

INVESTOR PARTICIPATION AGREEMENT WITH RECOURSE

THIS AGREEMENT is made this ____ day of _____ 200_ by and between PRIVATE CAPITAL & TRUST CORPORATION and _____ (the "Participant").

BACKGROUND OF AGREEMENT

PRIVATE CAPITAL & TRUST CORPORATION (PCT) has entered into the extension of credit for purposes pursuant to agreements by which a deed of trust or mortgage has been taken to secure such loan. It is Private Capital & Trust Corporation's desire to allow the Participant to participate in the Loan, and it is the participant's desire to participate in such financing arrangement in accordance with the terms and conditions of this Participation Agreement (the "Agreement").

IN CONSIDERATION of the covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto agree as follows:

1. PARTICIPATION

Participant shall advance to Private Capital & Trust Corporation

the sum of: _____

And shall be paid interest at the rate of 10% Monthly. Secured by a

mortgage or deed or trust on real property located at:

ADMINISTRATION

2.1 PCT shall hold for the account of the Participant, a pro-rata interest in the loan set forth in Section 1 above in the unpaid principal balance of the Loan and in all interest payments that shall accrue on the Loan, and shall receive all payments on account of principal and interest on said Loan and remit to Participant its pro rata share.

2.2 All collateral, security interests, deeds of trust and guarantees (if any) received by PCT pursuant to the Loan or otherwise acquired by PCT in connection with the Loan shall be held for the account of the Participant pro rata.

2.3 PCT may execute in its own name, on behalf of all of the parties participating in the Loan, all security agreements, financing statements and similar documents related to the Loan.

2.4 PCT shall exercise the same care in making the Loan under the financing arrangement and in handling, administering and enforcing the Loan, deed of trust, and collateral, security interest, guarantees and any other security interest therefor, as PCT exercises in respect to comparable financing operations in which there are no participants; provided, however, that so long as PCT exercises such care, it shall have no liability to Participant, except as otherwise provided in this Agreement.

3. MODIFICATION OF LOAN TERMS

PCT shall have the right to amend, modify, or supplement the Loan documents or extend and otherwise change the terms of repayment thereof, without prior consent of the Participant, provided that PCT shall continue to be liable to Participant to the same extent as if the original obligation of Borrower and/or the Loan or security documents has not been changed and provided further, if the term for payment of the loan has been extended as provided for herein, Participant shall have the right, at the end of the initial term or any extension of said loan, to require the refund of his investment plus all earned interest, except as hereinafter provided.

In the event the Loan has not been repaid to PCT, and in the event the Participant requires the refund of his investment at the end of and initial term or any extension of said loan, PCT, at its sole option, may renew the Participant's Investment for an additional period, not to exceed ninety (90) days, and the expiration of which time, the Participant's Investment plus earned interest will be paid to Participant. During said ninety (90) day renewal period, PCT shall continue to be liable to Participant and all Instruments of security shall continue to exist in favor of Participant, as originally provided herein. In all other respects, PCT may, in its sole discretion, modify or waive any of the terms of the Loan, and may exercise any power or discretion without any approval provided for under the loan.

4. BORROWER'S DEFAULT

4.1 In the event of default by the borrower, PCT, at its sole option and discretion,

A. May make payments to Participant of amount due Participant under agreement pursuant to the Loan even though such payments are in default pursuant to the Loan documents and PCT.

B. May purchase the Participant's interest at any time for an amount equal to the Participant's share of the then outstanding principal of the Loan plus Participants share of the accrued, unpaid interests.

C. May suspend payments to participant and initiate legal foreclosure of collateral property for the pro-rata benefit of all participants.

4.2 In the event of default by the Borrower, PCT may, without notice to the Participant use its discretion with

respect to the exercising or refraining from taking any action or actions which PCT may have pursuant to any deeds of trust, mortgages, collateral security interest or guarantees, or which PCT may have

under the law or other instruments relating to the Loan, in this regard, PCT shall have all the rights of any holder of said note and security interest, and shall determine, in its sole discretion, without liability to the Participant, whether and in what manner and to what extent, any and all rights, under the instruments evidencing securing said Loan, including foreclosure, shall be exercised; such determination shall also extend to the management and disposition of the mortgaged premises if acquired in realization of the debt. The action taken and decisions made by PCT shall have no liability on account thereof.

4.3 In the event of default by the Borrower, PCT and/or assigns may acquire title to the collateral or property securing the Loan thereunder, at foreclosure or pursuant to such other proceedings or agreements as may be available to PCT for its own account, provided, however, unless and until the Loan referred to herein shall have been paid in full, together with all accrued interest thereon, PCT shall hold any such collateral so acquired for the benefit of all the Participants, collectively in such event, PCT shall not be required to substitute collateral for the Loan thereunder and PCT may acquire Participant's interest or continue to make payment pursuant to the terms and provisions of the note representing the Loan thereunder, pursuant to paragraph 4.1 hereof.

5. DISCLAIMER OF REPRESENTATIONS AND WARRANTIES

PCT makes no representation or warranty, express or implied, as to (a) the collectibility of the Loan, (b) the validity or enforceability of all agreements or writings evidencing the Loan, deed of trust, any collateral, security interest, guarantees or other security from time to time furnished under the Loan, or (c) the financial condition of the Borrower. It is expressly understood that the Participant has made an independent credit decision with respect to the Loan.

6. ASSIGNMENT OF PARTICIPATION

The Participation may not be subdivided or transferred without PCT prior written consent. Participant represents and warrants that the Participation being purchased thereunder is for its own account (and not for the account of any other) for investment purposes only and not for purpose of resale. Participant understands that in reliance upon the foregoing representation, this participation has not been registered under the Federal Securities act of 1933, nor under the Securities act of any state or the District of Columbia which may be applicable.

7. SECURITIES ACT REGISTRATION EXEMPTION

Per Securities Act Rule 505, Participant represents that it is an "Accredited Investor" as defined in Rule 505 by meeting the following criteria: a) a natural person with a net worth of at least \$1 million or b) a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year.

8. MISCELLANEOUS

This agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement may be amended only in writing executed by the parties hereto affected by such amendment. Except as otherwise provided herein, nothing in this Agreement is intended or shall be construed to confer upon or give any person other than the parties hereto any rights or remedies under or by any reason of the agreement. This Agreement may be executed and in any number of counterparts and by the respective parties hereto on separate counterparts, each of which when so executed and delivered shall be an original document, but all of which counterparts shall together constitute on and the same instrument. The enumeration and headings contained in this Agreement are for the convenience of reference only. This Agreement shall be governed and construed and enforced in accordance with the laws of the State of Massachusetts.

IN WITNESS WHEREOF, PCT has caused this instrument to be executed on its behalf by its duly authorized officers and corporate seal to be herein affixed, and participants have set their hands and seals the date and year first hereinabove written.

PRIVATE CAPITAL & TRUST CORP.

PARTICIPANT(S):

Elio DiBiase, President

