

TriMont Valuation Methodologies - Lehman PTG and LLG CMBS Hold Assets - April 2008

CURRENT STANDARD METHODOLOGIES		PROPOSED STANDARD METHODOLOGIES
<p>It is acceptable under this standard to utilize valid and current appraised values, broker's opinions, listing agreements/contract amounts, refinance amounts or actual market sales comps in determining Current Values instead of full reliance on the NPV approach to value of any property.</p>		<p>It is acceptable under this standard to derive future NCF's from property sales through valid and current appraised values, broker's opinions, listing agreements/contract amounts, refinance amounts or actual market sales comps. Current Value of any operating property may be derived directly from such sources. VALUES ARE TO BE ESTABLISHED IN ACCORDANCE WITH THE MOST RECENT BUSINESS PLAN FOR EACH PROPERTY.</p>
<p><u>Income Properties - All Types</u></p>		<p><i>The "Built-Up Rate" referenced in this standard is the <u>discount rate</u> to be derived from an average of the rates in capital stack weighted by each capital stack item's commitment amount as a proportion of the whole. Equity required rates are to be 20% unless two market sources substantiate that adjustment is needed.</i></p>
Current Value-Before Property is generating operating revenue	105% of Cap	Lesser of 100% of Total Cap or the NPV of all monthly NCF's discounted at the Built-Up Rate from current date through 5-10 yr holding period.
Current Value-After Property is generating operating revenue	NPV of monthly NCF's discounted from current date through 5-10 yr holding period using a market-derived discount rate. MF valuation standard is to apply a market cap rate to first year pro-forma NOI and compare result with market sales comps.	No Change From Current
Stabilized Value	NPV of monthly NCF's, discounted for 5-10 yr hold past Stabilization Date using a market-derived discount rate.	No Change From Current
Exit Value	Same as SV but as of Projected Exit Date	No Change From Current

CURRENT STANDARD METHODOLOGIES		PROPOSED STANDARD METHODOLOGIES
<u>For Sale Properties - Land and Lots</u>		
Current Value-Before first parcel or lot sale closing	<i>Lesser of 105% of Cap and market value of lots/parcels based on sales comps and listings.</i>	Lesser of 100% of Total Cap or the NPV of all monthly NCF's from current date through sellout discounted at the Built-Up Rate for the holding period needed to sell all lots/parcels.
Current Value-After first parcel or lot sale closing	<i>Lesser of 105% of Cap and NPV of monthly NCF's during sellout discounted (current standard 12%) from sales of lots/parcels with estimated revenues based on sales comps and listings.</i>	NPV of all monthly NCF's from current date through sellout discounted at the Built-Up Rate for the holding period needed to sell all lots/parcels.
Remaining Net Value	<i>Total Net Value less Costs to be Funded from Sales Proceeds and less previous net sales proceeds realized.</i>	No Change From Current
Total Net Value	<i>Total of previous actual plus projected Net Sales Prices.</i>	No Change From Current
<u>For Sale Properties - SF Residential (Condos and Homes)</u>		
Current Value-Before first unit sale closing	<i>105% of Cap</i>	Lesser of 100% of Total Cap or the NPV of all monthly NCF's from current date through sellout discounted at the Built-Up Rate for the holding period needed to sell all units.
Current Value-After first unit sale closing	<i>Lesser of 105% of Cap and NPV of monthly NCF's during sellout discounted (current standard 12%) from sales of lots/parcels with estimated revenues based on sales comps and listings.</i>	NPV of all monthly NCF's from current date through sellout discounted at the Built-Up Rate for the holding period needed to sell all units.
Remaining Net Value	<i>Total Net Value less Costs to be Funded from Sales Proceeds and less previous net sales proceeds realized.</i>	No Change From Current
Total Net Value	<i>Total of previous actual plus projected Net Sales Prices.</i>	No Change From Current

CURRENT STANDARD METHODOLOGIES		PROPOSED STANDARD METHODOLOGIES
<u>Properties in Pre-Development</u>		
Current Value-Business Plan for the deal is under review	<i>105% of Cap</i>	Lesser of 100% of Total Cap or the NPV of all monthly NCF's with revenues based on exit through sale(s) of the land and its improvements (if any) as established from similarly entitled comps--discounted at the Built-Up Rate from current date through the date of the last property sale.
Current Value-Business Plan no longer viable and must be changed	<i>Lesser of 105% of Cap or Market</i>	Lesser of 100% of Total Cap or the NPV of all monthly NCF's with revenues based on exit through sale(s) of the land and its improvements (if any) as established from similarly entitled comps--discounted at the Built-Up Rate from current date through the date of the last property sale.
Current Value-Business Plan is in full implementation	<i>105% of Cap</i>	CV as defined for each Property Type-Before Property is generating operating revenue or sales closings (see Income and For Sale property categories above).
Remaining Net Value	<i>Same as Total Value or Stabilized Value--according to property type</i>	No Change From Current
Total or Stabilized Value -Exact Business Plan not available	<i>105% of Cap as anticipated at end of pre-development period</i>	Lesser of 100% of Total Cap or total market value from a comp-supported property sale--all as anticipated at the end of pre-development.
Total or Stabilized Value -Exact Business Plan is available and acceptable	<i>Use Method for Property Type</i>	No Change From Current