trustee" which the Company shall cause to be created, or has created, for that purpose.

B. In any instance where proceeds of a sale or refinance of a Company owned asset pledged as security to the Note Trustee by a written security instrument delivered to him for benefit of the 'A' unit Members is not sufficient to clear the face dollar amount of that security instrument, the Company shall be required to pay only as much of the stated face amount thereon as is reasonably possible and in the best interest of the Company in the sole opinion of the Managing Member(s), and the Note Trustee shall then release the security instrument back to the Company.

C. Nothing in this Agreement, in the Offering Memorandum, or in the Master Agreement for Note Trustee shall be construed in any way to limit the ability of the Managing Member(s) to either buy or sell any real property or any trust deed secured mortgage notes or other financial assets of any kind or type whatsoever, at any time and at their sole discretion, if doing so is, in their sole opinion, in the best interests of the Company and its Members. They have full powers in that regard.

SECTION 9.5 Subject to the provisions of this paragraph, the owners of record of the Series '1' Certificates are entitled to be paid and shall receive, in addition to any payments, fees, commissions or distributions which they may have been paid or are entitled to receive as management fee compensation or otherwise resulting from operation of the Company, a certain share of net profits earned by the Company. That portion of net profits payable to owners of the Series '1' units may be paid at time of any interim distributions of the net profits of the Company, when deemed appropriate in their sole discretion by the Managing Members under the guidelines and disclosures contained herein and in the Offering Memorandum. It may also be paid at time of winding-up of operations and final distributions. The Series '1' member's share of an interim distribution of profits, if made, shall be final and not subject to later reimbursement to the Company or any member of the Company for any reason whatsoever. Holders of the Series '1' Membership Certificates are entitled to receive, distributed to each in an amount equal to the percentage in interest each one owns out of the total of such Certificates issued and outstanding, one half (50%) of any distributions from net profits or gains that may be realized by the Company on (i) any sale of Company owned real property or (ii) as a result of other Company operations, subject however to the Series 'A' Membership Certificate owners first receiving return of their invested capital plus an 13% annualized, non-compounded return on their investment. With respect thereto the following shall apply:

A. At time of winding up operations and final distributions holders of the Series '1' Membership Certificates are entitled to receive an amount equivalent to one half (50%) of the net profits and gains that may be realized by the Company as a result of its operations, provided the Series 'A' Membership Certificate owners have first received back all of their invested funds invested in the 'A' units plus an amount equivalent to at least 13% non-compounded return per year on those invested funds from the date of the close of the offering.

B. Expressed mathematically, if at time of any interim distribution of funds or at time of winding-up operations and final distributions, a total of 50% of the net profits earned by the Company during its operations have been or are sufficient to return to the Series 'A' unit investors their invested capital, plus an amount at equal to an 13% non-compounded per year or more return on those invested funds, then the owners who hold the Series '1' units are entitled to receive, and shall receive, the other 50% of the net profits earned by the Company to the date, distributed among them as per the provisions for sharing those potential profits that shall be printed on each such Series '1' Membership Certificate.

C. If 50% of the net profits earned by the Company during its operations are not sufficient to return to the Series 'A' unit investors their invested capital, plus an amount equal to an 13% non-compounded per year return on those invested funds, then the owners who hold the Series '1' units shall have the 50% portion of net profits they may otherwise have earned reduced as necessary to return invested capital plus an 13% non-compounded per year preferred return to the 'A' unit investors, down to and including zero to the owners of the Series '1' units if necessary.

D. The right of potential participation in net profits or gains earned by the Company during its operating life are vested with the owners of the Series '1' units issued at the time the Company was founded and do not vest or transfer to any subsequent Managing Member(s) or Principal Member(s) of the Company. The Company is prohibited by this Agreement from issuing any additional Series '1' Membership Certificates with the same or similar rights, except by 100% approval of all Members.

E. Any net profits that accrue for federal income tax purposes to the holders of the Series '1' Membership Certificates shall be allocated at the time of final winding-up of operations or otherwise when such net profits or gains are actually realized by the holder of the Series '1' Membership Units and paid to them by the Company, and not before.

SECTION 9.6 For accounting purposes all monies or other distributions paid or made to holders of the Series 'A' unit owners to retire the Notes shall be allocated first to principle, then to interest, for the purpose of calculating their 13% annualized, non-compounded preferred return, which is the minimum return intended, but not guaranteed, for them by the Company.

SECTION 9.7 If, when a property held or owned by the Company is sold, the Company should then for any reason carry financing for a period of time for the buyer, certain of the distributions to Members may be in the form of a partial interest in a note secured by a deed of trust against the particular property where such financing was carried by the Company. In addition, should the Company acquire any discounted trust deed secured mortgage notes or other financial assets and not be successful in reselling them at a value deemed reasonable and acceptable by the Managing Member(s), certain of the distributions to both the 'A' investors and the holders of the Series '1' units may be in the form of a partial interest in such assets. Distribution of an interest in any such assets shall be treated, for purposes of determining return of the principal balance of the Notes and of the 13% preferred return thereon due to 'A" unit Membership Certificate owners, if any balance on the Notes remains due at time of such distribution, as though the face amount of such asset proportionally distributed to them was instead a cash distribution. In such event the Managing Member(s) may act as trustees on behalf of all of the members with respect to those distributed assets, or shall name a competent third party willing to serve as trustee in their place and stead, at a reasonable fee to be determined at that time.

SECTION 9.8 If the Managing Member(s) should determine at any time that it is in the best interest of the Company to hold any particular real property for a period of one year or more and lease or rent it to tenants, they may do so in their sole discretion. In such event and at their sole discretion the Managing Members may retain that real property as an asset of the Company or distribute it, via a trustee and as per the terms of Article X hereof, to the members, who shall then on a pro-rated basis based on the Membership Certificates each one holds, receive all rents and allocable tax benefits. Distribution of an interest in any such real property shall, for purposes of determining principal and interest payments on the Notes, if any balance on the Notes remains due at time of such distribution, shall be treated as though the then-current appraised value or then-current broker price opinion value (BPO) of any such real property, where that value is established by any appraiser or real estate broker acceptable to the Managing Member(s) in their sole discretion, was instead a cash distribution. In such event the Managing Member(s) may act as trustees on behalf of all of the members, or shall name a competent third party willing to serve as trustee in their place and stead, at a reasonable fee to be determined at that time.

SECTION 9.9 All profits and losses shall be determined and allocated, subject to the provisions of this Agreement, in accordance with generally accepted accounting principals. All terms used shall be interpreted consistent with the definitions of such terms in Reg. Sec. 1-704-2. "Non-recourse liability" shall mean any liability with respect to which no Member bears the risk of loss under Code Section 752. Any non-recourse deductions shall be allocated among the Members as determined by tax counsel. In general terms however, any non-recourse deduction shall be 100% allocated to any Member who bears the economic risk of loss with respect to any non-recourse liability to which such deduction is attributable.

ARTICLE X
Distributions of Cash

SECTION 10.1 At the discretion of the Managing Member(s), other provisions of this Agreement notwithstanding, the Company may at any time make Cash Distributions, as defined herein, to its Members. In such event the Members will still continue to own, hold and control an undiminished number of the issued and outstanding Membership Certificates delivered to them by the Company, with all rights to potential Company profits and losses that pertain to each, and all, of those issued and outstanding Membership Certificates as stated in this Agreement and in the Offering Documents.

SECTION 10.2 The term "Cash Distributions" is defined with respect to any distributions made to Members of the Company to include payment of money in U.S. dollars by check, cashiers check or by money order. It is defined to include as well, at face value in the case of any secured or unsecured note, and at then-current appraised value or then-current broker price opinion value (BPO) or market analysis value, in the case of any real property, where the then-current real property value is established by any appraiser or real estate broker acceptable to the Managing Member(s) in their sole discretion, a percentage in interest in any such secured or unsecured note and / or deed of trust, or in any real property, then owned by the Company, which may be distributed via a third party trustee acting on their behalf to the Members, or directly to the Members. The Managing Member(s) may elect at any time as they may deem necessary or advisable in their sole discretion to make distributions to the members in cash, or if necessary or advisable in their sole opinion, of an interest in such assets in lieu of actual cash money in the form of U.S. dollars. In such event the Managing Member(s) may act as trustees on behalf of all of the members, or shall name a

competent third party willing to serve as trustee in their place and stead, at a reasonable fee to be determined at that time.

SECTION 10.3 The Managing Member(s) of the Company may at their discretion make cash distributions to holders of the Series '1' units at time of winding-up operations and closing down the Company, provided "Cash Distributions" as defined herein are available for distribution to them and otherwise authorized under the terms of this Agreement. They may also, at their sole discretion, make a determination prior to final winding-up of operations of the Company and final distributions as to the approximate amount of profits earned to date by the Company and then make one or more interim distributions of those profits to all members, including the Series '1' members, subject however to the Notes having been paid in full, including all principal and interest due thereon. The Series '1' member's share of an interim distribution of profits, if made, shall be final and not subject to later reimbursement to the Company, or any member of the Company, for any reason whatsoever.

ARTICLE XI
Admission and Withdrawal of a Member

SECTION 11.1 The Managing Member(s) of the Company are authorized to recruit Members into the Company in exchange for Contributions of Capital as per Article V hereof, including the offering and sale of the Series 'A' units via the Offering Memorandum, and to take all other actions he / they deems necessary, prudent and consistent with law to sell the Series 'A' units or to otherwise bring funding into the Company in pursuit of the objectives of the Company.

SECTION 11.2 As a condition of Membership in the Company each new Member is to read and approve this Operating Agreement and affix their mark or signature to the original or to a copy executed in counter-part. By signing the Agreement new Members, and each of them, thereby ratify it and agree (a) to be bound by its terms and conditions with regard to any and all matters relating to the relationship between themselves and the Company and (b) to be bound by its terms and conditions with regard to the relationship between themselves and other members of the Company, for matters in any way concerning the Company.

SECTION 11.3 Each new Member is also to sign a "Subscription Agreement" which shall include an acknowledgement of certain facts, conditions and representations made both by the Company and by the Member. When executing a subscription agreement to become a Member each new Member shall acknowledge that he is contributing Capital to acquire certain of the Certificates of the Company as a long-term investment, for his own account, and without a view to the resale or other disposition thereof, and that he has reviewed or had a qualified advisor review the Offering Memorandum, including "Risk Factors" and all other disclosures therein. In addition all new Members, by signing a subscription agreement, expressly verify they have read and understand the following:

A. A Member may not transfer his interest in the Company during the first year of ownership to another person or entity without the prior written consent of the Managing Member, which consent will not be given except by advice and consent of counsel.

B. Members have no right to require the Company to register the Certificates under federal or state securities laws. The Company has no present intention to register the Certificates.

C. The sale or other disposition of any Membership Certificate(s) is/are, and shall be, restricted by the terms of a legend (condition) on the Certificates intended to ensure compliance with the requirements of federal and state securities laws. In addition, investors may not offer or sell their Certificates until one year after acquisition, and then only if the Company has terminated any offering of the Units.

D. When a Certificate is transferred, the transferee shall be entitled to receive the share of profits, losses, Cash Distributions or other compensation by way of income and the return of contributions to which the transferor otherwise would be entitled.

E. Article XV of this Agreement relating to any conflict that may arise between a Member and the Company, or between any Members of the Company, or both, has been carefully reviewed and the new Member(s), and each of them, voluntarily accept all provisions therein. They further and expressly understand that if they do not agree with any provision therein they should not become a Member of the Company, and further understand that if the Company were made aware they did not agree with any provision therein they would not be allowed by the Company to become a Member. Thus all new Members warrant they have read, understand and will abide by the rules outlined in Article XV of this Agreement as those rules relate to resolution of any potential conflicts relating to the Company or its Members that may arise in the future.

SECTION 11.4 Should a Member subsequently elect to assign his interest in the Company to another person or entity, all costs and expenses incurred by the Company in connection with the assignment of that Member's interest, including any filing fees, publishing costs and the fees and / or disbursements of counsel, shall be paid by the assigning Member.

ARTICLE XII
Termination or Dissolution of Company

SECTION 12.1 If not terminated earlier, the Managing Member(s) of the Company are to take all reasonable and necessary steps to liquidate all real property holdings the Company may have and to wind up operations and terminate the Company not later then December 31, 2019. The foregoing notwithstanding the Company may be reconstituted and continued beyond December 31, 2019 if (a) the Members who do not wish to continue as Members of the Company accept a final pay-out from the Company and withdraw as Members, and (b) there is then an affirmative vote of at least 50.1% in interest of all remaining Members to continue the Company.

SECTION 12.2 If the Company is dissolved, a simple majority in interest of the Members may then elect to reconstitute and continue the Company as a successor Company upon the same conditions as set forth in this Agreement. Any such election to continue the Company will not result in the creation of a new Company among the remaining Members, nor will such election require the amendment of this Agreement or the execution of an amended Agreement.

SECTION 12.3 The Company may be terminated by the Managing Member(s) at any time if, for any reason and on advice of counsel, it is deemed prudent by the Managing Member(s) to do so. It may also be terminated at any time by a vote of 75% in interest of the

Series ‘A’ Certificate holders. In either such case the Managing Member(s) are then to take all reasonable and necessary steps to liquidate the assets of the Company and wind-up and terminate Company operations with, however, an eye to maximizing Company profits.

SECTION 12.4 Upon the termination and dissolution of the Company the Managing Member(s), or, if there is no Managing Member, any person elected to perform such liquidation by the vote of a majority in interest of the Members, shall proceed with liquidation of the Company. The proceeds of such liquidation shall be applied and distributed as per Articles IX and X of the Agreement.

SECTION 12.5 Each of the Members shall be furnished with a statement reviewed by the Company's accountants that shall set forth the assets and liabilities of the Company as of the date of the Company's liquidation. Upon completion of the liquidation, the Managing Member(s) shall execute and cause to be filed a Certificate of Dissolution of the Company and any and all other documents necessary with respect to termination of the Company.

ARTICLE XIII
Books, Reports and Bank Accounts

SECTION 13.1 The Managing Member(s) are to open and maintain bank accounts, credit line accounts, savings deposits and other accounts at financial institutions as may from time to time be required to meet the objectives of the Company in their discretion. They shall maintain the following records:

A. Complete and accurate books of account, in which shall be entered, fully and accurately, each and every transaction of the Company. These records shall be kept by the Managing Member(s) at the principal office of the Company. The fiscal year of the Company shall be the calendar year. The books of account of the Company shall be kept in a consistent manner, in accordance with sound accounting practices and principles, and kept in a manner compatible with accounting practices used for Federal income tax purposes. All determinations by the Managing Member(s) with respect to the treatment of any item or its allocation for Federal, state or local tax purposes shall be binding upon all the Members unless the determination is inconsistent with the Code or with any express provision of this Agreement.

B. A current list of the full name and last known mailing address of each Member set forth in alphabetical order together with the capital contribution and the share in profits and losses of each Member; a copy of the Certificate of Formation of the Limited Liability Company and any amendments thereto; a copy of this Limited Liability Company Operating Agreement and any amendments hereto; a copy of this Limited Liability Company's federal, state and local income tax returns for the three most recent fiscal years.

SECTION 13.2 The Managing Member(s) will cause to be sent to the Members within a reasonable period after the close of each year the following: (a) annual statements of the Company's gross receipts and operating expenses, and the capital accounts of each Member, prepared by the Company's independent accountants, to be transmitted to each Member; and (b) a report to be transmitted to each Member indicating the Member's share of the Company's profit or loss for that year and the Member's allocable share of all items of income, gain, loss, deduction, and credit, for Federal income tax purposes.

SECTION 13.3 No value shall be placed for any purpose on the Company name or the right to its use, or upon the goodwill of the Company or its business. Upon termination or dissolution of the Company (without reconstitution thereof) as provided in this

Agreement, neither the Company name nor the right to its use, nor the goodwill of the Company, shall be considered as an asset of the Company.

SECTION 13.4 Any Member shall have the right at any time but not more than once per calendar quarter, with reasonable notice and at his expense (with the estimated total amount payable to the Company paid in advance) to make an examination and/or audit of the books and records of the Company at the offices of the Company. The Member requesting the audit shall pay the sum of $100.00 to the Company as a fee for using clerical help the Company will supply, plus a fee equal to a minimum of two hours of time at the normal and customary billing rate for the professional bookkeeper or accountant used by the Company, or for one of their staff, to be present during the audit. Such examination or audit may be conducted by the Member, his accountant or by his duly authorized representative(s). In such event the Managing Member(s) are to cooperate fully and shall make all of the financial books, records and other financial information of the Company available for examination in and at the Company offices.

SECTION 13.5 A simple majority-in-interest of the Members shall have the right at Company expense, with at least three business days advance written notice delivered to the Company, to either an on-site or off-site audit of the books and records of the Company by such accountants and representatives as they may designate. In such event the Managing Member(s) are to cooperate fully and are to make all of the financial books, records and other financial information of the Company available for examination and audit at any reasonable and convenient place designated by the auditor(s). In addition Company founders Gary Erickson, G. Patrick Dague and all Principal Member(s) shall each, without notice, separately or together and for so long as they each shall own and control Series '1' Membership Certificates, have the same right.

SECTION 13.6 The foregoing in above paragraphs hereof notwithstanding, no Member may compel the Company to disclose personal information concerning other Members of the Company, including but not limited to telephone numbers, e-mail addresses, social security numbers, check copies, dollar amount invested in Certificates or other such private information. In addition, the Managing Members are prohibited from sharing or disclosing such personal and private information about any Member of the Company, with any other person or entity, except by prior written approval of the Member whose private information is to be disclosed, except however they shall comply with any subpoena or court order regarding same if ever served with such a document.

ARTICLE XIV
Tax Elections

SECTION 14.1 The Fiscal year is the calendar year. In the event of a transfer of a Member's interest, or upon the death of a Member, or in the event of the distribution of Company property to any party hereto, the Company may, at the discretion of the Managing Member(s) and as advised by counsel, file an election in accordance with Section 754 of the Code to cause the basis of the Company Property to be adjusted for Federal income tax purposes, as provided by Sections 734 and 743 of the Code, or as provided by those Sections if they are subsequently amended, re-numbered or changed.

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ARTICLE XV

Conflict Resolution

SECTION 15.1 The Members, and each of us, expressly agree in the event a dispute should arise between one or more Members and the Company, or between Members concerning matters related to the Company and the Company itself, to resolve all such disputes, conflicts, legal actions or /or legal issues as per this Article (Conflict Resolution) of this agreement, i.e. first by an informal notice and written offer for resolution of the issue(s), with written counter-proposals if needed, then by formal mediation proceedings followed, if necessary, by binding arbitration. No verbal or written offer or counter-proposal for resolution of any such issue(s), should they ever arise, shall ever under any circumstances be admissible as evidence either in binding arbitration or in any court of law.

SECTION 15.2 To the extent any future or present disagreement, legal conflict or other issue may exist or appear to exist that places any Member in an adverse position with the Company or with another Member, or with respect to this Agreement, or that is in any way related to the Company and its operations, this Agreement as it may be amended from time to time in writing, and the PPM for offering and sale of the Series 'A' Membership Certificates of the Company which is incorporated herein by reference, shall be used as governing document(s) to help resolve the issue(s) or conflict(s).

SECTION 15.3 No party to this Agreement may bring a legal action of any kind against any other party to this Agreement or against the Company, either in arbitration or as an action filed in a court of law, without first attempting to resolve and mediate the conflict, issue or other concern *expressly* and *exactly* as follows (emphasis in original):

A. The party who wishes to bring an issue or issues forward for resolution (the moving party or parties) shall notify the responding party or parties in writing via certified mail, return receipt requested, and by regular mail sent the same day, which notice shall include a full and complete copy of this Article XV of this Agreement. That notice shall also clearly outline the issue(s) of concern, and it must propose in writing a resolution acceptable to the moving party(s) who wishes to bring the action forward, which resolution will fully resolve the concern for the moving party(s). The responding party(s), within thirty calendar days from receipt of the notice of issue(s) for which a resolution is requested, must respond in writing concerning the issues presented. That written response must clearly include either an acceptance of the resolution proposed by the party bringing the action or a counter-proposal to resolve the issues, or it must clearly reject the issue(s) brought forward as having no merit or not being proved. If the issue(s) are rejected by the responding party(s) as having no merit or not being proved, then the reasoning as to why the responding party(s) believes that is so must be outlined in his or her written response.

B. If the proposed resolution from the moving party(s) or a counter-proposal from the responding party(s) is not accepted, or if the responding party(s) rejects the issue(s) brought as having no merit or not being proved, then the moving party(s) may at his option go forward into formal mediation with a professional mediator. However no formal mediation or further resolution by arbitration or in a court of law is to be allowed if this entire process, expressly as outlined herein, is not followed.

C. If the moving party(s) wishes to bring issue(s) forward into formal mediation he must again notice the responding party(s) in writing via certified and regular mail sent the same day. That notice must state the reason(s) why either the counter-offer for resolution was not accepted if one was made as per paragraph "A" of this Section, or in the alternative why he disagrees with a reply that the moving party(s) issue(s) have no

merit or is not proved, if one of those replies was instead the response of the responding party(s). The notice from the moving party(s) requesting formal mediation shall propose a professional mediator to assist with resolving the issues. It shall also propose a date, time and place of the first mediation meeting and must also include a telephone number for the responding party(s) to call and work out details for the mediation with the moving party(s).

D. Within ten business days of receipt of the notice for formal mediation with a professional mediator, the responding party(s) must reply in writing and either agree to the mediator selected or propose an alternative mediator. That reply must also either agree to the proposed date(s), time(s) and place for mediation *or* propose alternative date(s), time(s) and location for mediation, and it must include a telephone number where the responding party(s) can be reached to work out the mediation details.

E. If the parties can not agree on either of the first two mediators proposed then a third professional mediator shall be selected by the moving party(s) and used for the mediation. If the parties can not agree on a date, time and place for the first mediation meeting, then it shall be set by the moving party(s) at a date at least ninety (90) calendar days after the initial notice for formal mediation was sent by the moving party(s), and at a time during normal business hours. The location of the mediation meetings shall be a law office, hotel conference room or other place with similar amenities, including a speaker telephone.

F. The parties shall equally pay for the services of the professional mediator and for the costs of the meeting room.

G. No fewer then at least three mediation meetings shall take place, each at least two weeks apart from the other, and, unless the parties agree on the two subsequent meeting times and dates, those times and dates shall be set by the moving party(s) with both of those subsequent meetings noticed at least ten calendar days in advance, by certified and regular mail from the moving party(s) to the responding party(s).

H. Each mediation meeting must use at least two full clock hours from the time it starts, with the parties attempting to resolve the issue(s) at each such meeting, unless the responding party(s), at his sole discretion, calls for an earlier stop time. The moving party may not call for an earlier stop time. If the moving party does terminate the meeting before two full clock hours are used, and without the agreement of the responding party, that meeting shall not count as one of the three required mediation meetings.

I. The moving party(s) must <u>personally attend</u> at least the first two of these meetings, even if represented by counsel and even if the responding party attends by telephone, if so required by the responding party(s). All parties are strongly encouraged to appear in person at each mediation meeting. Mediation meetings may otherwise be by teleconference. Moreover the responding party(s) may <u>not</u> be compelled to attend a mediation meeting in person, however in that event all responding party(s) must attend by teleconference for the full duration of each meeting, or two hours, whichever is less.

J. If a responding party who has been properly noticed for a meeting does not show up, either in person or by teleconference, that meeting shall still count as one of the three required mediation meetings.

K. If the issue(s) are not fully resolved as a result of the first two mediation meetings, then at the third mediation meeting the parties are to work diligently in an attempt to reach a partial resolution which, if reached, shall as soon as reasonably possible thereafter be reduced to writing and signed by the parties. The moving party(s) may then at his option take any and all unresolved issue(s) to binding arbitration.

L. Should the moving party(s) then elect to bring unresolved issue(s) to binding arbitration he shall notice the responding party(s) via certified mail and regular mail sent the same day of his intention to do so. That notice must include, as a separate document, a certification signed under penalty of perjury under the laws of the state of Delaware that the moving party(s) have complied with the provisions of this Article XV concerning attempted resolution of the issues as required herein. It must specifically spell out in writing the exact dates, times, places and clock hours of the three mediation meetings that are required hereunder before any issue(s) can be brought to binding arbitration. The arbitration notice must also spell out for the responding party(s), in reasonable detail, even if already reviewed and discussed at the mediation meetings, the issue(s) that are not resolved and which therefore require arbitration. That letter must also make one final and clear demand for an immediate and complete resolution acceptable to the moving party(s) if the responding party(s) wish to avoid binding arbitration.

M. If the mediation process and each step therein as outlined in this Article of the agreement is not honored and strictly followed by the moving party(s), then the attempted mediation process is not complete and the issue(s) of the moving party(s) are not eligible for binding arbitration or other legal resolution. Moreover if these mediation procedures are not strictly complied with in their entirety by the moving party(s) then the arbitrator or court of competent jurisdiction (if an issue be brought forward for any reason in a court of law) may to be noticed by the responding party(s) that this Agreement calls for dismissal of the moving party(s) action for failure to strictly comply with the conflict resolution agreements of this Article XV of this Agreement. The arbitrator or court may be further noticed that this Agreement calls for significant consideration and weight to be given to this particular paragraph of the Agreement, and his or her attention may also be drawn to the clear statements herein concerning the particular intention of the Company and each of its Members to have the provisions of this of this Article XV of this Agreement, and each of them, <u>strictly enforced</u> (emphasis in original).

SECTION 15.4 If mediation fails and the moving party(s) then bring the issue(s) forward for final resolution by binding arbitration, such arbitration shall be conducted under the rules of the American Arbitration Association or may otherwise be conducted under other commonly used arbitration rules for business arbitration matters that are accepted in writing by all parties concerned. However the following shall in any event apply to each and every matter that may be brought forward for arbitration by any Member(s) of the Company, and to the extent that any conflict shall exist between the rules of the American Arbitration Association (or other rules used) and the provisions here, this agreement shall govern.

A. The arbitration shall be conducted by a singlre referee who shall shall be a referee listed or associated with the American Arbitration Association except however that the referee may be any other professional and competent person accepted in writing by all parties.

B. As the first order of business for the arbitration referee when arbitration is commenced or at any time re-commenced, the arbitrator <u>must confirm in writing, in a document he signs</u>, with a copy delivered to both the moving and responding parties, that he has *within the last 72 hours carefully reviewed*, or again carefully reviewed if an arbitration proceeding is continued for any reason beyond 72 hours, this ARTICLE XV, Conflict Resolution *in its entirety* and that he expressly acknowledges to the parties that he will conduct the arbitration *exactly* (emphasis in original) according to the terms hereof. If the arbitrator for any reason should fail or refuse to do so, the entire arbitration procedure shall halt at once, on motion of either party, and a new arbitrator must be found. This provision expressly *may not* be waived or set aside by the arbitrator.

C. As the second order of business for the arbitration referee when arbitration is commenced, the arbitrator must request the parties to stipulate in writing that each and every one of the specifically required steps necessary prior to a party entering a matter for binding arbitration were either accomplished or waived. If either of the parties will not so stipulate then the arbitration referee must hear all available evidence from both parties that relates to steps required herein that are to be accomplished before a matter can be brought for resolution at binding arbitration. The referee must then make a ruling that either (a) all such steps were in fact accomplished or were otherwise conscientiously and reasonably attempted by the party bringing the matter to arbitration, and the arbitration hearing can continue, or (b) the required steps were not in fact accomplished or reasonably attempted by the party bringing the action. Should the arbitration referee find that the required steps were not in fact accomplished or reasonably attempted by the party bringing the action to binding arbitration then he must immediately halt the arbitration proceedings, and the arbitration proceedings may not then continue until a period of ninety days have passed, at which time the same second order of business shall be to determine if each and every one of the specifically required steps necessary prior to a party entering a matter for binding arbitration were either accomplished or waived.

D. If the arbitration referee finds that the steps required herein prior to bringing a matter to binding arbitration were again not followed by the moving party, he shall give an award to the responding party in any amount he deems reasonable, up to but not to exceed $25,000.00, and he shall in addition give a written ruling that the matter shall then and forever be at rest at law and may not be brought forward again either for arbitration or in any court of law.

E. There is to be no award for costs of discovery, damages, punitive damages, and no award of attorney's fees from one party to the other under any circumstances in arbitration, or in any legal action when an action is brought by a Member against the Company or by a Member against another Member for any issues related in any way whatsoever to the Company, except and only as is specifically and expressly allowed in this Agreement under in the above written paragraph.

F. Each Member relies on all other members to agree to and honor these Conflict resolution provisions of the Agreement as a means to discourage and reduce litigation that might adversely affect the Company and its Members. The arbitrator (or a court of competent jurisdiction if any matters were subsequently to be adjudicated in court for any reason) is to give special weight and consideration to each Conflict Resolution provision in this Agreement, including that each party in any such action must pay their own legal fees, including all costs of discovery and all other related expenses.

G. With respect to Members holding Series 'A' Membership Certificates and any arbitration award or judgment that any such Member may ever be awarded, the maximum award or judgment shall not ever, in any case or circumstance whatsoever, exceed the greater of either (a) the total sum of that Member's investment in the Membership Certificates owned, plus an amount not to exceed a dollar figure equal to a maximum of an 18% non-compounded annual return on his investment in units, calculated from the date of their investment in and purchase of those Series 'A' units, or (b) as an alternative, return of funds initially invested by that Member in the units, plus an amount determined by the adjudicating authority to be the percentage in interest of profits or losses allocable to the Member bringing the action, by operation of this agreement.

H. The decision of the arbitrator shall be delivered in writing in a document titled "Notice of Arbitration Findings, Resolution and Award" which shall be final, binding on all parties and enforceable at law in any court of competent jurisdiction, except

however if the arbitration referee, or any judge in a court of law, should ever give an award that (a) violates the provisions of this agreement relating to the maximum award that may be given to a Member bringing an action, or (b) an award that violates the provisions of this agreement concerning an award for damages, punitive damages, attorney's fees, costs of discovery, or (c) an award for any other kind of relief beyond the kind, type and maximum amount specified in this agreement, that portion of the arbitration referee's award may be appealed by filing an appeal in a court of law within thirty days of the date of the Notice of Arbitration Findings, Resolution and Award is delivered, and shall then be void, not enforceable at law, and entirely without effect of any kind or nature whatsoever during the appeal process. Moreover if either an arbitrator or a judge in a court of law were ever, for any reason whatsoever, to give an award or render a judgment or that violates the Conflict Resolution provisions stated herein, or any of them, then any court of appeals, if the judgment or award is appealed, is to give special weight and consideration to this paragraph of this agreement and shall be urged to void the judgment and return the matter for further hearings to reach a conclusion exactly and entirely consistent with each and every single one of the Conflict Resolution provisions of the Agreement, as *expressly and exactly* stated herein (emphasis in original).

SECTION 15.5 The laws of Delaware govern this agreement. Venue for arbitration of any disputes between the Members or between one or more Members and the Company, unless otherwise mutually agreed in writing by the parties, shall be in Wilmington, Delaware. All Members agree to this venue as a required matter that was brought to their attention prior to being allowed to become a Member of the Company. If a matter be brought in a court of law, then the court shall be the court of appropriate jurisdiction in Wilmington, Delaware. If an action be brought in a court of law for any reason whatsoever in any other state or city, that action shall be subject to immediate dismissal for failure to meet the venue requirements of this agreement.

ARTICLE XVI
Miscellaneous

SECTION 16.1 Any notice or other communication under this Agreement shall be in writing and shall be considered given when mailed by regular US Mail to the last known address of the party, unless specified otherwise in this Agreement for certain notices.

SECTION 16.2. This Agreement contains a complete statement of all of the arrangements among the parties with respect to the Company and cannot be changed or terminated orally or in any manner other than by a written agreement executed by all (100%) of the Members. The foregoing notwithstanding, a copy of the Offering Memorandum is to be attached herewith and made a part hereof; specifically it is to be used as a tool to help clarify and govern all agreements between the members in any instance where this Operating Agreement may need further clarification.

SECTION 16.3 There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties relating to the subject matter of this Agreement that are not fully expressed in this Agreement, including the Offering Memorandum of the Company dated March 21, 2008 which is attached hereto and made a part hereof by reference, or in this Agreement as it may be amended from time to time in writing pursuant to Section 16.2 hereof.

SECTION 16.4 This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party that caused this Agreement to be drafted. Irrespective of the place of execution or performance, and irrespective of the domicile of any party hereto, and irrespective of the location of the offices

of the Company, all parties hereto agree and acknowledge that venue for any disputes is a matter of importance to the Company, and that potential members who rejected the Company's choice of Wilmington, Delaware for the place of venue if a matter concerning this Agreement be brought in a court of law would be therefore in turn rejected as Members of the Company, and all Members have therefore, each one, approved in advance the Company's choice of venue.

SECTION 16.5 This Agreement is intended to be performed in accordance with, and only to the extent permitted by, applicable laws, ordinances, rules and regulations. If any provision of this Agreement, or the application thereof to any person or circumstance, shall for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement, and the application of that provision found invalid with respect to one person or circumstance, shall otherwise not be affected and shall continue to apply to other persons or circumstances and shall be enforced to the extent permitted by law.

SECTION 16.6 Anything hereinbefore in this Agreement to the contrary notwithstanding, all references to the Property of the Company is deemed to include the profits, losses and cash flow owned or held by the Company.

SECTION 16.7 Prior to approving this Agreement and signing it the Company recommends each new Member have it reviewed by legal counsel of their choice, with particular attention to Article XV hereof.

SECTION 16.8 Irrespective of the place of execution or performance, and irrespective of the domicile of any party hereto, and irrespective of the location of the offices of the Company, and irrespective of the location of any property the Company may own now or in the future, all parties hereto agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware as those laws are applied to agreements made and to be performed in the State of Delaware.

SECTION 16.9 The captions, headings and table of contents in this Agreement are solely for convenience of reference and shall not affect its interpretation.

A. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall be deemed to constitute a single document.

B. Whenever the context so requires, the male gender when used herein shall be deemed to include the female gender, the female gender shall be deemed to include the male gender, the singular shall be deemed to include the plural and the plural shall be deemed to include the singular.

IN WITNESS WHEREOF, for themselves, their heirs, successors and assigns, the undersigned affix their signature(s) hereto as of the date shown next to their signature and mutually covenant and agree to execute promptly all other documents and perform all further acts that may be necessary or desirable to carry out the purposes of this OPERATING AGREEMENT OF REO PROFITS TEAM4, LLC, A Delaware Limited Liability Company, and agree to otherwise be bound by this Agreement for the specific and certain purposes for which it is made and entered into by and between the parties hereto.

G. Patrick Dague, Managing Member March 21, 2008

Gary Erickson, Managing Member March 21, 2008

Julene Webb, Principal Member March 21, 2008

Signature: X_____ _____
Member address on file with Company Date

Printed Member name:_____

Signature: X_____ _____
Member address on file with Company Date

Printed Member name:_____

Signature: X_____ _____
Member address on file with Company Date

Printed Member name:_____

Signature: X_____ _____
Member address on file with Company Date

Printed Member name:_____

Signature: X_____ _____
Member address on file with Company Date

Printed Member name:_____

_____

Exhibit " E "

Feasible Investment for IRA

or other types Retirement Accounts

DISCLOSURES CONCERNING
RETIREMENT ACCOUNT INVESTMENTS

Private Equity Exemption for IRA and other Retirement Accounts

For those investors who may wish to make an investment through an IRA, SEP-IRA, KEOGH, DEFINED BENEFIT PLAN or other type of qualified retirement account, the Company has structured this investment to meet Title 29 of the Labor Code. Specifically, the exception listed in Title 29, Volume 9 (revised as of July 1, 2002) Sec. 2510.3-101, paragraph (a)(2)(i). With regard to that section the Company believes it falls under the definition in paragraph (e) of that Section, regarding a "real estate operating company". (See “RISK FACTORS” - Retirement Account Investors”.)

Self Directed Accounts Custodian for IRA or other Retirement Account

The Company has arranged for IRA and other retirement account investors to use IRA Services as custodian for an investment in the Membership Certificates offered hereby, through a Self-Directed IRA or other retirement account. Nonetheless:

(a) An investor may select another Self-Directed IRA custodian for investment in the units, should he elect to do so. Any fees for review by another Self-Directed retirement account custodian will be that investor’s responsibility. Also, before payment of such fees investors are encouraged to ascertain that “Private Equity” type investments are allowed under the charter of another such custodian. Not all Self-Directed IRA custodians allow “Private Equity” investments.

(b) The fact that IRA Services has received and reviewed the Private Offering Memorandum of the Company means only that they have reviewed it for administrative feasibility as an investment they can hold for an investor. They have made no determination as to the viability of the investment, or its potential for success.

Exhibit " F "

Specimen of Membership Certificate

ORGANIZED UNDER THE LAWS OF THE STATE OF DELAWARE

Specimen

Certificate Number: _____
Ten (10) of the Series 'A' Membership Certificates of the Company
Original Dollar Amount: $500,000.00

REO PROFITS TEAM4, LLC
a Delaware Limited Liability Company

This certifies that_____ owns **10** of the Series 'A' Membership Certificates of the above named Limited Liability Company, is a Member in good standing, and is entitled to the full benefits and privileges of such membership, subject to the duties and obligations, as more fully set forth in the Limited Liability Company Operating Agreement.

In Witness Whereof, the Limited Liability Company has approved this Certificate to be executed by its duly authorized Member on this _____ day of _____, 2008 and to cause its Company seal to be hereunto affixed.

_____. *X*_____

Date *Gary Erickson, Attorney at Law - Managing Member*

Official Company Seal
