

AU COURANT MORTGAGE HOPE SOLUTIONS

OVERVIEW

A review of the current real estate climate reveals unprecedented challenges in the US residential real estate market. In recent years, over 50% of homeowners financed or refinanced their property utilizing subprime loans. The easy availability of 2, 3 and 5 year adjustable rate mortgages that were acquired with "stated income" lending guidelines have created significant market problems as the payments for these homeowners are now adjusting to a level borrower's cannot afford. As a result, mortgage defaults, short sales and foreclosures are at record highs driving home values downward as lenders liquidate enormous inventories of bank owned properties at discounted rates.

It is been well documented and verified that that loss of subprime loan options and overall tightening of credit guidelines over the past 6-9 months alone, have created these record-braking defaults and there is no end in site. But new set of problems are arising. As energy inflation and rising unemployment contribute to a faltering economy, there will be an estimated 500 billion of option arm re-sets beginning in April 2009. All of these parts have all combined to create the "perfect storm" opportunity for ACMHS. As even the credit worthy borrowers, let alone the non-credit worthy borrowers, are going to be struggling to keep the American dream of home ownership alive in the months ahead.

Lenders and Banks are struggling for survival. Most recently, our Nation's third largest Bank, Indy Mac, was taken over by FDIC and our Government had to prop up Bear Sterns, Fannie Mae and Freddie Mac all due to the mortgage crisis. As spiraling non-performing mortgage notes rise, this requires significantly higher bank reserves. These required higher reserves mean fewer funds for products and services that generate much needed income. As most are publically held companies, it is imperative they seek ways to mitigate their losses.

Most all economic forecast and experts agree that all of these factors will be further adding to the record-braking rate of mortgage defaults and declining home values, thus insuring a current and future need for Au Courant Mortgage Hope Solutions (ACMHS) and our joint ventures.

SERVICES

ACMHS provides services for all aspects of non-performing note portfolios. In partnership, ACMHS / JV acquires non-performing note portfolios and our qualified experts work with the borrower or property, using a number of loss mitigation and corporate asset products and services to determine the best exit for the note.

One of the newest loss-mitigation services we have created has come from recent government legislation in the "Stimulus Package Bill", signed into law in December. 2007 and the very recent "Housing and Economic Recovery Act of 2008" (HR3221) signed into

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law, July, 31 2008 in regards to Government insured FHA (Federal Housing Administration) loan programs.

Once our Loss Mitigation Consultant has identified a solution, the borrower qualified and their loan is refinanced through one of the FHA program.

For example, if a non-performing note with a face value of \$150,000.00 was purchased for \$52,500.00 (50% of value) and through our Loss Mitigation Consultant, a Loan Modification was structured that reduced the note face value by 15%, the new note value would be \$125,500.00. Assuming the original note interest rate was 10% and it was reduced to 6%, the borrower would experience the following savings:

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Discount	Face Amount	Rate	Old PMT	New PMT	Reduction	Change
85.00%	\$127,500.00	6.00%	\$1,316.36	\$764.43	\$551.93	41.93%

FHA lending requirements do not require good credit scores however a full documentation of employment, income, assets, and reserves must be disclosed to qualify. This process generally takes between 4 and 6 weeks. Upon funding of the new loan, the ACMHS / JV is reimbursed the net amount of the new loan.

RETURN ON INVESTMENT CALCULATIONS

As with any real estate purchase, funds are wired to Land America - Commonwealth Title Company. JV funds are not transferred, until properties are assigned to ACMHS / JV's name. All investors are added to the assignment of the notes in an amount equal to their individual financial contribution. Assuming notes were acquired at 50% of face value, the average note was \$150,000.00 and the investor contributed \$10,000,000.00, the investor would be assigned 133 properties having a total face value of \$10,000,000.00.

Upon the refinance or sale of the properties acquired, the ACMHS / JV conveys the property to the new lender or buyer and in turn, receives the return of capital. The typical return on investment is approximately 18-25% in a 6-12 month period of time.

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IRREVOCABLE AND NON-CANCELABLE NON-CIRCUMVENTION AND NONDISCLOSURE AGREEMENT

THE UNDERSIGNED PARTIES INTENDING TO BE LEGALLY BOUND IRREVOCABLY AGREE:

1. NOT TO CIRCUMVENT, AVOID, BYPASS, OR OBVIATE EACH OTHER DIRECTLY OR INDIRECTLY. This agreement is to confirm that each of the undersigned signatories will not deal with any entity introduced by the other signatory without the knowledge and written permission of the introducing signatory. Also included within this context is any entity in which a signatory has an interest. The parties confirm that the terms of this agreement expressly cover acts of negligence and inadvertent disclosure, which are a violation of this agreement.
2. NOT TO AVOID PAYMENT OF FEES OR COMMISSIONS. IF ANY TRANSACTION WITH AN ENTITY, corporation partnership or individual revealed by either party to the other in connection with any project, service renewal, extension, re-negotiation, contract agreement, third party assignment, communication or conversation. Should the introducing party not be notified of any contact or should any non-signatory, their employees, agents, officers, partners, associates, or consultants through direct or indirect introduction by a signatory result in successful placement of a transaction with any entity, person, company, firm, corporation, organization, the introducing signatory agrees and guarantees to pay any and all commissions and fees received by said signatory on any and all transactions to the other signatory, unless otherwise agreed to in writing by the parties hereto.
3. NOT to disclose or otherwise reveal to any third party any confidential information provided by the other, particularly that concerning lenders, sellers, borrowers, buyers names, bank information, codes, references and/or any such information advised to the other as being confidential or privileged without the written consent of the other. It is agreed and understood that each signatory agrees to keep confidential the names, addresses, telephone numbers, tax numbers and fax numbers of any contacts introduced by the other signatory, unless prior written permission is given by the introducing signatory.
4. This agreement shall be for a period of three (3) years and is irrevocable and non-cancelable. It is to be applied to any and all transactions, past present and future, of the introducing signatories regardless of the success of the project. The signatories agree that the identities of only the parties who are introduced under this agreement are currently, and shall forever remain, the proprietary asset of the introducing signatory.
5. This agreement shall be binding on the parties hereunder signed, their successors and assigns. The signatories confirm by execution of this agreement that any company, firm, corporation, partnership, organization or entity of which they are an employee, member, officer, partner or agent, is bound by this agreement.
6. All monies due and owing from any client transaction undertaken by both parties will be irrevocably and unconditionally guaranteed to be paid without legal impediment upon request. If any ambiguity arises concerning the amount of damages, Liquidated damages will be \$10,000 per violation.
7. Should violation, disagreement or dispute occur between contracting parties arising out of, or connected with this agreement, which cannot be adjusted by and between the parties involved, the disputed disagreement shall be submitted to the American Arbitration Association in California and all parties agree to abide by the decision of the referees of said Association. Judgment, upon award, may be entered in any court having jurisdiction thereof.
8. In the event of any conflict between the terms of this agreement and any Loan Authorization Agreement, the terms of the Loan Authorization Agreement shall prevail.
9. In the event that either of the parties resorts to legal action against the other, the prevailing party shall be entitled to reimbursement from the other party for all reasonable attorney fees and other costs incurred in such action.

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10. This agreement shall be construed and enforced in accordance with the applicable laws and regulations of the State of California and of the United States in Riverside County, California.
11. In the event any one or more of the provisions of this agreement shall, for any reason, be held to be invalid, illegal, or unenforceable, the remainder of this agreement shall not be affected thereby.
12. This agreement contains the entire agreement and understanding concerning the subject matter hereof and supersedes and repatriates all prior negotiations and proposed agreements, written, or oral. Neither of the parties may alter, amend, nor, modify this agreement unless by an instrument in writing signed by both parties, or their duly authorized representatives.
13. Additionally, the signatories agree that this instrument may be negotiated via fax transmission, and the respective parties accept the signatures by fax as though they were original.

BY SIGNING WE CONFIRM WE HAVE FULL AUTHORITY TO EXECUTE THIS AGREEMENT AND OBLIGATE ALL COMPANIES, FIRMS, CORPORATION, PARTNERSHIPS, ORGANIZATIONS, INDIVIDUALS AND/OR ENTITIES REFERENCED HEREIN.

Acknowledged and accepted by:

Name of Party (Individual or Corporation):

Address of Individual or Corporation:

P: _____

F: _____

E: _____

Date

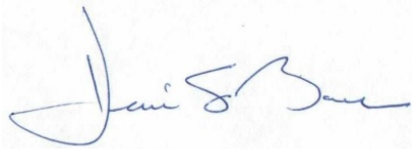
Print Name Above

Investor _____
Title of Signatory

Name of Party (Individual or Corporation):

Address of Individual or Corporation:

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Financial Advisor / Broker
Title of Signatory