

**From:** Benningfield, Don  
**Sent:** Friday, September 12, 2008 6:45 PM  
**To:** Dobbs, Rochelle; Robinson, Doug I; Ourman, Jason A  
**Subject:** Fw: Methodology

**REDACTED**

See methodology below and please remember that : IF THEY COULD HAVE ALREADY SOLD IT AT WHERE THEY SAY IT IS WORTH, THEY WOULD HAVE ALREADY DONE SO

----- Original Message -----

**From:** Cookson, Peter J  
**To:** Dobbs, Rochelle; Ourman, Jason A; Masso, Matt; Fallick, David S; Benningfield, Don  
**Sent:** Fri Sep 12 12:15:38 2008  
**Subject:** Methodology

Senior Loans - income producing real estate

- if we have money terms, calculate \$ px based on BofA assumed market spreads
- if we do not have money terms, value based on an absolute dollar pxs as below;
  - grade 1; good quality, lower leverage, performing well 90.00
  - grade 2; higher leverage, still covers, weaker structures (i.e. extensive IO, big cash outs) 80.00
  - grade 3; excessive leverage, does not cover, non-stabilized, future cash flows 70.00

Additional 10.00 subtractor on all of the above for all loans < \$5mm (i.e. grade 1=80, grade 2=70, grade 3=60)

Loans - Land /land development -

all based on absolute dollar pxs

- Entitled/developed (lots) - 60.00
- Entitled/undeveloped - 40.00
- Unentitled - 30.00

Loans - Condos

all based on absolute dollar pxs

- FL, AZ, NV, Mid-West, CA - 50.00
- All other regions - 65.00

Mezz/B-notes

For assets that have been reviewed; dollar pxs calculated based on BofA market coupon

Regular mezz (Lehman LTV<80%) 15%

Mezz but quasi-equity (Lehman LTV >80%) 25%

For assets that have not been reviewed absolute \$px of 50.00

Equity

Spot pricing based on market cap rates, comp rentals, \$/psf, sales comps

For equity that has not been reviewed absolute \$px of 25.00

Securities

Americas - TBD

Europe -\$pxs calced based on market spreads Asia - TBD

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**REDACTED**