

Re: Monte Sereno

**From:** Koutouvides, Ari [akoutouv@lehman.com]  
**Sent:** Saturday, March 8, 2008 12:28 AM (GMT)  
**To:** Barsanti, Anthony [abarsant@lehman.com]  
**Subject:** Re: Monte Sereno

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I don't think we are going to lose that much, but they need to update the model accurately before the final number can be determined.

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

From: Barsanti, Anthony  
To: Koutouvides, Ari  
Sent: Fri Mar 07 19:25:30 2008  
Subject: Re: Monte Sereno

I love that guy..... Are we really going to lose \$12mm? Why is the other participant willing to fund?

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

From: Koutouvides, Ari  
To: Barsanti, Anthony  
Sent: Fri Mar 07 19:22:05 2008  
Subject: Fw: Monte Sereno

FYI - Read what Dennis wrote to Jim, et all below.

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

From: Grzeskowiak, Dennis <dgrzeskowiak@trimontrea.com>  
To: Koutouvides, Ari  
Sent: Fri Mar 07 19:03:54 2008  
Subject: FW: Monte Sereno

I'm still pissed about this, sorry that the model was so messed up and we have people not doing their jobs.

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From: Grzeskowiak, Dennis  
Sent: Friday, March 07, 2008 2:29 PM  
To: Hill, Jim; Curtis, Dana; Popoff, Christian; Bhattacharya, Sweta; Polay, Katherine Han  
Cc: Southerland, John; Ed Dziadul (EJDRealCom@aol.com)  
Subject: Monte Sereno

I just got off the phone with Anthony, Chad and Ari. They are refusing to fund the Monte Sereno draw request until the IRR

model is updated to reflect the current scenario. They're furious because when they opened the model to use it as a decision making tool, it was completely wrong. (1) The 5 units currently under contract (whose completion is the concern of the draw request) were modeled to start selling December 2007 (reality is April/May 2008), (2) the as of date of this model is 1/1/08 so anything modeled in 2007 obviously doesn't fit (3) when Ari and I first opened the model, none of the projected Lehman contributions were allocated by the analyst, so it showed a \$10mm profit (now showing a \$12mm loss), (4) the current capital structure apparently isn't close to what is expected to occur (new Phase II loan, lower LB contributions).

Frankly I am baffled as to how this could happen in light of the numerous emails that were sent out in the week leading up to Anthony's visit here telling everyone that the models needed to be updated and correct and confused as to how this was not looked at in the reports JJ sent out on Wednesday through Friday. The things that are wrong in this model (and in the Heritage Valley model by the way) are not caused by a lack of understanding but by a lack of effort.

I am willing to help in whatever way I can to make this process better because obviously whatever in place review process is failing.

Dennis Grzeskowiak | TriMont Real Estate Advisors  
2 Park Plaza Suite 850  
Irvine, CA 92614  
direct - (949) 955-1821, ext 315  
dgrzeskowiak@trimontrea.com