



Mortgage Loan Commitment

April 20, 2006

Applicants:

**David Haney
5041 E Pershing Av
Scottsdale, AZ 85254**

Property Address:

**31225 N Black Cross Rd
Scottsdale, AZ 85262**

Loan Number: **9755489**

M&I is pleased to inform you that your mortgage loan application has been approved, subject to the terms and conditions listed below.

Due to privacy and legal issues, M&I does not provide a copy of this mortgage loan commitment to the real estate broker or the seller. If the terms of your agreement with the seller require that a mortgage commitment be provided, you should determine if this commitment letter meets those requirements before providing a copy to any party of this transaction.

I. TERMS OF THE LOAN

- A. The loan type is a Balloon Mortgage.
- B. The amount of your loan is \$542,500.00.
- C. The term of your loan is 12 months. The interest rate for this loan has been guaranteed at 8.875% until June 16, 2006. In order to obtain this interest rate, you must pay discount points of \$10,850.00. The amount of the discount points is based on your loan amount and may be adjusted if the amount of your loan changes prior to closing. If your loan cannot close and disburse by June 16, 2006, you may be eligible to relock for a period of time not to exceed 60 days, at the original interest rate, or our then current pricing, whichever is higher. Changes to the loan type, loan amount or loan term prior to closing could affect your rate lock guarantee.
- D. Your monthly payments will be for interest due only. The estimated interest payment for this loan is \$4,012.20.
- E. M&I hereby waives its right to establish an escrow account to guarantee the payment of real estate taxes and homeowner's insurance. If the terms of your loan request changes prior to closing, an escrow account may be required. If, after closing, your real estate taxes become delinquent or your homeowner's insurance coverage lapses, M&I reserves the right to require that an escrow account be established.

II. CONDITIONS OF YOUR COMMITMENT

- A. The following items must be provided to and approved by M&I prior to the closing of your loan:
- Property appraisal meeting investor requirements and supporting value of at least \$775,000.00.
 - A FLOOD DETERMINATION HAS NOT BEEN OBTAINED TO DETERMINE IF THE SUBJECT PROPERTY IS LOCATED IN A SPECIAL FLOOD HAZARD AREA.
 - Evidence of sufficient cash to close this transaction and to meet reserve requirements, if any. Based on the information contained in our file, you appear to be short \$134,957.00.
- B. The following items must be provided to M&I at the closing of your loan:
- Payments made during the loan term will be applied toward interest only. This means that regular monthly payments will not reduce the principal balance of your loan. Payments will be based on the interest rate and loan balance. If you make a voluntary prepayment of principal during the loan period, your payment amount in subsequent months will be reduced to the amount necessary to pay interest on the lower unpaid principal balance.

III. INFORMATION ABOUT YOUR LOAN CLOSING

- A. Your closing will be conducted by a closing agent approved by M&I. We will contact you with the closing agent's name and the location of your closing prior to closing.
- B. If any funds are required from you, they must be paid at closing in the form of a cashier's check or some other type of certified funds. The closing agent will contact you 24 hours prior to closing with the exact amount that will be required.

IV. IMPORTANT GENERAL TERMS

- A. Unless M&I has agreed to other terms, this loan must be secured by a valid first lien on the property and the property must be free and clear of all other liens. M&I requires that a title insurance policy be provided. If you are purchasing your home through a real estate broker, they typically accept responsibility for providing M&I with a copy of the title commitment. If you are purchasing your home directly from the seller, please inform them of this requirement.
- B. A survey of the property will be required unless the title agent who provides the title insurance insures M&I over any issues that a survey would verify. Typically, the title agent is able to make this warranty and a survey is not necessary. M&I will contact you if a survey will be required.
- C. M&I reserves the right to cancel this commitment, prior to closing, for any of the following reasons:

- If this loan does not close prior to August 10, 2006.
- If a borrower is added or removed from this application.
- If there is any change in your employment or financial status that could affect your ability to repay this loan.
- If there is any change to the property that could adversely affect the value.
- If there is an increase in the interest rate which affects your qualifications for this loan.

If you have any questions about your mortgage commitment, please contact your loan officer, Jimmy Hutelmyer at 480-315-6648, or me at 262-376-8549. We look forward to providing you with home financing!

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim Palm', with a stylized flourish extending to the right.

Tim Palm
Loan Coordinator

c: Jimmy Hutelmyer
M&I Marshall and Ilsley Bank