

JUDGE GOTTSCHALL

MAGISTRATE JUDGE SCHENKIER

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In addition to, and not in substitution for, the above indemnification, Strategic-Partner shall, at its own expense, purchase and maintain: (a) comprehensive general liability insurance, including contractual, products/completed operations and personal injury coverage; (b) comprehensive automobile liability coverage, including owned, non-owned and hired automobiles used in Strategic-Partner's real estate brokerage operations; (c) errors and omissions insurance, with respect to Strategic-Partner's real estate brokerage operations. For the insurance referenced under subsections (a) and (b) above, the minimum limits required shall be \$1,000,000 per occurrence for bodily injury and \$500,000 per occurrence for property damage, with a maximum deduction of \$5,000; for the insurance referenced in subsection (c) above, the minimum limits shall be \$1,000,000 per annum, with a maximum deduction of \$5,000. GMAC Real Estate shall be named as an additional insured on each such policy. Workers Compensation insurance, to the extent required by the law of each state in which each Licensed Site (or exclusive Territory, if applicable) is located, shall be purchased and maintained by Strategic-Partner on each employee and sales associate. All losses resulting from Strategic-Partner's failure to obtain insurance shall be borne by Strategic-Partner, only. In the event of cancellation, non-renewal or material change in Strategic-Partner's required insurance policies, Strategic-Partner shall serve upon GMAC Real Estate a notice of such action at least 30 days prior to the effective date of such action. Strategic-Partner shall deliver to GMAC Real Estate a copy of its insurance binder before the Effective Date and, thereafter, shall serve upon GMAC Real Estate continuous certificates of such coverages (which certificates shall provide that the applicable policies shall not be cancelled without serving upon GMAC Real Estate at least 30-days prior notification of such intended cancellation).

23. CHOICE OF LAW AND FORUM; ARBITRATION; WAIVER OF JURY TRIAL; TIME LIMITATION FOR CLAIMS.

a. This Agreement shall be construed in accordance with the laws of the state in which the Licensed Site(s) is/are located. If Licensed Sites are located in more than one state, this Agreement shall be construed in accordance with the laws of the state in which Strategic-Partner has been formed or, if Strategic-Partner is not an entity, the state in which Strategic-Partner's principal administrative office is located. However, no law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between GMAC Real Estate and Strategic-Partner will apply unless its jurisdictional requirements are met independently without reference to this Subsection.

b. Any Dispute with respect to this Agreement, or the relationship of the parties or the rights or obligations of the parties arising from, or in connection with, this Agreement, shall be decided by binding arbitration (the term "Dispute" shall be given its broadest meaning and shall include, but not be limited to, disagreements with respect to the legality, enforceability or interpretation of this Agreement or any provision of this Agreement, or with respect to whether a party has fulfilled its obligations under this Agreement or with respect to the relationship of the parties) and shall be the exclusive means of enforcing a party's rights under this Agreement, including those rights that would otherwise be enforceable through the institution of class-action or similar litigation. Notwithstanding the above, GMAC Real Estate may seek to enforce, through litigation, its rights that require the entry of injunctive or similar relief, as determined by the court to which an application for such relief is made. In the event the parties are unable to agree otherwise, arbitration shall be conducted through the American Arbitration Association, in

accordance with its policies and procedures related to commercial arbitrations. All arbitrations shall be conducted in the State of Illinois.

c. To the extent permitted by law, Strategic-Partner and GMAC Real Estate each waives its right to a trial by jury in any litigation or arbitration proceeding arising from this Agreement or from actions taken pursuant to this Agreement or from the relationship between the parties resulting from this Agreement.

d. Any claim by Strategic-Partner against GMAC Real Estate shall be barred unless, within one year from the date that Strategic-Partner knew, or should have known, of the facts upon which the claim is based, Strategic-Partner filed a formal request for arbitration against GMAC Real Estate, as set forth above.

24. MODIFICATION OF AGREEMENT.

Subject to GMAC Real Estate's right to modify its standards and specifications for use of the Marks and other aspects of the operation of a GMAC Real Estate business, no changes may be made in this Agreement unless in writing and signed by all parties.

25. SEVERABILITY.

Each Section and provision of this Agreement is severable and, if one portion is invalid, the remaining portions shall nevertheless remain in full force and effect.

26. NON-WAIVER.

No failure by GMAC Real Estate to take action on any Default or Event of Default of Strategic-Partner, whether it is a single instance or a series of instances, shall constitute a waiver of such Default or Event of Default or of the performance required of Strategic-Partner. No express waiver by GMAC Real Estate of any performance or Default or Event of Default of Strategic-Partner shall be construed as a waiver of any other or any future obligation or Default or Event of Default.

27. NOTICES.

Any notice provided for in this Agreement shall be in writing, addressed to GMAC Real Estate or Strategic-Partner at the respective addresses set forth at the beginning of this Agreement, and shall be served: (a) by personal delivery (which shall be effective upon such personal delivery) or (b) by certified mail, return receipt requested, properly addressed, postage prepaid (which shall be effective on the earlier of the date of delivery as indicated on the return receipt card or 3 days after deposit into the United States mails; or (c) by a nationally recognized overnight delivery service, properly addressed, delivery charges prepaid (which shall be effective on the earlier of the date of delivery as indicated on the carrier's receipt records or 2 days after delivery to the carrier).

28. TERM AND RENEWAL.

The term of this Agreement shall be ten (10) years from the Effective Date (as later defined) (the "Term").

At the expiration of the Term, Strategic-Partner shall have the right to enter into a new agreement with GMAC Real Estate, subject to the following conditions: (a) Strategic-Partner has provided GMAC Real Estate with written notice of its intent to execute a new agreement at least 180 days prior to the expiration of the Term, and (b) Strategic-Partner is not then and has not been in Default of this Agreement. The new agreement will be in the form then being offered by GMAC Real Estate. The new agreement may contain materially different terms than this Agreement, including those which relate to fees, payment of fees, performance standards, renewal terms and the Marks.

Subject to any contrary applicable state law, if Strategic-Partner continues to use the Marks after the end of the Term, but fails to execute a new agreement, Strategic-Partner will be deemed to be operating under the terms and conditions of the agreement then being offered by GMAC Real Estate, except that the term shall be deemed to be 180 days from the date that GMAC Real Estate is served with a notice of termination by Strategic-Partner (at its option, GMAC Real Estate shall have the right to shorten the term by the service upon Strategic-Partner of a notice fixing a shorter term) and, at the option of GMAC Real Estate but without notice being required, the Franchise Fees shall be increased to an amount equal to 10% of Strategic-Partner's monthly GCI, payable within 48 hours of the completion of each settlement and closing from which Strategic-Partner is entitled to be paid a commission.

29. EFFECTIVE DATE.

The parties intend that this Agreement be effective as of June 1, 2004 (the "Effective Date").

30. FRANCHISE DEVELOPMENT COSTS LOAN.

Simultaneously with the execution of this Agreement and in consideration of a loan to be made by GMAC Real Estate to Strategic-Partner, Strategic-Partner will execute and deliver to GMAC Real Estate a Franchise Development Costs Note, in the form attached as Exhibit B, subject to the provisions of a Loan & Security Agreement (the "Loan Agreement"), in the form attached as Exhibit C.

31. LIMITATION OF DAMAGES.

Except for Strategic-Partner's obligation to indemnify GMAC Real Estate, as provided by common law or in the Section of this Agreement entitled "Indemnification and Insurance", neither party shall be liable to the other for consequential, punitive or exemplary damages.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement.

GMAC REAL ESTATE, LLC

By: Judith O'Brien

Print Name: Judith O'Brien

Title: Vice President

Date: _____

JOSEPH CARL REAL ESTATE,
LLC By: Joseph Carl Securities, Inc.

By: Casey Strunk

Print Name: Casey Strunk

Title: CEO

Date: 5/10/04

By: Michael Barreras

Print Name: Michael Barreras

Title: PARTNER

Date: MAY 10 2004

ENDORSEMENT OF PRINCIPALS / OWNERSHIP INTEREST HOLDERS

Each of the Owners identified in Section 17.b. is executing this Agreement for the limited purpose of being personally bound by the provisions of Sections 3 (The Marks), 4 (Materials), 8 (No Conflicting License/Interest), 13 (Verification Rights), 17 (Assignment and Ownership; Ownership Transfer; Right of First Refusal) and 19.b. (Financial Obligations after Default) of this Agreement.

JOSEPH CARL SECURITIES, INC.

By: Casey Strunk
Casey Strunk

Date: 5/10/04

By: Michael Barreras
Michael Barreras

Date: 5/10/04

Casey Strunk
Casey Strunk, Individually

Date: 5/10/04

Michael Barreras
Michael Barreras, Individually

Date: MAY 10, 2004

Exhibit A to the Franchise Agreement
Franchise and Advertising Fees (Percentage of GCI, with Award)

a. **Franchise Fees.**

Strategic-Partner shall pay to GMAC Real Estate, Franchise Fees, in accordance with the following:

(1) **Amount.** Upon the closing, settlement or close of escrow of each transaction from which Strategic-Partner is entitled to be paid Gross Commission Income ("GCI"), a Franchise Fee, in an amount equal to five percent (5%) of the GCI to which Strategic-Partner is entitled. In addition, if at the end of each twelve-month period following the Effective Date, the total amount of Franchise Fees paid by Strategic-Partner during such twelve-month period is less than \$135,000 (the "Franchise Fee Minimum"), Strategic-Partner shall pay to GMAC Real Estate an amount equal to the difference between the Franchise Fee Minimum and the total amount of Franchise Fees actually paid.

If this Agreement is the first contract between GMAC Real Estate and Strategic-Partner, Strategic-Partner shall not be required to pay the Franchise Fees which are based on GCI earned with respect to transactions under contract or in escrow on the Effective Date, provided, however, that such transactions are closed or settled within thirty (30) days after the Effective Date. As to transactions under contract or in escrow on the date of the termination of this Agreement, Strategic-Partner shall be required to pay those Franchise Fees which are based on GCI earned with respect to such transactions, if such transactions close or are settled within thirty (30) days of the termination date.

(2) **Awards.** Within 105 days of the end of each calendar-year after the Effective Date, GMAC Real Estate shall pay to Strategic-Partner an award amount ("Award") equal to the following percentage of Strategic-Partner's past calendar-year's GCI:

AWARD CHART

Award Level	Gross Commission Income Range <u>From</u>	Gross Commission Income Range <u>To</u>	Maximum Range Amount	Award Multiplier Rate	Maximum Award For Range	Cumulative Maximum Award
1	0	\$1,150,000	\$1,150,000	N/A	\$-0-	\$-0-
2	1,150,001	1,725,000	574,999	N/A	2,500	2,500
3	1,725,001	2,300,000	574,999	1.00 %	5,750	8,250
4	2,300,001	4,025,000	1,724,999	1.25 %	21,562	29,812
5	4,025,001	5,750,000	1,724,999	1.50 %	25,875	55,687
6	5,750,001	7,500,000	1,749,999	1.75 %	30,625	86,312
7	7,500,001	9,250,000	1,749,999	2.00 %	35,000	121,312
8	9,250,001	10,950,000	1,699,999	2.25 %	38,250	159,562
9	10,950,001	12,725,000	1,774,999	2.50 %	44,375	203,937
10	12,725,001	15,025,000	2,299,999	2.75 %	63,250	267,187
11	15,025,001	17,350,000	2,324,999	3.00 %	69,750	336,937
12	17,350,001	20,825,000	3,474,999	3.25 %	112,937	449,874
13	20,825,001	24,300,000	3,474,999	3.50 %	121,625	571,499
14	24,300,001	56,600,000	32,299,999	3.75 %	1,211,250	1,782,749
15	56,600,001	and higher	as determined	4.00 %	as calculated	as calculated

(3) Conditions of Awards. (a) Notwithstanding the above, Strategic-Partner shall be entitled to no Award in the event that: (i) at any time during the calendar-year for which the Award is applicable or on the date that the Award is to be given, an Event of Default existed or exists, as applicable, regarding this Agreement or any other contract with GMAC Real Estate or any Affiliate; or (ii) during the calendar-year for which the Award is applicable, Strategic-Partner had been more than 30 days in arrears of any payments required to be made by Strategic-Partner to GMAC Real Estate under this Agreement or under any other contract with GMAC Real Estate or any Affiliate; or (iii) on the date that Strategic-Partner would otherwise have been entitled to payment of an Award, this Agreement had been terminated and no new franchise agreement had been entered into between Strategic-Partner and GMAC Real Estate; and

(b) For the purpose of calculating GCI with respect to Awards under this Section, Strategic-Partner's Licensed Sites contributing to the GCI shall include only those Licensed Sites listed in Section 6 (including all amendments to Section 6, if Strategic-Partner has properly added Licensed Sites as provided in this Agreement), provided each of those Licensed Sites is owned by the same persons listed in subsection 17.b. as Owners, in the same percentages listed in subsection 17.b., and each Licensed Site is located in a municipality which is contiguous to a municipality in which one of the other Licensed Sites is located.

b. Advertising Fees.

Upon the closing, settlement or close of escrow of each transaction from which Strategic-Partner is entitled to be paid GCI, Strategic-Partner shall pay to GMAC Real Estate an Advertising Fee, in an amount equal to 2% of the GCI to which Strategic-Partner is entitled, calculated on a per-office location (and/or Licensed Site) basis, provided, however, the amount of the Advertising Fee in any calendar-month for each office location (and/or Licensed Site): (i) shall not exceed \$870 for that calendar-month; and (ii) shall not be lower than \$240 for that calendar-month regardless of transaction count (if this minimum amount has not been received by GMAC Real Estate during any month through payments based on a percentage of GCI for that calendar-month, the difference between this minimum amount and the payments actually received by GMAC Real Estate shall be paid by Strategic-Partner on the first business day after the last day of each calendar-month).

GCI generated by a sales agent shall be attributed to the office location (and/or Licensed Site) at which the sales agent's license is held or registered or, if the applicable state's licensing regulations do not provide for the holding or registration of sales agents' licenses at particular office locations, at the office location (and/or Licensed Site) from which the sales agent principally operates.

Minimum and maximum Advertising Fees may be increased at the beginning of each calendar-year, at the sole discretion of GMAC Real Estate, by a percentage comparable to the percentage increase in the cost-of-living index during the prior calendar-year (but in no event shall the percentage increase in the Advertising Fees in any year be greater than 5%). The cost-of-living index shall be the Consumer Price Index for Urban Wage Earners and Clerical Workers (United States City Average, All Items), published by the United States Department of Labor (Bureau of Labor Statistics) (or a comparable index, if this index is no longer being published).

Exhibit B

Franchise Development Costs Note

Up to \$300,000

as of June 1, 2004

For Value Received, Joseph Carl Real Estate, LLC ("Strategic-Partner"), a limited liability company, promises to pay to the order of GMAC Real Estate, LLC or its designee (together or singularly, "GMAC Real Estate"), at its office at 2021 Spring Road, Suite 300, Oak Brook, IL 60523, or at such other place as the holder of this Note may from time to time direct, the principal sum of up to three hundred thousand and 00/100 Dollars (\$300,000) (the "Principal Loan Amount"), together with interest thereon, as follows:

principal and interest payments (the interest payments being at the Interest Rate, as defined below), each being in an amount equal to: (a) 1/120th of the Principal Loan Amount, as to principal, and (b) all accumulated interest, on the 1st day of the month following the date of this Note and on the 1st day of each month thereafter, for a total of 120 months, with all outstanding principal and interest being payable, in full, on the 1st day of the 120th month following the date of this Note.

Interest Rate. The Interest Rate, as to each monthly interest payment, shall be the interest rate published in the Wall Street Journal (the "WSJ") on the 1st business day of each such month, as the prime or base lending rate (if such interest rate is not so published in the WSJ, the Interest Rate shall be the average prime or base lending rate, as of that date, being offered by the three largest United States banks), plus 2%.

Principal Reductions. Notwithstanding any other provision of this Note, so long as Strategic-Partner has not committed an Event of Default under the franchise agreement (the "Franchise Agreement") entered into between the Strategic-Partner and GMAC Real Estate (including all Amendments) and so long as an Event of Default (as defined below) under this Note has not occurred, Strategic-Partner shall not be required to pay to GMAC Real Estate the monthly amounts of principal and interest set forth above and the principal due on this Note shall be deemed reduced by an amount equal to each such monthly principal payment which is not required to be made.

Use of Funds. Company acknowledges that Lender has imposed no requirements as to use of the Loan proceeds.

Events of Default. An event of default (an "Event of Default") under this Note shall include, but not be limited to: a default by the Strategic-Partner under the Franchise Agreement; a termination of the Franchise Agreement, other than as a result of a default by GMAC Real Estate; a default by Strategic-Partner in the payment of any amount due under this Note or any other document between the Strategic-Partner and GMAC Real Estate or between the Strategic-Partner and any Affiliate (as defined in the Franchise Agreement); the entry of a judgment against the Strategic-Partner in excess of \$25,000, which is not discharged within 30 days or is not fully covered by insurance; the institution of bankruptcy or similar proceedings by or against the Strategic-Partner, which are not dismissed within 45 days. Upon the occurrence of an Event of Default, all amounts unpaid under this Note shall immediately become due and payable.

Strategic-Partner's Waiver. The Strategic-Partner waives presentment, demand and protest and notice of presentment, protest, default, non-payment or maturity.

Jurisdiction. All litigation with respect to this Note or with respect to actions taken pursuant to this Note shall be conducted in the courts located in the State of Illinois.

Waiver of Jury Trial. The Strategic-Partner irrevocably waives all right to trial by jury in any litigation with respect to this Note or with respect to actions taken pursuant to this Note.

Joseph Carl Real Estate, LLC

By: Joseph Carl Securities, Inc.

By: 

Name: Casey Strunk

Title: CEO

Date: 5/10/04

By: 

Name: Michael Barreras

Title: Partner

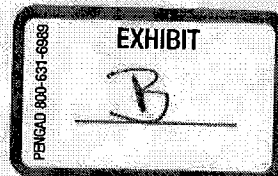
Date: 5/10/04

Exhibit C
Loan & Security Agreement

Franchise Agreement, Amendment 4

As of the 1st day of March, 2006, (the "Effective Date"), GMAC Real Estate, LLC ("GMAC Real Estate"), having a place of business at 2021 Spring Road, Suite 300, Oak Brook, Illinois, 60523, and Joseph Carl Real Estate, LLC ("Strategic-Partner"), having a place of business at, 7373 N. Scottsdale Road, Suite E100, Scottsdale, AZ 85253 agree that the Franchise Agreement between the parties, dated June 1, 2004, as amended from time to time, be and is amended as follows:

1. Provided that Strategic-Partner is current with respect to reporting and the payment of all fees due under the Franchise Agreement as of the Effective Date of this Amendment, then Section 6 of the Real Estate Franchise Agreement ("Grant of the License") shall be amended as follows:
 - Effective as of October 15, 2005, the office located at 9364 E. Raintree Drive, Scottsdale, Arizona 85260 is removed as a Licensed Site and the license to use the Marks at this location is removed.
 - Effective as of March 1, 2005, the office located at 14269 N. 87th Street, Suite 208, Scottsdale, Arizona 85260 shall be added as a Licensed Site. The dba for this Licensed Site shall be Diamond.
 - Effective as of March 1, 2006, the office located at 7373 N. Scottsdale Road, Suite E100, Scottsdale, Arizona 85253 shall be added as a Licensed Site. The dba for this Licensed Site shall be Diamond.
2. Section 27 ("Notices") is amended such that the new address for notices will be the Licensed Site located at 7373 N. Scottsdale Road, Suite E100, Scottsdale, Arizona 85253.
3. The dba referenced in the Franchise Agreement is changed from Diamond Realty to Diamond.
4. The Broker of Record referenced in Section 17b. ("Ownership") is changed from Karl Stauffer to Jack Shaffer.
5. The ownership interests referenced in Section 17 b. ("Ownership") is changed from Casey Strunk (75%) and Michael Barreras (25%) to the following:
 - Casey Strunk - (50.2%)
 - Michael Barreras - (25%)
 - Rachelle Smith - (9.9%)
 - Gene Jones - (9.9%)
 - Karl Stauffer - (5.0%)
6. The ownership referenced in the Endorsement of Principals/Ownership Interest Holder, attached hereto, is changed to reflect that Rachelle Smith is included as a principal and ownership interest holder under the Franchise Agreement.



7. Effective as of the Effective Date of this Amendment No. 4, Exhibit A, Section a. (1) of the Franchise Agreement ("Franchise Fees") is deleted in its entirety and replaced with the following (this Section 6 supercedes the "Franchise Fee Minimums" provision contained in Section 3. of the Franchise Agreement, Amendment No. 2, dated August 1, 2004 and the "Surprise Monthly Fee Minimum" provisions contained in Franchise Agreement, Amendment No. 3, dated January 1, 2005):

a. **Franchise Fees.**

Strategic-Partner shall pay to GMAC Real Estate, Franchise Fees, in accordance with the following:

- (1) Amount. Upon the closing, settlement or close of escrow of each transaction from which Strategic-Partner is entitled to be paid Gross Commission Income ("GCI"), a Franchise Fee, in an amount equal to five percent (5%) of the GCI to which Strategic-Partner is entitled. In addition, beginning on June 1, 2006 and continuing through the end of the Term of the Franchise Agreement, if at the end of each month the total amount of monthly Franchise Fees paid by Strategic-Partner is less than \$13,891 (the "Monthly Franchise Fee Minimum") Strategic-Partner shall pay to GMAC Real Estate an amount equal to the difference between the Monthly Franchise Fee Minimum and the actual monthly Franchise Fees paid.

In addition, if at the end of each twelve-month period as indicated in the chart below, (each a "Measurement Period"), the total amount of annual Franchise Fees paid by Strategic-Partner during such Measurement Period is less than the amount indicated in the chart below (the "Annual Franchise Fee Minimum"), Strategic-Partner shall pay to GMAC Real Estate an amount equal to the difference between the Annual Franchise Fee Minimum and the total amount of Franchise Fees actually paid.

Measurement Period	Dates	Annual Franchise Fee Minimum
1 st through 8 th Measurement Period	6/1/06 - 5/31/07 6/1/07 - 5/31/08 6/1/08 - 5/31/09 6/1/09 - 5/31/10 6/1/10 - 5/31/11 6/1/11 - 5/31/12 6/1/12 - 5/31/13 6/1/13 - 5/31/14	\$238,125 annually

IN WITNESS WHEREOF, the parties execute this Amendment, intending it to be effective as of the Effective Date.

GMAC Real Estate:

GMAC Real Estate, LLC

By

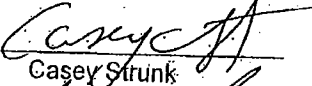

Susan Daniel,
Assistant Vice President

Dated: 4/5 2006

Strategic-Partner:

Joseph Carl Real Estate, LLC

By: Joseph Carl Securities, Inc.

By: 
Casey Strunk

By: 
Michael Barreras

By: 
Rachelle Smith

Dated: 3/30 2006

ENDORSEMENT OF PRINCIPALS / OWNERSHIP INTEREST HOLDERS

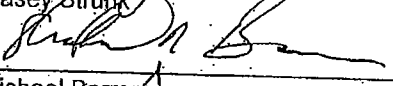
Each of the Owners identified in Section 16b. is executing this Agreement for the limited purpose of being personally bound by the provisions of Sections 3 (The Marks), 4 (Materials), 8 (No Conflicting License/Interest), 17 (Assignment and Ownership; Ownership Transfer; Right of First Refusal) and 19.b. (Financial Obligations after Default) of this Agreement.

Joseph Carl Securities, Inc.




Casey Strunk

Date: 3/30/06



Michael Barreras

Date: 3/30/06



Rachelle Smith

Date: 3/30/06