

APPRAISAL OF REAL PROPERTY

**Pacifica San Juan Master Plan (289 Lots)
NEC of Camino Las Ramblas and Via California
San Juan Capistrano, Orange County, California**

Latitude: 33.47345 Longitude: 117.67072

IN A SELF-CONTAINED APPRAISAL REPORT

As of October 1, 2007

Prepared For:

Lehman Brothers Commercial Paper Inc.

399 Park Avenue, 8th Floor

New York, New York 10022



Photograph of Subject Property

Prepared By:

Cushman & Wakefield of California, Inc.

1920 Main Street, Suite 600

Irvine, California, 92614

C&W File ID: 07-32001-9373-3





December 14, 2007

Andrew A. Wilson
Underwriting Analyst
Lehman Brothers Commercial Paper Inc.
399 Park Avenue, 8th Floor
New York, New York 10022

Re: Appraisal of the Real Property
In a Self-Contained Report
Pacifica San Juan Master Plan (289 Lots)
NEC of Camino Las Ramblas and Via California
San Juan Capistrano, Orange County, California

C&W File ID: 07-32001-9373-3

Dear Mr. Wilson:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal report on the property referenced above.

The value opinion reported below is qualified by certain assumptions, limiting conditions, certifications, and definitions, which are set forth in the report. We particularly call your attention to the following extraordinary assumptions and hypothetical conditions:

- Extraordinary Assumptions:
- 1) We have reviewed the developer's Budget/Intract Cost Estimates, which include estimates for CFD reimbursements. Several of our value estimates incorporate the developer's cost budget. Specifically, we have relied upon the developer's CFD reimbursement estimates which according to the client have been independently verified by a third party provider. We have relied on the developer's cost budget for our analysis and if found to be materially different, we reserve the right to revise our estimates and our value conclusion.
 - 2) The appraiser(s) relied upon the builder's critical path for the development schedule, construction work, proposed disbursement schedules, etc. Due to potential inconsistencies in land development and product construction (i.e., construction delays, financing, environmental conditions, etc.), dates of completion are not guaranteed, but were assumed to be reasonable forecasts under the assumptions and conditions outlined in the analyses.

Hypothetical Conditions: For purposes of this report, the Hypothetical Aggregate Retail Revenues is the sum of a number of individual market values of discrete units of realty: e.g., finished sites, condominiums, detached single family residences, individual units in a planned unit development, etc. Aggregate Retail Revenues is not a market value. The basic assumption underlying this value is that each unit will be sold individually at full market (retail) price (i.e., market value) to as many buyers as there are units on the same (effective) date of value. In the market valuation process each unit is individually valued based on market evidence. Then, those individual market values are totaled to arrive at the aggregate of retail revenues. Further, the scope of this assignment included providing a hypothetical market value "as if complete" estimate as finished lots, superpads, completed construction, etc. as of the date of value. The "as if complete" estimate was a hypothetical valuation scenario. Hypothetical value can be defined as that which is contrary to what exists, but is supposed for the purpose of analysis.

This report was prepared for Lehman Brothers Commercial Paper Inc., and its successors and assigns, and is intended for their specified use. It may not be distributed to or relied upon by any other persons or entities without the written permission of Cushman & Wakefield of California, Inc.

This report may be relied upon by Lehman Brothers Holdings Inc., Lehman affiliates, and their successors and assigns ("Lender") in connection with a mortgage loan ("Loan") secured by the property which is the subject of this report. This report may be relied upon by any purchaser or assignee of the Loan in determining whether to purchase the Loan from Lender, and by any rating agency involved in rating securities, secured by, or representing an interest in, the Loan. This report may be referred to, quoted in and included in the offering materials offering the Loan or an interest therein for sale. The report may be relied upon by persons acquiring the Loan or an interest in the Loan. The report speaks as of the date prepared.

This appraisal report has been prepared in accordance with our interpretation of your institutions guidelines, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the Uniform Standards of Professional Appraisal Practice (USPAP), including the Competency Provision.

The property was inspected by Ryan McCafferty. The report was prepared by Ryan McCafferty under the supervision of Brian J. Curry, MAI, SRA.

This appraisal employs the Sales Comparison and Development Approaches. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered necessary and applicable for market participants.

In analyzing the property, the appraiser performed the subdivision Development Method. This methodology is essentially an inverse cost approach analysis used by investors/builders analyzing a probable purchase price for the subject after deducting the appropriate costs for all other agents of production. Therefore, a cost approach analysis was inherently performed by the appraiser in the valuation of the subject.

A variation of the income approach and cost approach, the development method, was applied. This method

provided estimates of the market value by estimating retail sales proceeds from proposed improvements and deducting profit and expenses in an appropriate manner. A discounted cash flow (DCF) was used for this procedure. For the yield analysis, the periodic net revenues are discounted to determine the present worth of the future income stream after deducting development costs, costs to complete, and expenses. The sum of the discounted net incomes results in the estimated market value, typically land.

Based on our appraisal as defined by the Uniform Standards of Professional Appraisal Practice, we have formed an opinion that the **As Is Value** of the fee simple estate in the referenced property subject to the attached assumptions, limiting conditions, certifications, and definitions, as of **October 1, 2007**, is:

ONE HUNDRED TEN MILLION DOLLARS

\$110,000,000

Based on our appraisal as defined by the Uniform Standards of Professional Appraisal Practice, we have formed an opinion that the **Hypothetical Aggregate Retail Revenues (Finished Lots)** of the fee simple estate in the reference property subject to the attached assumptions, limiting conditions, certifications, and definitions, as of **October 1, 2007**, is:

ONE HUNDRED FIFTY-NINE MILLION EIGHT HUNDRED FIFTY-EIGHT THOUSAND TWENTY-TWO DOLLARS

\$159,858,022

Based on our appraisal as defined by the Uniform Standards of Professional Appraisal Practice, we have formed an opinion that the **Hypothetical Aggregate Retail Revenues (Blue Top Lots)** of the fee simple estate in the reference property subject to the attached assumptions, limiting conditions, certifications, and definitions, as of **October 1, 2007**, is:

ONE HUNDRED FIFTY-SIX MILLION NINE HUNDRED FIFTY-EIGHT THOUSAND ONE HUNDRED THIRTY-FIVE DOLLARS

\$156,958,135

Based on our appraisal as defined by the Uniform Standards of Professional Appraisal Practice, we have formed an opinion that the **Total Net Proceeds (Formerly Total Net Value)** of the fee simple estate in the referenced property subject to the attached assumptions, limiting conditions, certifications, and definitions, as of **October 1, 2007**, is:

ONE HUNDRED FORTY-TWO MILLION TWO HUNDRED THOUSAND DOLLARS

\$142,200,000

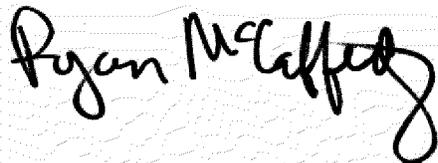
For purposes of this report, Total Net Proceeds (formerly Total Net Value) is defined as the aggregate sum of master development net cash flows *excluding* any deduction for master developer's profit, return, or the time value of money. Net cash flows are derived by estimating individual component land/property sale revenue events as they occur and deducting associated master development related costs. Land/property sale revenues may include, but are not necessarily limited to, bulk residential lots, existing home inventory, commercial land, golf courses, and other non-residential land property types. Master development costs may include, but are not

necessarily limited to, applicable infrastructure construction, off-sites, grading, master marketing, and related carrying costs. Master developer's profit/entrepreneurial reward and present value calculations have not been considered or applied in estimating Total Net Proceeds (formerly Total Net Value). Total Net Proceeds (formerly Total Net Value) *is not* a value estimate nor should be construed as such. The client, Lehman Brothers Commercial Paper Inc., *has specifically requested* the appraiser(s) report Total Net Proceeds (formerly Total Net Value), as defined. The reported Total Net Proceeds (formerly Total Net Value) is intended for use by the client, Lehman Brothers Commercial Paper Inc., for internal underwriting purposes.

Based on recent market transactions, as well as discussions with market participants, a sale of the subject property at the above-stated opinion of as is market value would have required an exposure time of approximately twelve (12) months. Furthermore, a marketing period of approximately twelve (12) months is currently warranted for the subject property. This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD OF CALIFORNIA, INC.



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IDENTIFICATION OF PROPERTY

Common Property Name: Pacifica San Juan Master Plan (289 Lots)

Location: NEC of Camino Las Ramblas and Via California

San Juan Capistrano, Orange County, California

The subject property consists of several residential parcels located at the northeast corner of Camino Las Ramblas and Via California, continuing north on Interstate 5, within the city of San Juan Capistrano, California.

Please reference the summary chart below for specific site locations.

Property Description:

The subject property consists of a proposed 387-lot master planned community (Pacifica San Juan), which will be located within the eastern part of San Juan Capistrano. A wide variety of housing styles and floor plans are anticipated.

Based on our review of the subject's Development Plan, which was approved in September of 2003, the subject development is fully entitled for the development of 387 residential units. The entire project will consist of 387 residential lots, 7.3 acres of school sites, a future reservoir site, 30.0 acres of commercial uses, 2.3 acres of parks and recreation area and 129.2 acres of common areas, roads and other.

As of the date of our appraisal, a portion of the Vistas 1 (70 lots), Vistas 2 (5 lots) and Harbor Vista (23 lots) have been sold and closed escrow in May of 2006, October 2006 and February of 2007. Thus, these 78 lots have not been included in the current valuation of the development. The remaining 289 lots is the subject of the current appraisal.

It should be noted, we have only valued the subject's 289 residential lots, the 7.3 acre school sites and the future reservoir site. The subject development's additional components mentioned above are considered significant amenities to the entire project.

Pacifica San Juan will be constructed in several phases. Grading of the site began in early 2004. As mentioned above, 98 lots have already been delivered. A total of 203 lots (including the 98 closed lots) have been sold to three different merchant homebuilders. Please refer to the Sales Comparison Approach for further discussion.

Based on the budget provided by SunCal, the next group of lots consisting of approximately 7 lots are estimated to be delivered in fourth quarter of 2007. Final lot delivery is estimated by fourth quarter 2009.

Please reference the following chart, which summaries the subject master plan as currently planned by SunCal.

PACIFICA SAN JUAN MASTER PLAN - SAN JUAN CAPISTRANO**									
Phase	Planning Area/Parcel	Product Type	Total Units	Product Description	Gross Acres	Current Condition	Proposed Condition	Wtd. Avg. Home Size (1)	Homes
One	*Vista 2 - (K. Hovnanian)	Detached	39	6,000 SF Lots	8.40	Blue Top	Blue Top	N/A	39
	Garden	Attached	55	8.0 DU/AC (Small)	9.20	Near Finished	Finished	1,326	55
	*Harbor Vista (Laing Homes)	Detached	23	6,500 SF Lots	10.70	Blue Top	Blue Top	N/A	23
	Valley	Detached	104	7,800 SF Lots	28.30	Near Finished	Finished	3,900	104
	Country (Centex Homes)	Attached	47	8.0 DU/AC (Large)	6.40	Near Finished	Finished	2,250	47
	North Estates	Detached	21	12,000 SF Lots	9.00	Near Finished	Finished	5,394	21
Subtotal	---	---	289	---	72.00	---	---	---	289
	School Site				7.30	Near Finished	Finished		
	Park & Rec. Center				2.30	Near Finished	Finished		
	Reservoir Site			2 Additional Lots		Near Finished	Finished		
	Common Area - Roads/Other				129.20	Near Finished	Finished		
Total	---	---	289	---	210.80				289

(1) Hypothetical product assumptions based on SunCal Business Plan.

*Contract Price Utilized.

**98 of 387 total lots closed through September 2007 (70 lots within Vista 1 (not shown), 5 lots within Vista 2 and 23 lots within Harbor Vista).



Assessor's Parcel Number:	Please refer to the Plat Maps within the Improvement Description of the report.
Latitude:	33.47345
Longitude:	117.67072

DATES OF INSPECTION AND VALUATION

Interest Appraised:	Fee Simple Estate
Date of Value:	October 1, 2007
Date of Inspection:	October 12, 2007

PROPERTY OWNERSHIP AND RECENT HISTORY

Ownership:	SJD Partners LTD
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CURRENT PROPERTY TAXES

Total Assessed Value:	\$18,517,163
2006/2007 Property Taxes:	\$193,606

HIGHEST AND BEST USE

If Vacant:	Development of residential lots and companion non-residential elements as demand warrants.
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SITE & IMPROVEMENTS

Zoning:	FC-PC , Forster Canyon Planned Community
Land Area:	210.80 net acres 9,182,448± net square feet

FINAL VALUE CONCLUSION

As Is Value:	\$110,000,000
Hypothetical Aggregate Retail Revenues (Finished Lots)	\$159,858,022
Hypothetical Aggregate Retail Revenues (Blue Top Lots)	\$156,958,135
Total Net Proceeds (Formerly Total Net Value)	\$142,200,000
Date of Value:	October 1, 2007

EXPOSURE TIME AND MARKETING TIME

Exposure Time:	12 months
Marketing Time:	12 months

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined by the *USPAP* (2006 Edition, The Appraisal Foundation) as “an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

1) We have reviewed the developer’s Budget/Intract Cost Estimates, which include estimates for CFD reimbursements. Several of our value estimates incorporate the developer’s cost budget. Specifically, we have relied upon the developer’s CFD reimbursement estimates which according to the client have been independently verified by a third party provider. We have relied on the developer’s cost budget for our analysis and if found to be materially different, we reserve the right to revise our estimates and our value conclusion.

2) The appraiser(s) relied upon the builder’s critical path for the development schedule, construction work, proposed disbursement schedules, etc. Due to potential inconsistencies in land development and product construction (i.e., construction delays, financing, environmental conditions, etc.), dates of completion are not guaranteed, but were assumed to be reasonable forecasts under the assumptions and conditions outlined in the analyses.

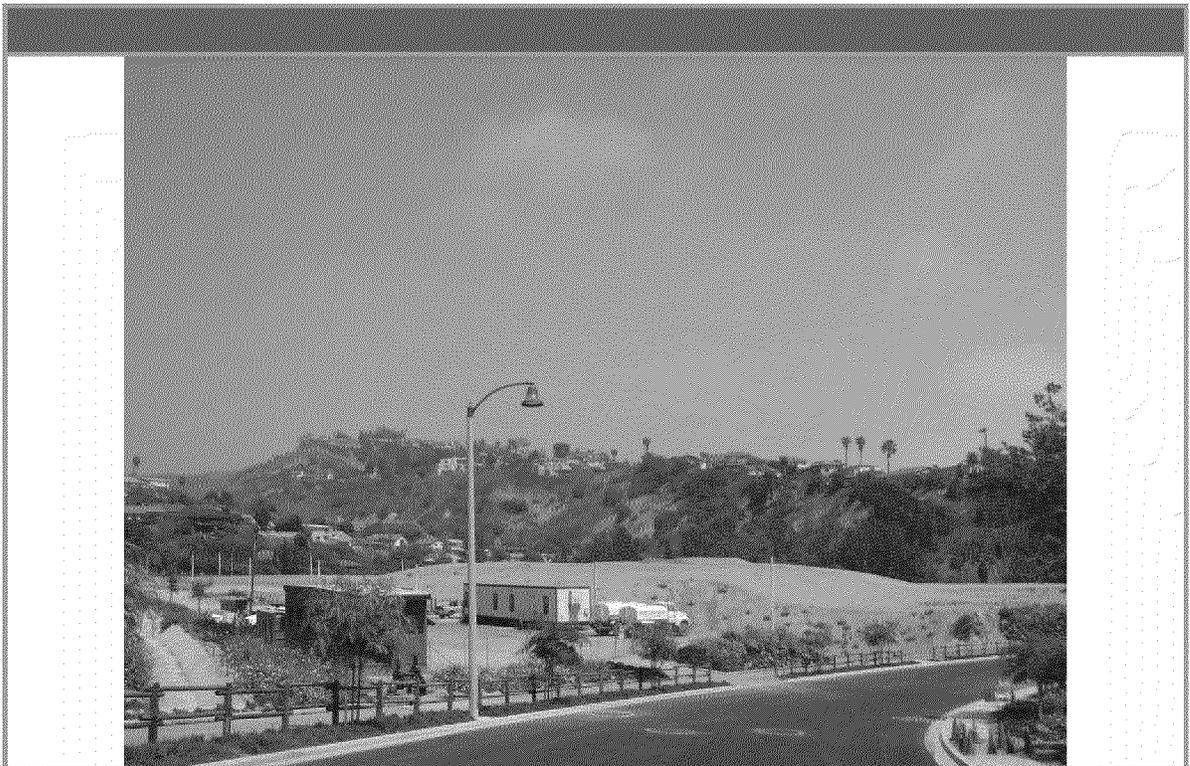
HYPOTHETICAL CONDITIONS

A hypothetical condition is defined by the *USPAP* (2006 Edition, The Appraisal Foundation) as “that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

For purposes of this report, the Hypothetical Aggregate Retail Revenues is the sum of a number of individual market values of discrete units of realty: e.g., finished sites, condominiums, detached single family residences, individual units in a planned unit development, etc. Aggregate Retail Revenues is not a market value. The basic assumption underlying this value is that each unit will be sold individually at full market (retail) price (i.e., market value) to as many buyers as there are units on the same (effective) date of value. In the market valuation process each unit is individually valued based on market evidence. Then, those individual market values are totaled to arrive at the aggregate of retail revenues. Further, the scope of this assignment included providing a hypothetical market value “as if complete” estimate as finished lots, superpads, completed construction, etc. as of the date of value. The “as if complete” estimate was a hypothetical valuation scenario. Hypothetical value can be defined as that which is contrary to what exists, but is supposed for the purpose of analysis.



View of front monument sign at entrance to subject development



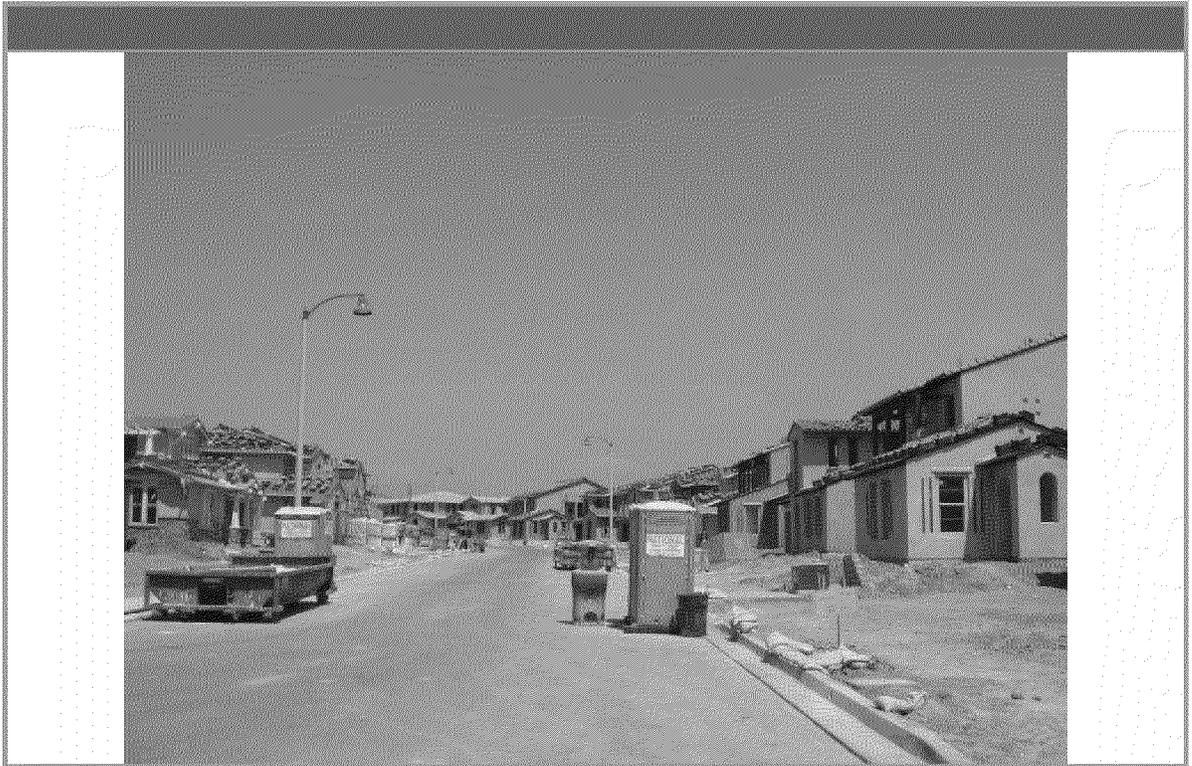
View of school site



View looking west from main entrance



View of recently completed models



View of homes under construction



View looking west along main road, recently completed models at right



View looking east along main road.

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INTRODUCTION

IDENTIFICATION OF PROPERTY

Common Property Name:	Pacifica San Juan Master Plan (289 Lots)
Location:	<p>NEC of Camino Las Ramblas and Via California</p> <p>San Juan Capistrano, Orange County, California The subject property consists of several residential parcels located at the northeast corner of Camino Las Ramblas and Via California, continuing north on Interstate 5, within the city of San Juan Capistrano, California.</p> <p>Please reference the summary chart below for specific site locations.</p>
Property Description:	<p>The subject property consists of a proposed 387-lot master planned community (Pacifica San Juan), which will be located within the eastern part of San Juan Capistrano. A wide variety of housing styles and floor plans are anticipated.</p> <p>Based on our review of the subject's Development Plan, which was approved in September of 2003, the subject development is fully entitled for the development of 387 residential units. The entire project will consist of 387 residential lots, 7.3 acres of school sites, a future reservoir site, 30.0 acres of commercial uses, 2.3 acres of parks and recreation area and 129.2 acres of common areas, roads and other.</p> <p>As of the date of our appraisal, a portion of the Vistas 1 (70 lots), Vistas 2 (5 lots) and Harbor Vista (23 lots) have been sold and closed escrow in May of 2006, October 2006 and February of 2007. Thus, these 78 lots have not been included in the current valuation of the development. The remaining 289 lots is the subject of the current appraisal.</p> <p>It should be noted, we have only valued the subject's 289 residential lots, the 7.3 acre school sites and the future reservoir site. The subject development's additional components mentioned above are considered significant amenities to the entire project.</p> <p>Pacifica San Juan will be constructed in several phases. Grading of the site began in early 2004. As mentioned above, 98 lots have already been delivered. A total of 203 lots (including the 98 closed lots) have been sold to three different merchant homebuilders. Please refer to the Sales Comparison Approach for further discussion.</p> <p>Based on the budget provided by SunCal, the next group of lots consisting of approximately 7 lots are estimated to be delivered in fourth quarter of 2007. Final lot delivery is estimated by fourth quarter 2009.</p>
Assessor's Parcel Number:	Please refer to the Plat Maps within the Improvement Description of the

report.

PROPERTY OWNERSHIP AND RECENT HISTORY

Current Ownership:	SJD Partners LTD
Sale History:	<p>Based on discussions with the developer, the subject site was purchased in July of 1997 for \$20,790,000 or \$53,308 per lot. The buyer was SJD Partners LTD (aka SunCal).</p> <p>Development of the site was delayed several years due to various issues, but has been successfully resolved and is currently in the process of land development with the first lots delivered in May of 2006. In addition, the commercial sites (parcel A and B) have been sold off in 2002 and 2004. The commercial sites are not part of this valuation as they are separately owned and recently completed in 2005.</p> <p>It should be noted, the site was purchased in July of 1997. Market conditions for residential land have improved through 2006, but have declined since. However, the project is also in well advanced stages of both entitlement and physical land development. Thus, the variance between the appraised as is value and most recent acquisition price was deemed reasonable.</p>
Current Disposition:	<p>As previously discussed, a portion of the Vistas 1 (70 lots), Vistas 2 (5 lots) and Harbor Vista (23 lots) have been sold and closed escrow in May of 2006, October 2006, February 2007 and August 2007. A total of 203 lots (including the 98 closed lots) have been sold to three different merchant homebuilders. Please refer to the Sales Comparison Approach for further discussion.</p>

INTENDED USE AND USERS OF THE APPRAISAL

This appraisal is intended to provide an opinion of the As-Is Market Value, the Hypothetical Aggregate Retail Revenues (Finished Lots), the Hypothetical Aggregate Retail Revenues (Blue Top Lots) and Total Net Proceeds (Formerly Total Net Value) of the Fee Simple interest in the property for the exclusive use of Lehman Brothers Commercial Paper Inc. in evaluating potential financing. All other uses and users are unintended, unless specifically stated in the letter of transmittal.

DATES OF INSPECTION AND VALUATION

The value conclusion reported herein is as of October 1, 2007. The property was inspected on October 12, 2007 by Ryan McCafferty. Brian J. Curry, MAI, SRA has reviewed and approved the report, but did not inspect the property.

PROPERTY RIGHTS APPRAISED

Fee Simple interest.

SCOPE OF WORK

This appraisal, presented in a self-contained report, is intended to comply with the reporting requirements outlined under the USPAP for a self-contained appraisal report. The report was also prepared to comply with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Title XI Regulations.

Cushman & Wakefield of California, Inc. has an internal Quality Control Oversight Program. This Program mandates a "second read" of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

For this assignment, Quality Control Oversight was provided by Brian J. Curry, MAI, SRA. In addition to a qualitative assessment of the appraisal report, Brian J. Curry, MAI, SRA. is a signatory to the appraisal report and concurs in the value estimate(s) set forth herein.

In preparation of this appraisal, we investigated a sampling of vacant land sales in the subject's market area. We also considered the input of buyers, sellers, brokers, property developers and public officials. Additionally, we investigated the general regional economy as well as the specifics of the local area.

The scope of work required collecting primary and secondary data relative to the subject property. The depth of the analysis is intended to be appropriate in relation to the significance of the appraisal issues as presented herein. The data have been analyzed and confirmed with sources believed to be reliable, in the normal course of business, leading to the value conclusions set forth in this report. In the context of completing this report, we have made a physical inspection of the subject property and the comparable land sales. The valuation process involved utilizing generally accepted market-derived methods and procedures considered appropriate to the assignment.

The scope of this research, and the analysis contained herein, is reflective of "the amount and type of information researched and the analysis applied in an assignment" (2006 USPAP).

This appraisal employs the Sales Comparison and Development Approaches. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered necessary and applicable for market participants.

In analyzing the property, the appraiser performed the subdivision Development Method. This methodology is essentially an inverse cost approach analysis used by investors/builders analyzing a probable purchase price for the subject after deducting the appropriate costs for all other agents of production. Therefore, a cost approach analysis was inherently performed by the appraiser in the valuation of the subject.

A variation of the income approach and cost approach, the development method, was applied. This method provided estimates of the market value by estimating retail sales proceeds from proposed improvements and deducting profit and expenses in an appropriate manner. A discounted cash flow (DCF) was used for this procedure. For the yield analysis, the periodic net revenues are discounted to determine the present worth of the future income stream after deducting development costs, costs to complete, and expenses. The sum of the discounted net incomes results in the estimated market value, typically land.

DEFINITIONS OF VALUE, INTEREST APPRAISED AND OTHER TERMS

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Fourth Edition (2002), published by the Appraisal Institute, as well as other sources.

MARKET VALUE

Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. A current economic definition agreed upon by agencies that regulate federal financial institutions in the United States of America follows, taken from the glossary of the *Uniform Standards of Professional Appraisal Practice* of The Appraisal Foundation:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

FEE SIMPLE ESTATE

Absolute ownership unencumbered by any other interest or estate, subject to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

CASH EQUIVALENT

A price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts.

MARKET VALUE AS IS ON APPRAISAL DATE

The value of specific ownership rights of an identified parcel of real estate as of the effective date of the appraisal; related to what physically exists and excludes all assumptions concerning hypothetical conditions.

PROSPECTIVE VALUE UPON COMPLETION OF CONSTRUCTION

The value of a property on the date that construction is completed based on market conditions projected to exist as of that completion date. This value is not the market value as of a specified future date, but rather is a projected value based on assumptions that may or may not occur. This value factors in all costs associated to lease-up the property to stabilized occupancy.

PROSPECTIVE VALUE UPON STABILIZED OCCUPANCY

The value of a property at a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy. At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs, and other carrying charges are assumed to have been incurred.

TOTAL NET PROCEEDS (FORMERLY TOTAL NET VALUE)

For purposes of this report, Total Net Proceeds (formerly Total Net Value) is defined as the aggregate sum of master development net cash flows excluding any deduction for master developer's profit, return, or the time value of money. Net cash flows are derived by estimating individual component land/property sale revenue events as they occur and deducting associated master development related costs. Land/property sale revenues may include, but are not necessarily limited to, bulk residential lots, existing home inventory, commercial land, golf courses, and other non-residential land property types. Master development costs may include, but are not necessarily limited to, applicable infrastructure construction, off-sites, grading, master marketing, and related carrying costs. Master developer's profit/entrepreneurial reward and present value calculations have not been considered or applied in estimating Total Net Proceeds (formerly Total Net Value). Total Net Proceeds (formerly Total Net Value) is not a value estimate nor should be construed as such. The client, Lehman Brothers Commercial Paper Inc., has specifically requested the appraiser(s) report Total Net Proceeds (formerly Total Net Value), as defined. The reported Total Net Proceeds (formerly Total Net Value) is intended for use by the client, Lehman Brothers Commercial Paper Inc., for internal underwriting purposes.

HYPOTHETICAL AGGREGATE RETAIL REVENUES

For purposes of this report, the Hypothetical Aggregate Retail Revenues is the sum of a number of individual market values of discrete units of realty: e.g., finished sites, condominiums, detached single family residences, individual units in a planned unit development, etc. Aggregate Retail Revenues is not a market value. The basic assumption underlying this value is that each unit will be sold individually at full market (retail) price (i.e., market value) to as many buyers as there are units on the same (effective) date of value. In the market valuation process each unit is individually valued based on market evidence. Then, those individual market values are totaled to arrive at the aggregate of retail revenues. Further, the scope of this assignment included providing a hypothetical market value "as if complete" estimate as finished lots, superpads, completed construction, etc. as of the date of value. The "as if complete" estimate was a hypothetical valuation scenario. Hypothetical value can be defined as that which is contrary to what exists, but is supposed for the purpose of analysis.

FINISHED LOT VALUE

The "finished lot" value represents the physical condition of the land at the time a potential homebuilder would be pulling building permits and begin home construction. The finished lot condition includes arterial and interior street improvements (paved streets), land development costs (master developer and intract costs) in arriving at finished graded residential lots, all utilities stubbed to the site and individual residential lots and all site development/impact fees (excluding building permit fees) assumed to be paid.

BLUE TOP LOT VALUE

The "blue top lot" value represents the physical condition of the land at the time a potential homebuilder would typically purchase and close escrow of the residential lots. The blue top lot condition includes arterial and interior street improvements (arterial streets paved with interior streets graded, but not paved), land development costs (master developer, but excludes intract costs) in arriving at blue top graded residential lots, all utilities stubbed to

the site (but not to the individual residential lots) with most or all site development/impact fees (excluding building permit fees) assumed not to be paid.

PAPER LOT VALUE

The "paper lot" value refers to a residential tract development with an approved tentative tract map or final recorded tract map. The physical condition of the site represents raw (unimproved) land with an approved tentative tract map or final recorded tract map in place at the time of sale. This value assumes no site development costs or development/impact fees have been paid at the time of sale.

EXPOSURE TIME AND MARKETING TIME

EXPOSURE TIME

Under Paragraph 3 of the Definition of Market Value, the value opinion presumes that "A reasonable time is allowed for exposure in the open market". Exposure time is defined as the length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effective date of the appraisal. Exposure time is presumed to precede the effective date of the appraisal.

The reasonable exposure period is a function of price, time and use. It is not an isolated opinion of time alone. Exposure time is different for various types of real estate and under various market conditions. As noted above, exposure time is always presumed to precede the effective date of appraisal. It is the length of time the property would have been offered prior to a hypothetical market value sale on the effective date of appraisal. It is a retrospective opinion based on an analysis of recent past events, assuming a competitive and open market. It assumes not only adequate, sufficient and reasonable time but adequate, sufficient and a reasonable marketing effort. Exposure time and conclusion of value are therefore interrelated.

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the "as-is" value concluded within this report would have been approximately twelve (12) months. This assumes an active and professional marketing plan would have been employed by the current owner.

MARKETING TIME

Marketing time is an opinion of the time that might be required to sell a real property interest at the appraised value. Marketing time is presumed to start on the effective date of the appraisal and take place subsequent to the effective date of the appraisal. The opinion of marketing time uses some of the same data analyzed in the process of estimating reasonable exposure time and it is not intended to be a prediction of a date of sale.

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our as is value conclusion represents a price achievable within twelve (12) months.

LEGAL DESCRIPTION

No legal description was provided. However, a short legal description of the site can be found within the appraiser's files.

ORANGE COUNTY REGIONAL ANALYSIS

MARKET OUTLOOK

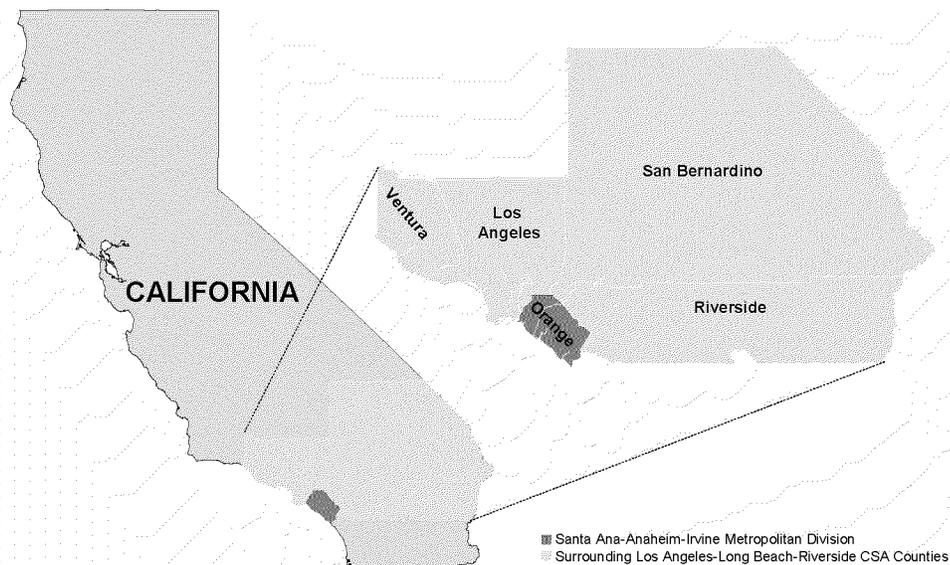
The outlook for the Santa Ana-Anaheim-Irvine Metropolitan Division (Orange County) remains good. Its economy is expected to outperform the U.S., although the lead will be much narrower than that seen in the first half of this decade.

- The loss of housing as a driver of the economy is one factor. Another is the end of accelerated defense spending, which will make aerospace a stable but no longer expanding industry in Orange County.
- International trade, technology-producing industries and tourism will continue to support the economy over the long term.
- Economic diversification has shielded the economy from potential risks. Household income is among the highest in the nation, supporting retail and local services. Orange County's economy is expected to perform above-average over the long term.

MARKET DEFINITION

The Los Angeles-Long Beach-Santa Ana Metropolitan Statistical Area (MSA) in Southern California is the largest of the three MSAs within the Los Angeles Combined Statistical Area (Los Angeles CSA), which also includes the Riverside-San Bernardino-Ontario and Oxnard-Thousand Oaks-Ventura MSAs. The Los Angeles-Long Beach-Santa Ana MSA is further divided into two metropolitan divisions—Los Angeles-Long Beach-Glendale and Santa Ana-Anaheim-Irvine. The Santa Ana-Anaheim-Irvine metropolitan division, which is the subject of this analysis, consists solely of Orange County and encompasses 34 incorporated cities.

LOS ANGELES-LONG BEACH-RIVERSIDE COMBINED STATISTICAL AREA AND COMPONENT COUNTIES



Source: Claritas, Cushman & Wakefield Analytics

CURRENT TRENDS

The Orange County economy is expanding, however its pace of growth has moderated since mid-year 2004. Job growth no longer exceeds the national average, but income growth is projected to lead both the U.S. and California. Supporting the economy are stable manufacturing industries, as indicated by estimated industrial production rising well ahead of the U.S. average. Travel and tourism as well as aerospace industries create stable growth for this region.

The pace of growth has slowed, but not decreased, as indicated by a leveling of the trade sector and a moderate downturn in financial services. Near-term prospects for Orange County's technology-producing industries remain good. Employment in the aerospace and defense sector are benefiting from the state's increase in defense contracts in 2005 and a demand for commercial aircraft.

Office-space using employment has flattened as of year-end 2006 but is expected to increase by mid-year 2007. Office vacancy rates maintain record lows despite a slight increase. To accommodate the demand, record levels of construction permits have been issued over the past year, and construction of new office space is underway. The increase in construction of new office space is anticipated to keep rental rates affordable. Construction employment will benefit from both residential development and from the extensive commercial projects in the pipeline.

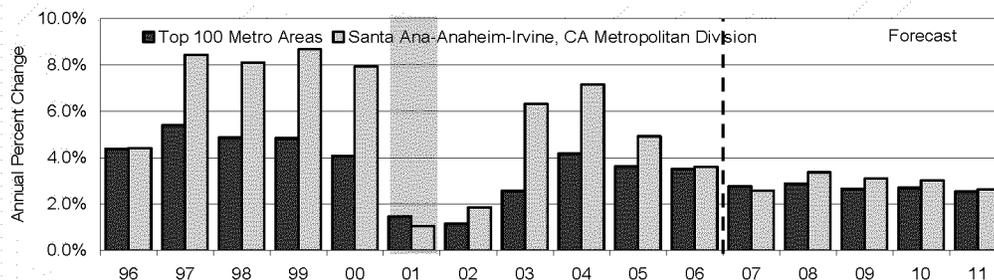
House-price appreciation has slowed to less than 10 percent over the year, and the volume of sales has declined in recent months. Yet even with slower appreciation, affordability is at its lowest point since 1983, indicating a severe imbalance between household income and home prices. Thus, even with moderate job growth and only a moderate imbalance between supply and demand, prices could fall as buyers balk at the higher prices and higher interest rates.

ECONOMICS

Historically, Orange County's gross metro product (GMP) has exhibited considerably greater volatility than the nation's Top 100 metro areas (Top 100). In the following exhibit and all subsequent time-series graphs, the shaded bars indicate the periods of a U.S. economic recession. The Top 100 Metro Areas are comprised of the 100 largest metropolitan statistical areas within the U.S. in terms of total employment as of 2006.

- Orange County's annualized growth for GMP of 5.7 percent between 1996 and 2006 exceeded that of the Top 100 average annual GMP rate of 3.7 percent.
- The projected growth in the Orange County economy at 2.9 percent annually through 2011 is greater than that of the projected growth of the Top 100 Metro Areas of 2.7 percent annually.

REAL GROSS PRODUCT GROWTH BY YEAR
ORANGE COUNTY VS. TOP 100, 1996 - 2011

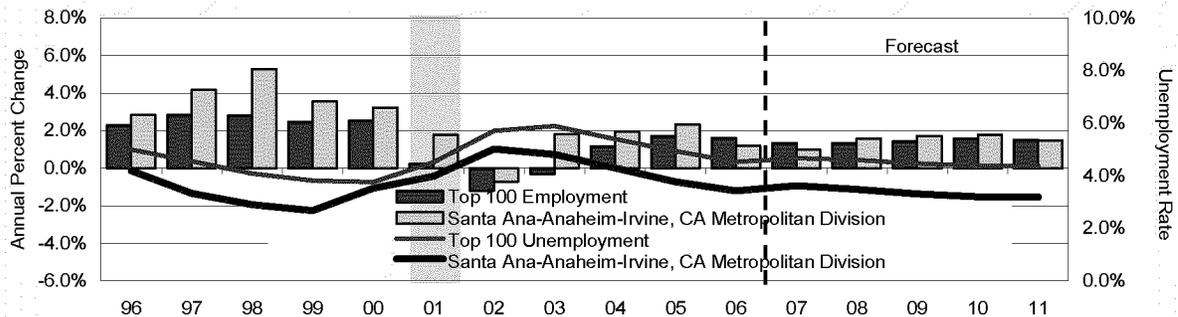


Source: Economy.com, Cushman & Wakefield Analytics

Orange County's employment growth since the mid 1990's generally exceeds that of the Top 100 Metros. The County recovered more quickly from the 2001 recession than did the Top 100.

- From 1996 to 2006, total employment in Orange County expanded at an average rate of 2.5 percent per year, nearly double the 1.5 percent pace of the Top 100.
- Between 2006 and 2011, Orange County's employment growth is projected to equal that of the Top 100, with a projected average annual growth rate of 1.5 percent.

**TOTAL EMPLOYMENT GROWTH AND UNEMPLOYMENT RATE BY YEAR
ORANGE COUNTY VS. TOP 100, 1996 - 2011**



Source: Economy.com, Cushman & Wakefield Analytics

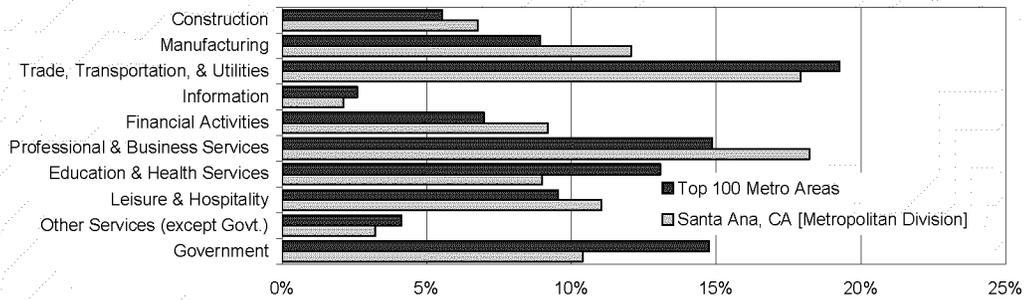
Orange County has historically maintained a lower unemployment rate than the average across the Top 100.

- During 2006, Orange County's unemployment rate averaged a low of 3.4 percent—much lower than the Top 100 unemployment rate of 4.5 percent.
- Orange County's unemployment rate is expected to decrease to 3.2 percent by 2011—roughly 118 basis points below the projection for the Top 100.

Orange County's employment base is among the more diverse in the nation.

- Orange County is substantially more weighted in the Manufacturing, Professional & Business Services and Financial Services industry sectors relative to the Top 100.
- Orange County's employment base is under-weighted in the Education & Health Services and Government sectors relative to the Top 100.

EMPLOYMENT BY SECTOR
ORANGE COUNTY VS. TOP 100, 2006 ESTIMATES



Source: Economy.com, Cushman & Wakefield Analytics

As of 2006, Orange County served as headquarters to four of the nation’s Fortune 500 corporations: Ingram Micro (ranked 72), The First American Corporation (284), Pacific Life (441) and Standard Pacific (493).

DEMOGRAPHICS

Orange County’s population is significantly younger, more affluent, and better educated, when compared to the Top 100 metro areas.

- Orange County’s median age is relatively young at 35.2 years—slightly below the median age across the Top 100 of 36.1 years.
- It is also among the most affluent metro areas in the nation, with 29.8 percent of households having incomes of \$100,000 or more.
- An estimated 31.2 percent of Orange County’s population holds a bachelor or graduate degree, compared to 27.8 percent of the population for the Top 100 Metros.

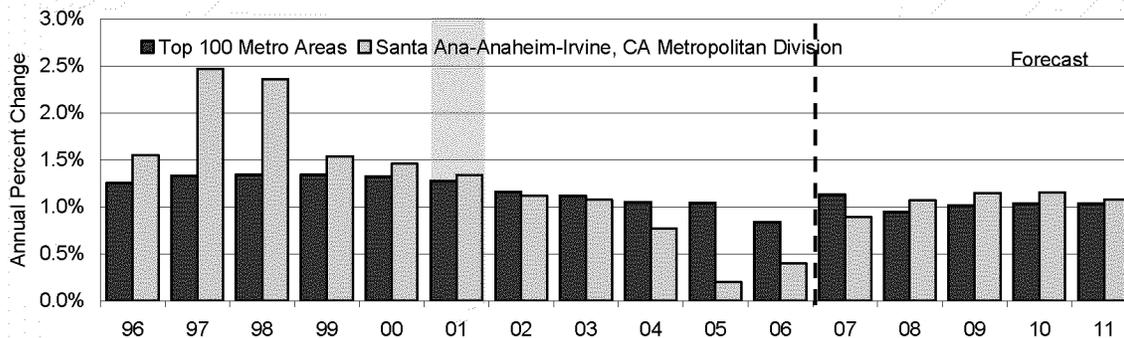
DEMOGRAPHIC CHARACTERISTICS			
Orange County vs. Top 100 MSAs and U.S., 2006 Estimate			
Characteristic	Orange County	Top 100 Metro Areas	U.S.
Median Age (years)	35.2	36.1	36.4
Average Annual Household Income	\$89,300	\$72,180	\$65,800
Median Annual Household Income	\$67,300	\$53,900	\$48,800
<i>Households by Annual Income Level:</i>			
<\$25,000	14.8%	21.6%	21.6%
\$25,000 to \$49,999	21.9%	25.4%	25.4%
\$50,000 to \$74,999	19.2%	19.5%	19.5%
\$75,000 to \$99,999	14.3%	12.7%	11.8%
\$100,000 plus	29.8%	20.8%	17.5%
<i>Education Breakdown:</i>			
< High School	20.5%	18.4%	19.4%
High School Graduate	17.3%	26.0%	28.4%
College < Bachelor Degree	30.9%	27.7%	27.6%
Bachelor Degree	20.6%	17.7%	15.7%
Advanced Degree	10.6%	10.1%	9.9%

Source: Claritas, Inc., Cushman & Wakefield Analytics

Orange County's population exceeded 3.0 million residents in 2006, but has experienced a slowdown in growth relative to the top 100 since 2002.

- Between 1996 and 2006, Orange County averaged annual population growth of 1.3 percent—slightly higher than the Top 100 average annual rate of 1.2 percent.
- Orange County's population growth is expected to outpace the Top 100 through 2011, as its population is expected to grow on average by 1.1 percent annually, compared to the projected average 1.0 percent per year growth of the Top 100.

POPULATION GROWTH BY YEAR
ORANGE COUNTY VS. TOP 100, 1996 – 2011



Source: Economy.com, Cushman & Wakefield Analytics

Orange County outpaced both Los Angeles County and Ventura County in terms of population growth rates during the past ten years. The County lagged the Riverside-San Bernardino MSA, as did most of the areas of the Los Angeles CSA. During the next five years, Riverside-San Bernardino is expected to continue growing much more rapidly than Orange County and the other areas of the Los Angeles CSA.

ANNUALIZED POPULATION GROWTH BY MSA					
Santa Ana-Anaheim-Irvine MD					
1996 – 2011					
Population (000s)	1996	2006	2011 Forecast	Annual Growth 96-06	Annual Growth 06-11
United States	269,802.4	299,426.2	312,849.5	1.0%	0.9%
Top 100 MSAs	172,483.2	194,022.9	204,272.6	1.2%	1.0%
Los Angeles-Riverside-Orange County, CA CSA	15,471.6	17,785.7	18,951.8	1.4%	1.3%
Los Angeles-Long Beach-Santa Ana MSA	11,771.0	12,967.5	13,546.2	1.0%	0.9%
Los Angeles-Long Beach-Glendale MD	9,127.0	9,967.5	10,382.0	0.9%	0.8%
Santa Ana-Anaheim-Irvine MD	2,644.0	3,000.0	3,164.1	1.3%	1.1%
Riverside-San Bernardino-Ontario MSA	2,990.3	4,014.2	4,544.3	3.0%	2.5%
Oxnard-Thousand Oaks-Ventura MSA	710.2	804.0	861.3	1.2%	1.4%

Source: Economy.com, Cushman & Wakefield Analytics

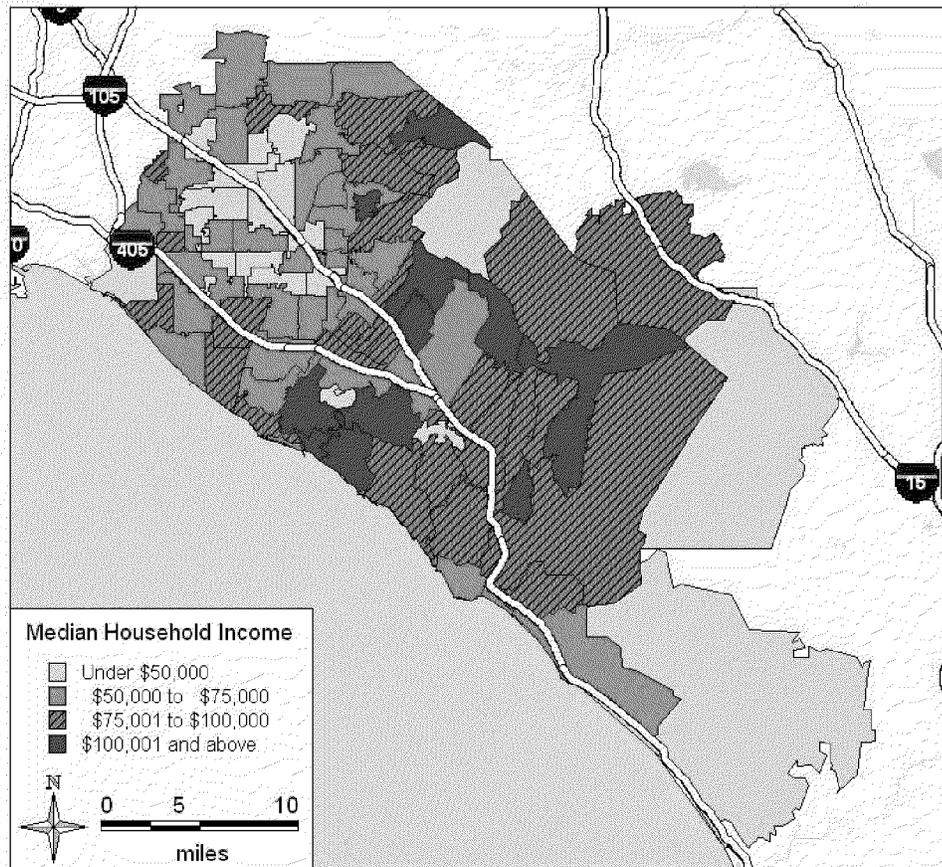
Demographics are a challenge over the long term for Orange County, as population growth shifts to the more inland regions of southern California. Orange County's rate of population growth is constrained not only by very high business and living costs, but also by a limited amount of space for new home construction and low housing affordability.

Orange County ranks highest in median household income among the Los Angeles CSA's counties,

- Orange County's 2006 estimated median household income was \$67,300, 25 percent higher than the Top 100 median of \$53,900.
- Over the past 10 years, Orange County's 3.8 percent average annual growth in median household income was one-half of a percent higher than the Top 100 average annual increase of 3.3 percent.
- Through 2011, Orange County's median household income is expected to grow an average of 3.2 percent per year, higher than the projected Top 100 average of 3.0 percent.

Orange County's most significant concentrations of households with median incomes over \$100,000 per year are located in the more sparsely populated northeast area near Yorba Linda and Placentia, within the southeast in Santa Margarita, and along the south coast from Newport Beach to Laguna Beach. Among the more densely populated communities, Costa Mesa and Newport Beach have the highest median household incomes. The north and west portions of the county are predominantly populated by middle income households.

MEDIAN HOUSEHOLD INCOME DISTRIBUTION BY ZIP CODE ORANGE COUNTY, 2006 ESTIMATE



Source: Claritas, Inc., Cushman & Wakefield Analytics

MARKET COMPETITIVENESS

Orange County continues to attract a well-educated, affluent population, and is the Los Angeles region's most diverse economy in terms of industry sectors.

- International trade with Asia in particular has resulted in Asian firms expanding into Orange County and establishing their U.S. headquarters offices within the region.
- Orange County is well-positioned to benefit from an accelerating global economy, particularly the Pacific Rim economies, which should deepen demand for electronics and tech equipment.
- While Orange County's costs of doing business and living are high, its excellent quality of life is often considered conducive for top-level operations.
- The high costs of living and doing business generate some friction for long-term growth, but this is offset by the high quality of Orange County's labor force, and the area's good quality of life that make the area a good home for high-value added production of goods and services.

Downside risk comes from Orange County's exposure to the housing market. Should the housing market plummet under high interest rates, broad employment losses in the financial services sector are likely to follow.

LOCAL AREA ANALYSIS

INTRODUCTION

The subject is located in the southern region of the City of San Juan Capistrano. The subject is bounded by Camino las Ramblas to the south, Via California to the west, and is just east of Interstate 5. San Juan Capistrano is also bound by the cities of Dana Point to the west, San Clemente to the south and Laguna Niguel to the North.

Orange County extends approximately 50 miles southward from Los Angeles County along the Interstate 5 corridor. The City of San Juan Capistrano is at the southeast corner of the County, at the border of San Diego County.

SAN JUAN CAPISTRANO

The City of San Juan Capistrano is a unique community grounded in a history of Native American culture, the Mission established by Franciscan missionaries in 1776, and an agrarian past. Officially incorporated as a city in 1961, San Juan Capistrano recently celebrated 40 years of cityhood. A council-manager form of government, with five elected council members elected citywide, direct the city operations and municipal services.

The City has grown from a small community of approximately 10,000 persons in 1974 to a developed city over 50,000 in 2006, with a variety of land uses providing open space, recreation, housing, jobs, shopping and services. The City prides itself on effectively maintaining its open space character by acquiring land to preserve its defining ridgelines, hillsides, and trails. Nearly 40% of the City is in open space and park land. Only about 10% of land suitable for development still remains vacant.

The City is predominantly residential, with a mix of commercial, industrial, agricultural and tourist oriented uses. It is one and one half miles from the ocean, midway between Los Angeles and San Diego, 62 miles from Los Angeles and 65 miles from San Diego.

MISSION SAN JUAN CAPISTRANO

Mission San Juan Capistrano is the third largest visitor attraction in Orange County behind Disneyland and Knott's Berry Farm. Over 500,000 visitors a year experience the beauty of this world famous Mission. Father Junipero Serra founded Mission San Juan Capistrano in 1776, which is known as the Jewel of the Missions. It is renowned for its beautiful courtyard gardens and legendary "Return of the Swallows" on March 19th of each year. The historic downtown area features the Mission, the historic Capistrano Depot railroad station and the beautiful Los Rios Historic District. Everything is within walking distance of the Mission. Shopping, dining and entertainment opportunities abound throughout the downtown area.

EMPLOYMENT AND ECONOMIC DEVELOPMENT

An ideal location for businesses, the City of San Juan Capistrano is situated one hour from the San Diego and Los Angeles markets via Interstate 5, and State Route 73, the San Joaquin Hills Toll Road. Approximately 1,430 businesses call City of San Juan Capistrano home.

The following chart is a summary of the largest employers in San Juan Capistrano.

LARGEST EMPLOYERS IN SAN JUAN CAPISTRANO	
Employer Name	Number of Employees
Fluidmaster, Inc.	644
Endevco	317
Costco Wholesale Corp. #429	288
The Brown Bag Sandwich Company	180
St. Margaret's of Scotland School	150
Capistrano Ford	141
24 Hour Fitness #143	126
Brighton Gardens of San Juan Capistrano	113
Marbella Country Club	106

DEMOGRAPHICS

According to Claritas, Inc., a provider of national demographic information, San Juan Capistrano's estimated population in 2006 was 50,900. The annual population growth rate for the city from 2000 to 2006 (Claritas, Inc.) was 7.05 percent, and the projected annual rate through 2011 is 4.21 percent (Claritas, Inc.). These growth figures are indicative of the expanding character of the community, and its location in a growing region.

San Juan Capistrano had an estimated 16,528 households in 2006 with an average household size of 3.05 persons. The number of households is expected to grow 0.02 percent annually through 2011. Compared to the population growth, San Juan Capistrano is experiencing slightly less growth in household formations. As such, the average household size is increasing slightly, a similar trend compared to California, but contrary to the national trend.

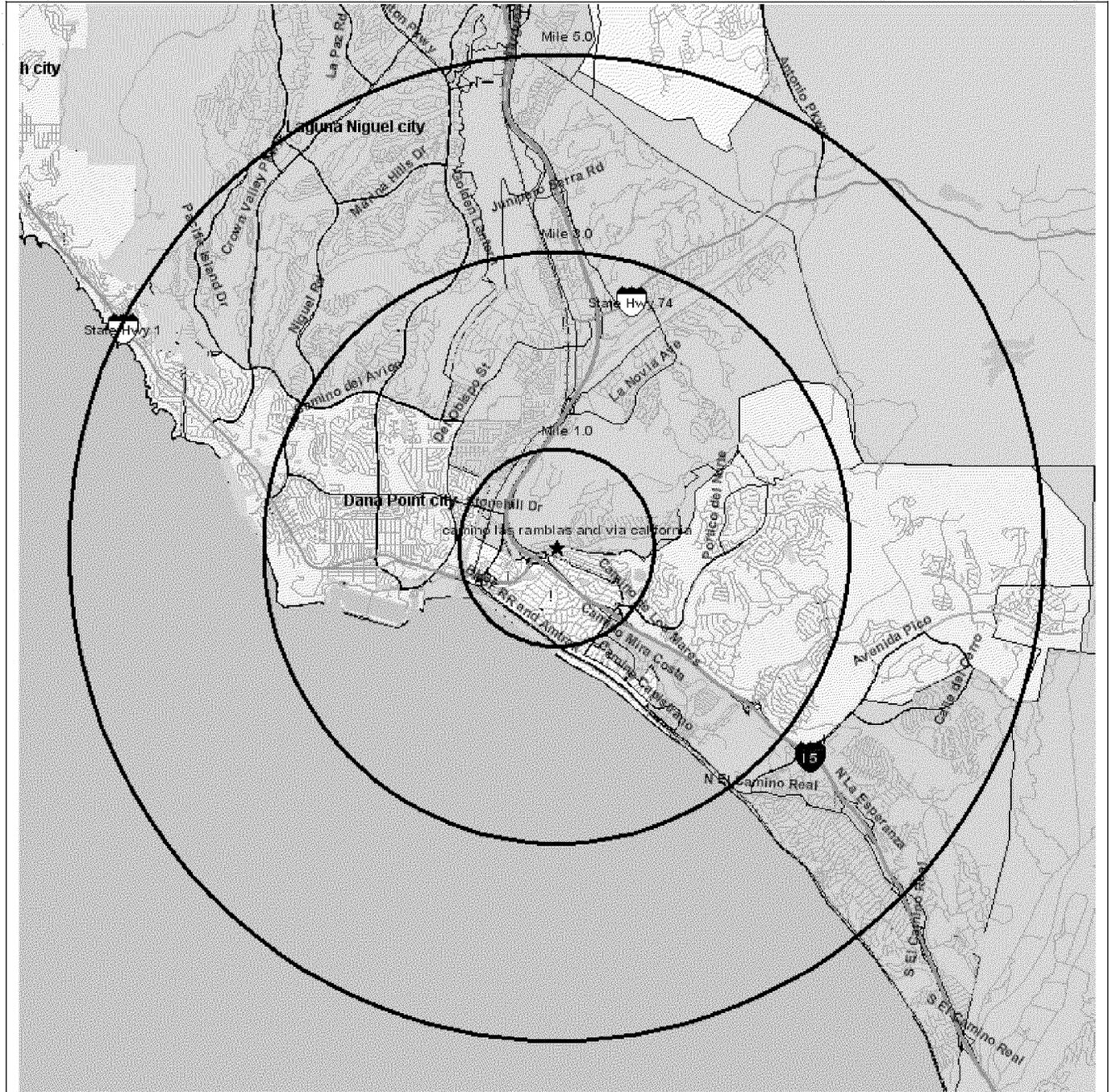
The 2006 average household and per capita incomes in San Juan Capistrano were \$120,373 and \$39,467, respectively. Average household income is projected to continue growing, but at a slower pace than prior years. Through 2011, average household income is projected to grow 2.26 percent annually.

Traditionally, most area residents live a short distance from their places of employment. In defining boundaries for the subject's area, several factors have been considered. First, the property's location with respect to transportation provides the basis for regional access to the area. Second, regional competition and geographic boundaries help to define the potential size of the trade area as a measure of distance from the property. To add perspective to our analysis of the subject area demographics, we have included comparison data for San Juan Capistrano, Orange County, and the State of California.

**FULL DEMOGRAPHIC PROFILE
CAMINO LAS RAMBLAS AND VIA CALIFORNIA
SAN JUAN CAPISTRANO, CALIFORNIA**

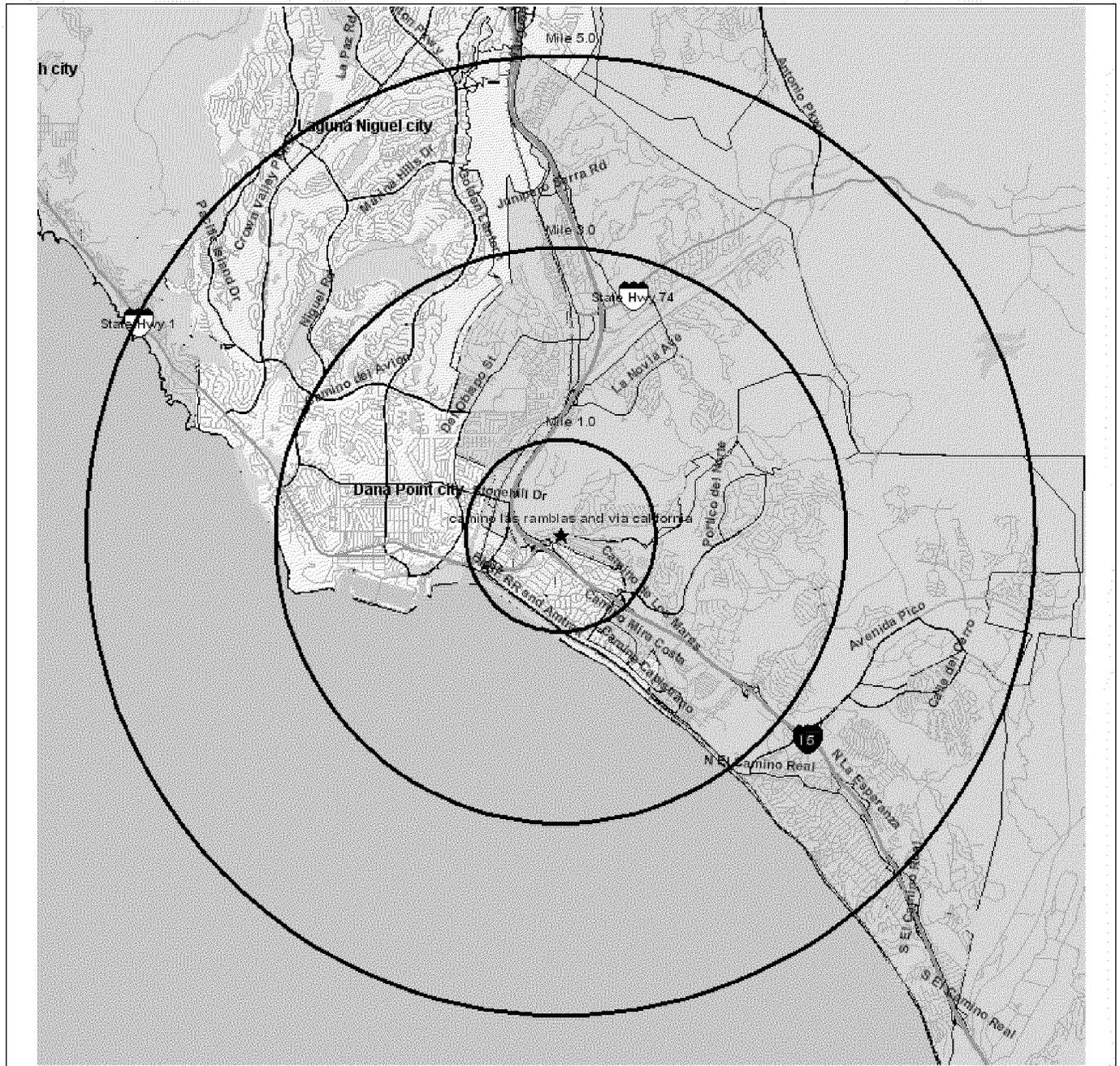
	SUBJECT RADIUS			SAN JUAN	ORANGE COUNTY	CALIFORNIA
	1.0 MILE	3.0 MILES	5.0 MILES	CAPISTRANO		
Population						
2000 Population	10,675	77,467	148,314	33,826	2,846,289	33,871,648
2006 Population	11,094	84,819	179,133	50,900	3,037,571	36,579,455
2011 Population	11,527	91,097	202,128	62,546	3,204,816	38,887,860
% Change 2000 to 2006	0.64%	1.52%	3.20%	7.05%	1.09%	1.29%
% Change 2006 to 2011	0.77%	1.44%	2.44%	4.21%	1.08%	1.23%
Per Capita Personal Income						
2000 Per Capita Personal Income	\$35,081	\$34,130	\$35,830	\$30,031	\$25,826	\$22,711
2006 Per Capita Personal Income	\$36,902	\$37,684	\$40,477	\$39,467	\$29,253	\$25,551
2011 Per Capita Personal Income	\$39,122	\$40,630	\$43,705	\$44,091	\$31,729	\$27,789
% Change 2000 to 2006	0.85%	1.66%	2.05%	4.66%	2.10%	1.98%
% Change 2006 to 2011	1.18%	1.52%	1.55%	2.24%	1.64%	1.69%
Households						
2000 No. Households	4,197	28,739	55,684	10,930	935,287	11,502,870
2006 No. Households	4,226	30,801	65,349	16,528	982,974	12,284,895
2011 No. Households	4,293	32,633	72,578	20,362	1,027,094	12,982,281
% Change 2000 to 2006	0.11%	1.16%	2.70%	7.14%	0.83%	1.10%
% Change 2006 to 2011	0.31%	1.16%	2.12%	4.26%	0.88%	1.11%
Persons Per Household						
2000 Persons Per Household	2.52	2.67	2.64	3.06	3	2.87
2006 Persons Per Household	2.6	2.72	2.72	3.05	3.04	2.91
2011 Persons Per Household	2.66	2.77	2.77	3.05	3.08	2.93
% Change 2000 to 2006	0.53%	0.35%	0.48%	-0.05%	0.26%	0.20%
% Change 2006 to 2011	0.46%	0.30%	0.34%	0.02%	0.21%	0.14%
Average Household Income						
2000 Avg Household Income	\$85,909	\$90,882	\$94,650	\$91,139	\$77,615	\$65,680
2006 Avg Household Income	\$94,585	\$102,631	\$110,166	\$120,373	\$89,328	\$74,936
2011 Avg Household Income	\$102,686	\$112,395	\$121,035	\$134,635	\$98,119	\$82,148
% Change 2000 to 2006	1.62%	2.05%	2.56%	4.75%	2.37%	2.22%
% Change 2006 to 2011	1.66%	1.83%	1.90%	2.26%	1.90%	1.85%
Income Ranges						
Median Income	\$65,894	\$75,177	\$80,099	\$83,815	\$67,325	\$54,508
\$150,000 or more	15.72%	17.61%	20.20%	22.55%	12.93%	9.27%
\$100,000 to \$149,000	13.61%	18.72%	18.62%	18.06%	16.89%	13.24%
\$75,000 to \$99,999	12.87%	13.77%	14.04%	14.50%	14.28%	12.34%
\$50,000 to \$74,999	21.41%	19.33%	17.94%	16.25%	19.24%	18.48%
\$35,000 to \$49,999	14.50%	12.28%	11.54%	10.88%	13.52%	14.41%
\$25,000 to \$34,999	7.50%	6.81%	6.69%	6.67%	8.39%	10.16%
\$15,000 to \$24,999	6.80%	6.01%	5.54%	4.95%	7.35%	10.03%
Under \$15,000	7.59%	5.47%	5.44%	6.14%	7.41%	12.07%
2000 Median Income	\$60,084	\$67,724	\$69,010	\$64,127	\$59,789	\$47,945
2011 Median Income	\$70,462	\$82,809	\$87,972	\$94,288	\$72,787	\$59,504
Occupancy						
2000 Occupied Housing Units	4,410	30,409	58,887	11,320	969,484	12,214,549
Owner Occupied	64.82%	68.59%	64.69%	76.18%	59.25%	53.59%
Renter Occupied	30.35%	25.92%	29.87%	20.37%	37.22%	40.58%
Education						
2000 Population 25+ by Education Level	7,475	53,261	101,338	21,758	1,813,456	21,298,900
Bachelors Degree Only	19.89%	23.98%	25.58%	18.82%	20.43%	17.09%
Graduate Degree	11.65%	13.49%	13.78%	11.92%	10.38%	9.53%

POPULATION MAP



- Highways
- Major Roads
- Roads
- ZIP Code
- Current Year Population
- 1,868 to 19,079
- 19,079 to 28,612
- 28,612 to 48,692
- 48,692 to 65,907

POPULATION GROWTH MAP



- Highways
- Major Roads
- Roads
- ZIP Code
- Population Growth
 - 1.50% to 3.44%
 - 3.44% to 4.48%
 - 4.48% to 12.21%
 - 12.21% to 51.87%

TRANSPORTATION AND ACCESS

Local area accessibility is good. Access is primarily achieved from the following arteries:

Highway 1	Highway 1, legislatively deemed California State Route 1, runs along the Pacific coast for most of the length of California. In Southern California it is known as the Pacific Coast Highway or P.C.H., and in parts of central California, it is known as the Cabrillo Highway.
CA Highway 74	Also known as the Ortega Highway, is a mostly scenic highway that runs from Palm Desert in Riverside County westward to San Juan Capistrano in Orange County.
Interstate 5 (I-5)	<p>The westernmost interstate highway in the United States. Its south terminus is at the international border between the United States and Mexico in the San Diego community of San Ysidro, California. Its north terminus is at the international border between the United States and Canada at Blaine, Washington.</p> <p>This highway links the majority of the metropolitan areas in California (San Diego, Los Angeles, and Sacramento); Oregon (Eugene, Salem, and Portland); and Washington (Tacoma, Seattle and Everett).</p>

The subject's local area is easily accessible as result of these roadways. The subject development is located east of interstate 5 and Highway 1 and south of the Ortega Highway. It is estimated that future residents will utilize all local highways. Additional access is provided in the area via numerous other local streets.

Airports

Located in the heart of Orange County, San Juan Capistrano is located only 23 miles south of the John Wayne Airport (SNA). SNA offers international flights from Orange County to major cities across the U.S. and the world. Service is available from 11 major carriers and three commuter airlines.

Bus/Train

From either two major Southern California locations, Los Angeles (60 miles north) or San Diego (60 miles south) the Amtrak train makes nine daily stops in either direction at the historical Train Depot on Los Rios Street, one block from the Mission. Also available, is the local bus service is provided by the Orange County Transportation Authority (OCTA).

LOCAL AREA LAND USES

The surrounding has already been developed with single family residential. The terrain is varied, with hills and valleys throughout the subject. The subject is hilly and covered with low vegetation.

According to discussions with local officials and brokers familiar with the area, there are current plans for construction of several additional subdivisions in the local area. Please refer to the following Residential Market Analysis section for further discussion of recent residential subdivision development.

LOCAL SHOPPING

No retail shopping centers are located within the subject's immediate area. However, the city of San Juan Capistrano prides itself on the private shop owners who line the streets specializing in everything from Wine and Gourmet foods to furniture. The subject site is located approximately two miles south of downtown San Juan Capistrano.

REGIONAL SHOPPING

The Shops at Mission Viejo is located at the intersection of Interstate 5 and Crown Valley Parkway approximately 6.3 miles north of the subject. Nordstrom, Saks Fifth Avenue, Macy's and Robinsons-May are among a host of stores at The Shops at Mission Viejo. Fine restaurants at The Shops at Mission Viejo include The Cheesecake Factory, Ruby's Diner, PF Chang's China Bistro, Oceans 33 and Vie de France.

SPECIAL HAZARDS OR ADVERSE INFLUENCES

No special hazards to adverse influences were identified that would negatively impact the subject property (e.g. proximity of noise and air pollution, flooding, or land fill).

CONCLUSION

San Juan Capistrano is an established community and is the home of Mission San Juan Capistrano which is the third largest visitor attraction in Orange County behind Disneyland and Knott's Berry Farm. The subject is situated in a desirable community in Orange County with close proximity to employment, shopping, services and recreational amenities. The subject is conveniently accessible to freeways and the surrounding communities. Given the expected population, employment and income growth in Orange County, the subject's location is expected to remain a viable residential location over the short and long term. In addition, Orange County's economy is solid, population growth trend is positive and the area's median household income is high. Demand for quality residential projects in the San Juan Capistrano area is expected to remain moderately strong.

RESIDENTIAL MARKET ANALYSIS

INTRODUCTION

As described in this report, the subject property represents a planned single-family detached residential development located in the city of San Juan Capistrano. This section of the report describes overall market conditions for new housing as of the date of value. We have relied on market statistics provided by the Hanley Wood, which is a leading market provider of new residential home trends. Specifically, the New Home Executive Summary as of Second Quarter 2007 provides an overview of the new home market with supporting statistics by submarket.

The subject is located in the Coastal South submarket, within the Orange County submarket.

ORANGE COUNTY RESIDENTIAL MARKET CONDITIONS

The residential market has been strong over the past several years from the late 1990's to present date. However, over the past two to three quarters the residential market has begun to decline. The subject property is located in San Juan Capistrano and is included in the Orange County submarket. The following analysis will include discussions for all of the Orange County market, which includes 5 submarkets. We have also provided discussion for the Coastal South submarket, which represents the subject's subarea.

The following chart display the five Orange County submarkets and corresponding sub cities within each submarket.

HANLEY WOOD ORANGE COUNTY SUBMARKETS				
North	Inland South	Coastal South	Coastal North	Central
Brea	Coto de Caza	Aliso Viejo	Costa Mesa	Anaheim
Fullerton	Ladera Ranch	Dana Point	Huntington Beach	Anaheim Hills
La Habra	Lake Forest	Laguna Niguel	Newport Beach	Buena Park
Placentia	Las Flores Ranch	Laguna Beach	Newport Coast	Cypress
Yorba Linda	Mission Viejo	Laguna Hills	Seal Beach	Fountain Valley
	Rancho Santa Margarita	Rancho Madrina		Garden Grove
	Trabuco Canyon	San Clemente		Irvine
		San Juan Capistrano		Orange
				Santa Ana
				Stanton
				Tustin
				Westminster

NEW HOME PRICING

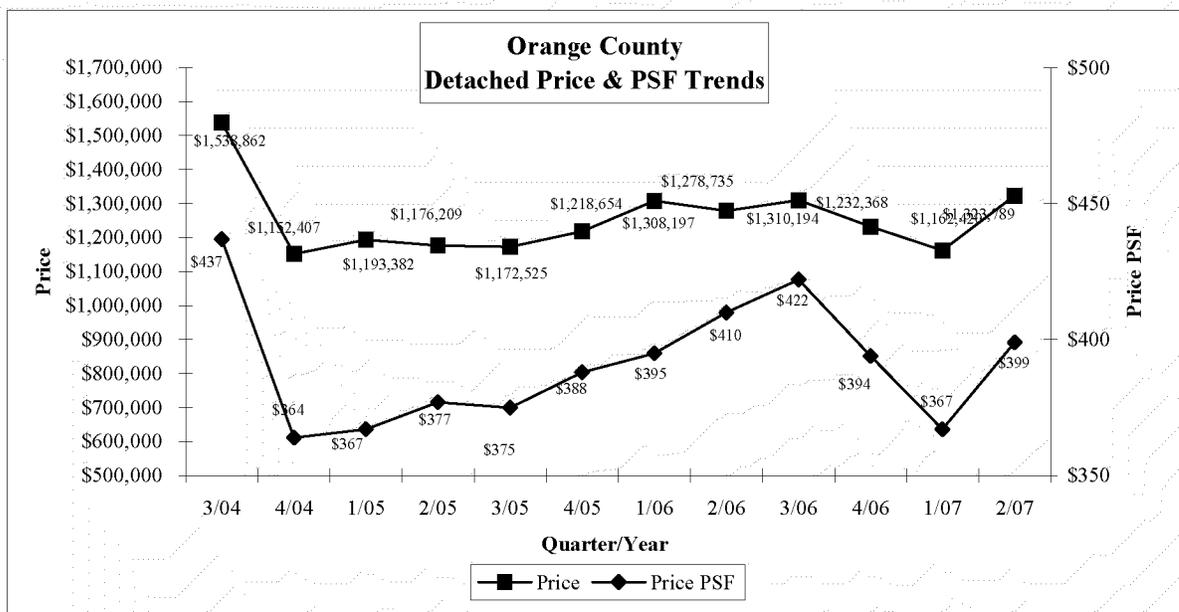
DETACHED HOUSING PRICING TRENDS – ORANGE COUNTY

The appraisers analyzed the new "detached" market relative to the region of Orange County. Over the past 3± years, the average price per square foot has decreased, remained stable between Fourth Quarter 2005 through First Quarter 2007, and in the Second Quarter of 2007 began increasing. As of the Second Quarter of 2007 the

average detached price per square foot was \$399 per square foot. Base pricing for detached product has demonstrated only minor fluctuations over the last three years. Generally, base prices for detached product increased and peaked in the Third Quarter of 2004 at \$1,538,862. Base prices decreased gradually in First Quarter 2007 with a slight increase in Second Quarter 2007 to \$1,323,789.

However, it should be noted, any recent upward trends in pricing over the past quarter is not a true trend, but indicative of any given inventory surveyed in any given quarter.

The average home size has ranged from 3,036± to 3,530± square feet. Minor fluctuations in pricing can, in part, be attributed to changes in the average home size and/or product quality, etc. Overall, pricing has seen only minor fluctuations, reflecting the historically stable Orange County market. However, recent surveys confirm incentive packages (option upgrades, mortgage incentives, and base price concessions) for buyers and absorption has slowed considerably since 2006.

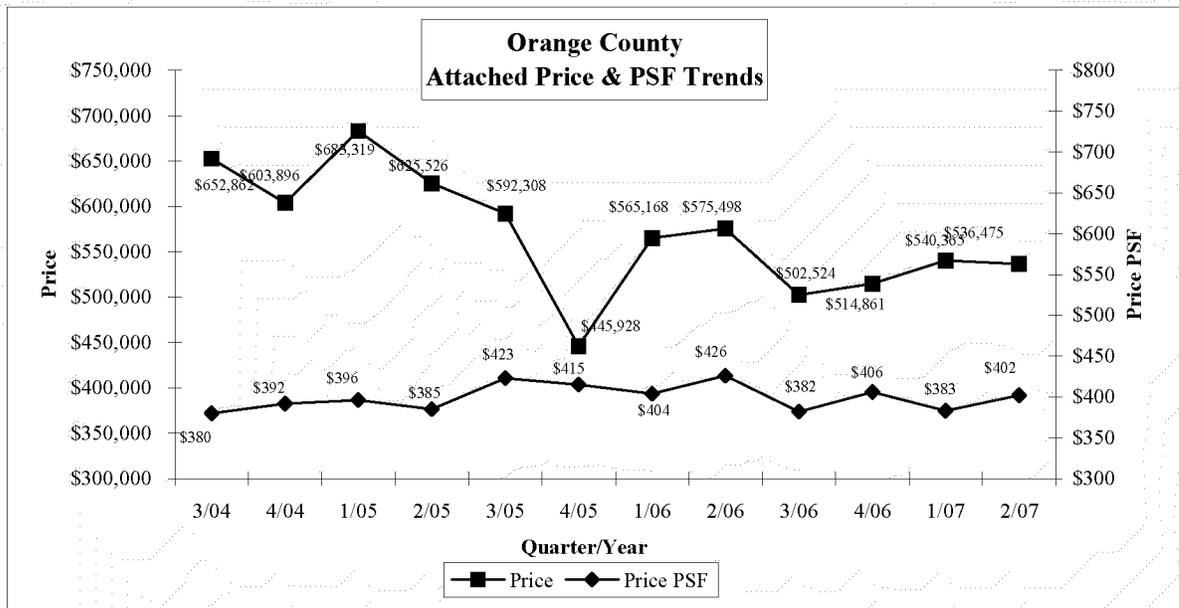


Source: Hanley Wood

ATTACHED HOUSING PRICING TRENDS – ORANGE COUNTY

The appraisers analyzed the new “attached” market relative to the region of Orange County. Over the past 3± years, the average price per square foot has increased, gradually decreased between First and Third Quarter 2005 and decreased dramatically in Fourth Quarter 2005. However, pricing jumped back up in First Quarter 2006 and stayed flat through Second Quarter 2006. However, pricing dropped again in Third Quarter 2006. Since Third Quarter 2006, pricing has increased gradually. Over the past quarter, base pricing has declined slightly, with Second Quarter of 2007, base pricing for attached product at \$536,475.

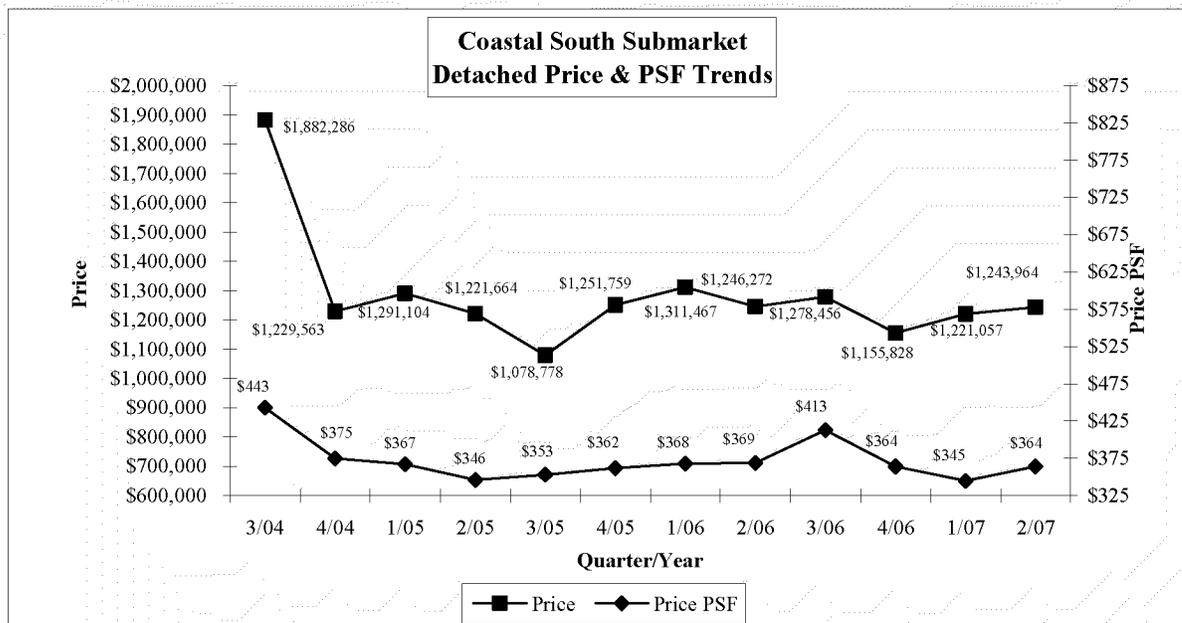
The average home size has ranged from 1,098± to 1,690± square feet. Minor fluctuations in pricing can, in part, be attributed to changes in the average home size and/or product quality, etc. Overall, pricing has been decreasing due to continued softening in the detached home market. Recent surveys confirm incentive packages (option upgrades, mortgage incentives, and base price concessions) for buyers and absorption has slowed considerably since 2006.



Source: Hanley Wood

DETACHED HOUSING PRICING TRENDS – COASTAL SOUTH SUBMARKET

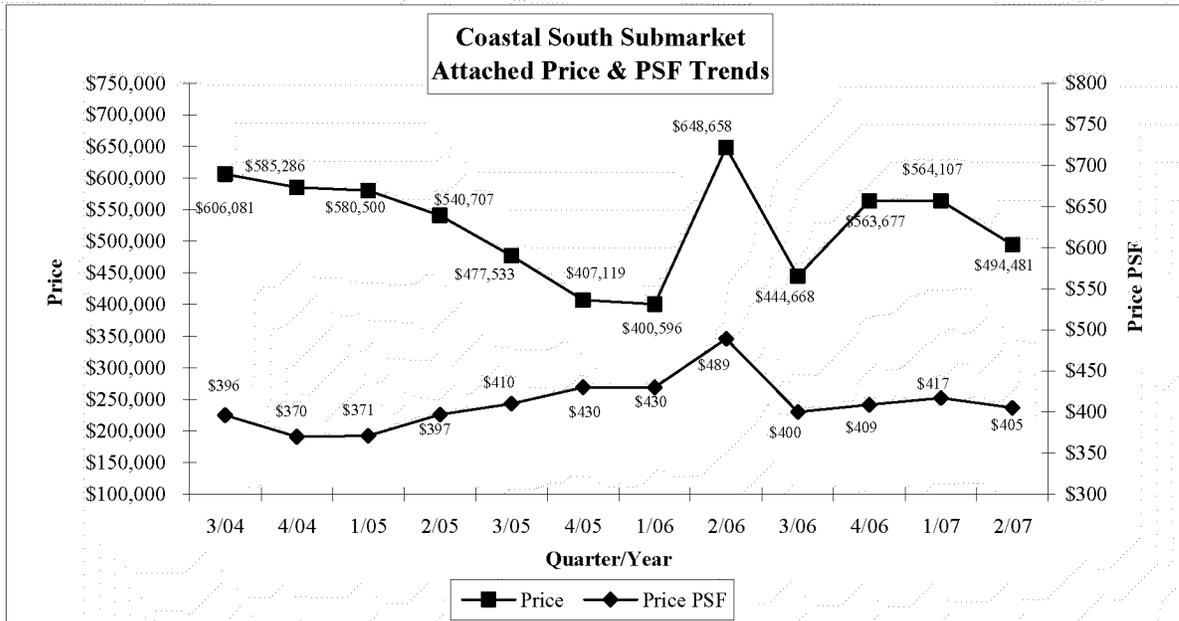
According to Hanley Wood, the Coastal South submarket includes all of San Juan Capistrano. According to Hanley Wood, base pricing drop significantly in Fourth Quarter of 2004 and has stayed relatively unchanged from Fourth Quarter 2004 through Second Quarter 2007. Pricing dropped in Third Quarter 2005 and Fourth Quarter 2006 throughout this period. Pricing in Second Quarter 2007 reflected \$1,243,964, up slightly from the previous quarter. The average home size ranged from 3,124± to 4,122± square feet. Recent surveys have revealed the introduction of incentive packages for buyers as absorption has slowed considerably since 2006.



Source: Hanley Wood

ATTACHED HOUSING PRICING TRENDS – COASTAL SOUTH SUBMARKET

According to Hanley Wood, base pricing gradually decreased from Third Quarter of 2004 through First Quarter 2006, to a low of \$400,596 for the submarket. Pricing increased dramatically in Second Quarter 2006 to a peak of \$648,658, which was followed by a second dramatic drop in Third Quarter 2006. Fourth Quarter 2006 saw another jump back up to \$563,677, which stayed relatively unchanged through First Quarter 2007. However, Second Quarter 2007 saw a drop in pricing to \$494,481. There has been dramatic fluctuations in pricing over the past two years. The average home size ranged from 943± to 1,599± square feet. Recent surveys have revealed the introduction of incentive packages for buyers as absorption has slowed considerably since 2006.



Source: Hanley Wood

The majority of detached sales in the Coastal South submarket were priced between \$1,000,000± and \$1,499,999±, comprising 76%± of total sales in the submarket. The Coastal South submarket includes some of the most expensive real estate in Southern California, which is reflected in the high percentage of \$1,000,000 or greater home sales. Within this price range, the submarket represents 58%± of total sales in Orange County.

DETACHED SALES BY BASE PRICE RANGE				
Coastal South Submarket				
Price Range	Sales (Submarket)	% Sales of Submarket	Sales (County)	Submarket % of County
Less than \$350,000	0	0%	0	0%
\$350,000 to \$399,999	0	0%	0	0%
\$400,000 to \$499,999	0	0%	7	0%
\$500,000 to \$599,999	0	0%	15	0%
\$600,000 to \$749,999	0	0%	59	0%
\$750,000 to \$999,999	16	13%	121	13%
\$1,000,000 to \$1,499,999	93	76%	160	58%
Greater than \$1,500,000	14	11%	72	3%
Total	123	100%	434	---

Source: Hanley Wood (2nd Quarter 2007)

The majority of attached sales in the Coastal South submarket were priced between \$400,000± and \$499,999±, comprising 58%± of total sales in the submarket. Within this price range, the submarket represents 12%± of total sales in Orange County.

ATTACHED SALES BY BASE PRICE RANGE				
<i>Coastal South Submarket</i>				
Price Range	Sales (Submarket)	% Sales of Submarket	Sales (County)	Submarket % of County
Less than \$350,000	0	0%	4	0%
\$350,000 to \$399,999	8	7%	28	1%
\$400,000 to \$499,999	64	58%	190	12%
\$500,000 to \$599,999	17	15%	169	3%
\$600,000 to \$749,999	0	0%	87	0%
\$750,000 to \$999,999	21	19%	72	4%
\$1,000,000 to \$1,499,999	0	0%	5	0%
Greater than \$1,500,000	0	0%	0	0%
Total	110	100%	555	---

Source: Hanley Wood (2nd Quarter 2007)

NEW HOME PRICING SUMMARY

Detached pricing in the Coastal South submarket falls near the middle of the range in terms of affordability in Orange County. The detached product within the Coastal South submarket is an alternative to the Coastal North or Inland South submarkets. Overall, all three submarkets make up the upper tier of pricing within all of Orange County. The most affordable homes are located in the North and Central submarkets, which are primarily non-coastal regions.

NEW PRODUCT PRICING SUMMARY BY SUBMARKET							
<i>Orange County</i>							
Submarket	Detached Housing (Averages)			Submarket	Attached Housing (Averages)		
	Price	Size	PSF		Price	Size	PSF
Coastal North	\$2,957,520	3,485	\$691	Inland South	\$0	0	\$0
Inland South	\$1,607,060	4,248	\$369	Coastal South	\$494,481	1,259	\$405
Coastal South	\$1,243,964	3,446	\$364	Central	\$540,879	1,396	\$403
North	\$992,461	3,221	\$311	Coastal North	\$502,129	989	\$509
Central	\$873,134	2,527	\$355	North	\$645,555	1,920	\$342
Detached Totals	\$1,323,789	3,115	\$399	Attached Totals	\$536,475	1,390	\$402

Source: Hanley Wood (2nd Quarter 2007)

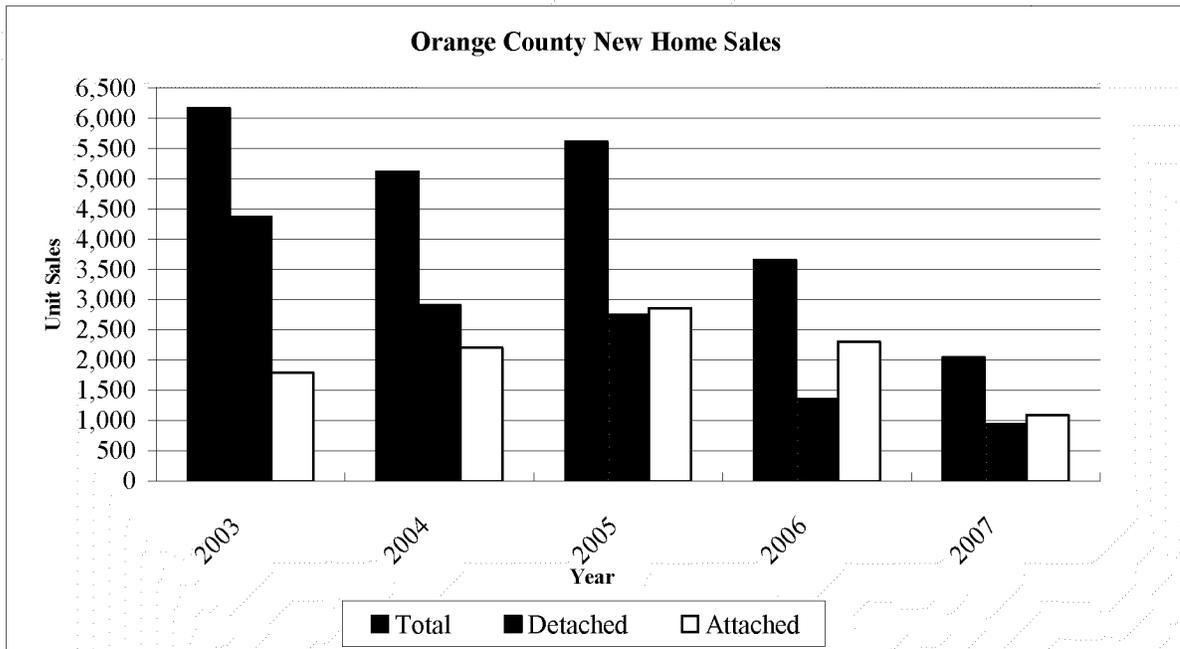
Attached housing has historically been in high demand given the greater affordability it provides. The number of attached projects in Orange County has been on the rise as detached home prices have been increasing over the last 3 years. The Coastal South submarket is near the low-end of the range in terms of affordability, followed by the Coastal North submarket. The Coastal South submarket reflected attached pricing of \$494,481, which is considered reasonably within the low-end of the range for attached product.

SALES & CONSTRUCTION

NEW HOME SALES TRENDS

The following chart exhibits the new home sales activity for detached product in Orange County. Generally, new home sales activity has slowed significantly since 2005 for both detached and attached product.

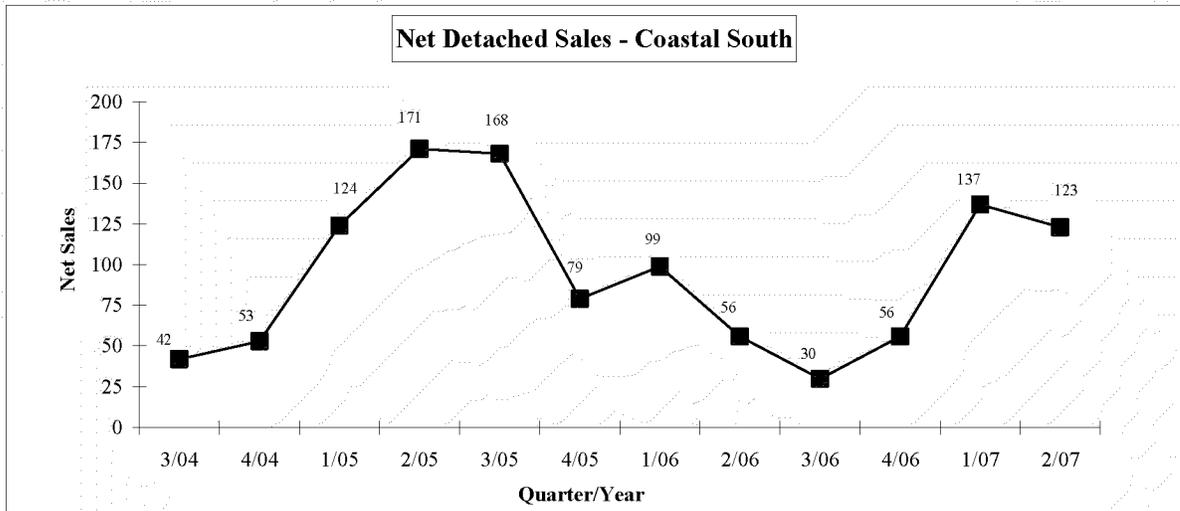
Market conditions have significantly slowed in Orange County, parallel with most of the major markets in the Western Region. Additionally, the rise of interest rates and the sub-prime lending crisis has also been contributing to the recent decrease of sales as marginal home buyers are removed from the ranks of potential buyers. Sales levels may continue at this pace for the next several years until signs of recovery are shown and buyer confidence returns regarding the real estate market.



Source: Hanley Wood

DETACHED PRODUCT

Within the Coastal South submarket, detached product sales fluctuated tremendously over the past three years. Sales steadily increased from Fourth Quarter 2004 to a peak of 171 sales in Second Quarter 2005. A significant drop in detached sales occurred in the 4th Quarter of 2005 coinciding with the decline in market conditions that became evident during that time. In the 1st Quarter of 2006, the market increased primarily due to deals already in the pipeline from the earlier quarter, but dropped significantly again in 2nd and 3rd Quarters of 2006. Detached net sale activity increased dramatically in First Quarter 2007, however, sales dropped slightly in Second Quarter 2007 to 123 sales.

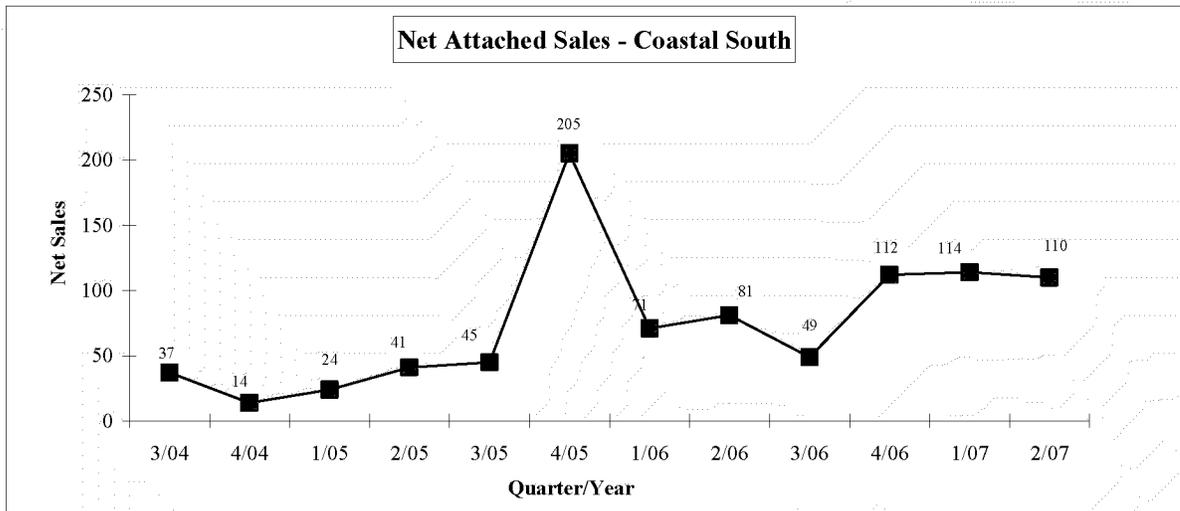


Source: Hanley Wood

The fluctuations can in part be explained by changing levels of supply and seasonal influences which typically reduce the number of sales towards the end of each year, as typically seen over the 3rd and 4th quarters. However, recent project surveys indicate that product absorption has slowed considerably as compared to prior 2006 with sales levels remaining well below the previous year's numbers.

ATTACHED PRODUCT

Within the Coastal South submarket, attached product sales steadily were relatively unchanged from Third Quarter 2004 through Third Quarter 2005. Fourth Quarter 2005 saw a dramatic increase in attached sales, which was promptly followed by a dramatic decrease in sales in First Quarter 2006. Attached sales dropped in Third Quarter 2006, followed by an increase in Fourth Quarter 2006. Since Fourth Quarter 2006 attached sales have stayed relatively unchanged, with Second Quarter 2007 reflecting 110 sales.

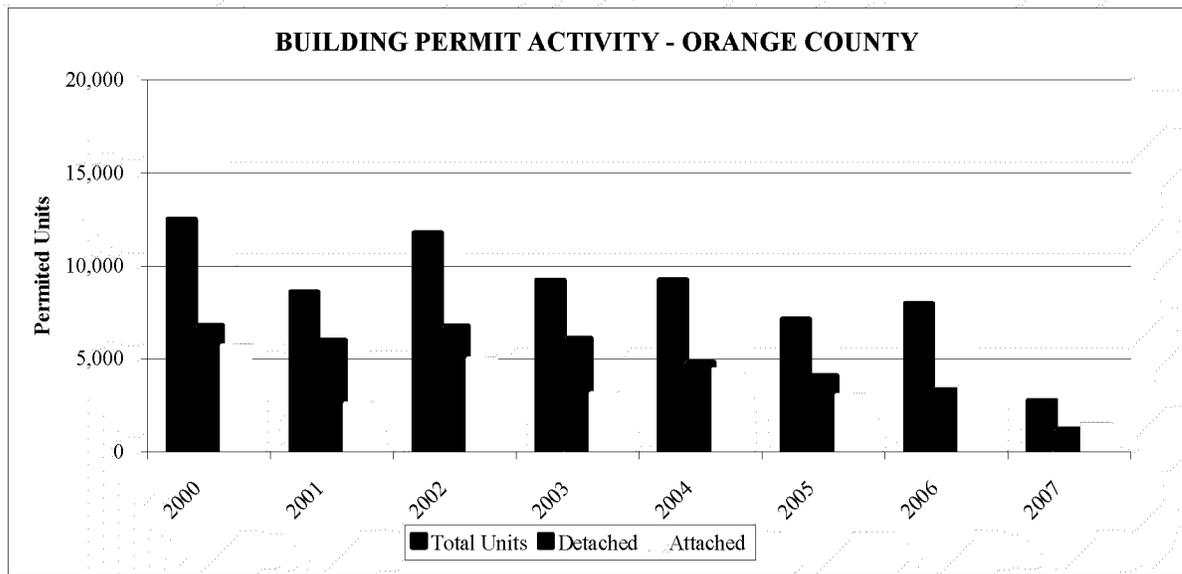


Source: Hanley Wood

CONSTRUCTION PERMIT ACTIVITY

Building permit issuance, like economic conditions, has been cyclical in Orange County over the last 16± years. The number of permits issued fell dramatically during the recessionary years of the mid 1990s. Since then, the total number of permits issued had been increasing up through 2005. A total of 7,143 permits were issued in

2005, with 3,040 attached and 4,103 detached. Historically, the number of attached building permits has been slightly lower when compared to detached product. The increases in permit activity seen since the mid 1990s have resulted from improving economic conditions along with population and employment growth. Permit activity in the short term is expected to stabilize or slightly decline following the recent downturn in the residential market. Once recovery occurs, the subject market is expected to bounce back as demand for more affordable new housing is still projected within the subjects market. However, increases in interest rates and the recent decline in the market may dissuade some buyers. A total of 7,982 permits were issued in 2006, with 4,624 attached and 3,358 detached, an increase of 11.7 percent from 2005. However, through August, 2007 a total of 2,771 total permits were issued with 1,502 attached and 1,269 detached. Given the recent drop in the residential market, total permit activity for 2007 may reach 3,500± units.



Source: US Census Bureau

In the short term permit activity is expected to continue to decline until the market recovers. However, on the long term due to projected population and job growth, permit activity is expected to increase.

CONSTRUCTION PERMIT ACTIVITY – SAN JUAN CAPISTRANO

Building permit activity within San Juan Capistrano increased from 2004 to 2005 from 14 total permits to 70 total permits a 500 percent increase. However, permit activity decreased in 2006 to 36 total permits reflecting a decrease of 94 percent. Similar to the county, residential permit activity has fluctuated throughout San Juan Capistrano. With limited land available throughout the city, a nominal amount of residential permit activity is generated.

Housing Unit Building Permits for: SAN JUAN CAPISTRANO, CA													
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	2004
	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004	2004
Total Units	0	1	0	1	1	0	1	4	2	2	0	2	14
Units in Single-Family Structures	0	1	0	1	1	0	1	4	2	2	0	2	14
Units in All Multi-Family Structures	0	0	0	0	0	0	0	0	0	0	0	0	0
Units in 2-unit Multi-Family Structures	0	0	0	0	0	0	0	0	0	0	0	0	0
Units in 3- and 4-unit Multi-Family Structures	0	0	0	0	0	0	0	0	0	0	0	0	0
Units in 5+ Unit Multi-Family Structures	0	0	0	0	0	0	0	0	0	0	0	0	0

Housing Unit Building Permits for: SAN JUAN CAPISTRANO, CA													
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005
Total Units	0	0	1	14	1	13	1	11	2	0	16	11	70
Units in Single-Family Structures	0	0	1	14	1	13	1	11	2	0	16	11	70
Units in All Multi-Family Structures	0	0	0	0	0	0	0	0	0	0	0	0	0
Units in 2-unit Multi-Family Structures	0	0	0	0	0	0	0	0	0	0	0	0	0
Units in 3- and 4-unit Multi-Family Structures	0	0	0	0	0	0	0	0	0	0	0	0	0
Units in 5+ Unit Multi-Family Structures	0	0	0	0	0	0	0	0	0	0	0	0	0

Housing Unit Building Permits for: SAN JUAN CAPISTRANO, CA													
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006
Total Units	0	12	8	0	11	0	3	1	0	0	1	0	36
Units in Single-Family Structures	0	12	8	0	11	0	3	1	0	0	1	0	36
Units in All Multi-Family Structures	0	0	0	0	0	0	0	0	0	0	0	0	0
Units in 2-unit Multi-Family Structures	0	0	0	0	0	0	0	0	0	0	0	0	0
Units in 3- and 4-unit Multi-Family Structures	0	0	0	0	0	0	0	0	0	0	0	0	0
Units in 5+ Unit Multi-Family Structures	0	0	0	0	0	0	0	0	0	0	0	0	0

As can be seen, 100 percent of the residential permit activity consists of single-family homes. With the development of the subject property, residential permit activity will most likely increase over the next several years.

HOUSING SUPPLY

SUPPLY OVERVIEW

The appraisers analyzed the near-term (unsold and remaining inventory) and future supply of detached homes in Orange County and the Coastal South submarket. Unsold units involve completed homes (standing inventory) and homes under construction in active projects. Remaining inventory for development includes future construction in active projects. Future supply includes proposed units in all stages of the entitlement process. Based upon current demand, Orange County and the Coastal South submarket appear to have adequate near-term supply of detached product. However, the Coastal South submarket appears to have an abundant amount of unsold inventory, accounting for 46% of the total unsold inventory for the region. Attached product in Orange County and the Coastal South submarket has had similar to detached product, as detached home prices are relatively high throughout Orange County. The number of attached projects in Orange County has been on the rise as detached home prices have been increasing over the last 3 years becoming less affordable. There are 11 attached projects currently within the Coastal South submarket.

NEW HOUSING - EXISTING & FUTURE SUPPLY								
<i>Pacifica San Juan Master Plan, San Juan Capistrano, California</i>								
Product	Orange County				Coastal South Submarket			
	# of Projects	Unsold Inventory⁽¹⁾	Remaining Inventory⁽²⁾	Future Supply⁽³⁾	# of Projects	Unsold Inventory⁽¹⁾	Remaining Inventory⁽²⁾	Future Supply⁽³⁾
Attached	62	187	3,270	12,199	11	99	636	1,816
Detached	76	66	1,915	8,609	21	18	507	2,199
Totals	138	253	5,185	20,808	32	117	1,143	4,015
% of County	---	---	---	---	23%	46%	22%	19%
⁽¹⁾ <i>Unsold inventory includes completed homes and homes under construction in active projects.</i>								
⁽²⁾ <i>Remaining inventory includes future construction in active projects.</i>								
⁽³⁾ <i>Future supply includes proposed units in submitted entitlement process.</i>								
<i>Source: Hanley Wood (2nd Quarter 2007)</i>								

Overall, the Coastal South submarket makes up 46%± of the region's unsold supply, 22%± of remaining supply, and 19%± of future supply. Thus, it appears the submarket will capture a large portion of total near-term but a smaller percentage of future home sales as the other submarkets approach build-out. As of August 2007, the Coastal South submarket ranked second in attached supply, second in detached supply and second in total future supply. The percentage of Coastal South submarket supply, relative to the region, should keep pace and eventually increase with the recovery of the market.

It should be noted, supply may have been increasing to meet increasing demand, but increasing demand does not imply increasing supply.

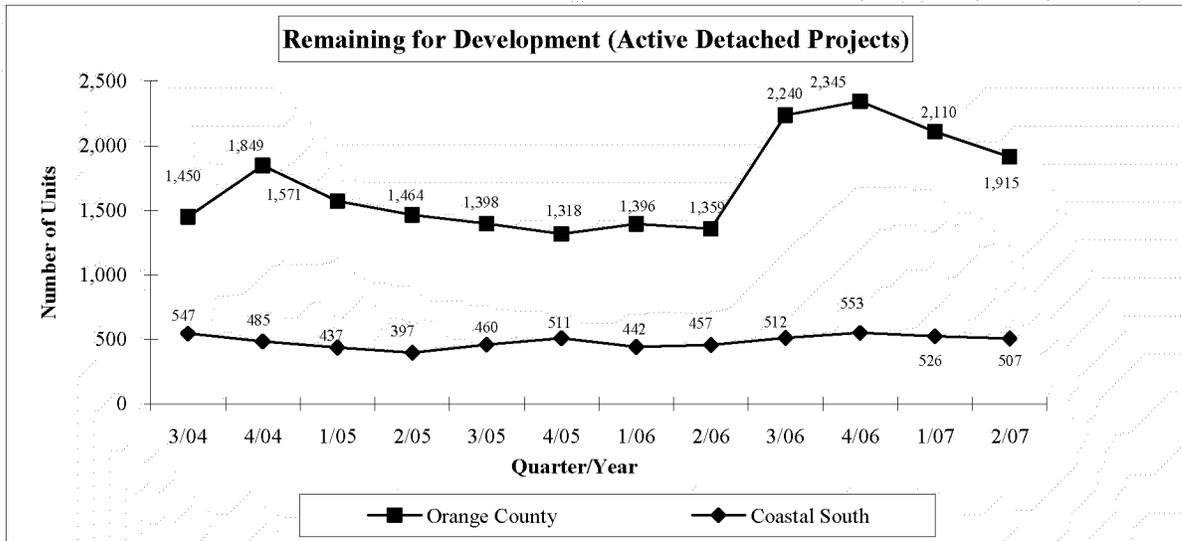
FUTURE SUPPLY BY SUBMARKET						
<i>Pacifica San Juan Master Plan, San Juan Capistrano, California</i>						
Submarket	Attached Units		Detached Units		Total Units	
	SubTotal	% Total	SubTotal	% Tot	Units	% Total
Coastal North	344	3%	689	8%	1,033	5%
Central	8,235	68%	3,472	40%	11,707	56%
North	929	8%	1,401	16%	2,330	11%
Coastal South	1,816	15%	2,199	26%	4,015	19%
Inland South	875	7%	848	10%	1,723	8%
Grand Totals	12,199	100%	8,609	100%	20,808	100%
<i>Source: Hanley Wood (2nd Quarter 2007)</i>						

SUPPLY TRENDS

Over the last 3 years, the county's supply of detached units remaining for development has generally increased as demand for more detached product continued to increase. As defined here, units remaining for development encompass future construction in active for-sale developments, or those units not yet brought to market. The supply of remaining inventory would increase as long as the number of new projects and inventory outpaced demand, which was seen up until Fourth Quarter 2006. Supply of remaining inventory began to decrease over the subsequent quarters as the market peaked and demand most likely outweighed incoming supply.

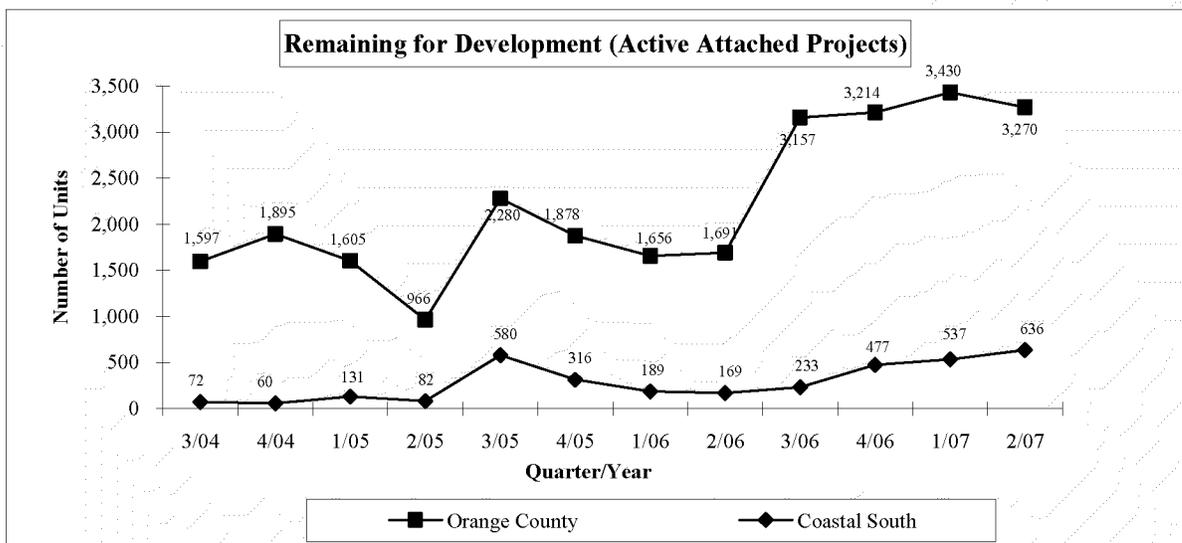
At the submarket level, units remaining for development have been relatively flat over the last several years. Recent market surveys have indicated a softening in the market as absorption has slowed and builder's construction schedules are extended. All indications point to a continued slowdown in the market as a result of

tightening lending standards and consumer confidence at lowered levels. It will be several years before the remaining inventory is absorbed the market returns to more stabilized levels.



Source: Hanley Wood

Over the last 3 years, the county’s supply of attached units remaining for development has generally increased as demand for more detached product continued to increase. The market has peaked in First Quarter 2007 with total units at 3,430. The attached product has slowed as a result of market conditions. At the submarket level units remaining for development have followed similar trends to the county, in general.



Source: Hanley Wood

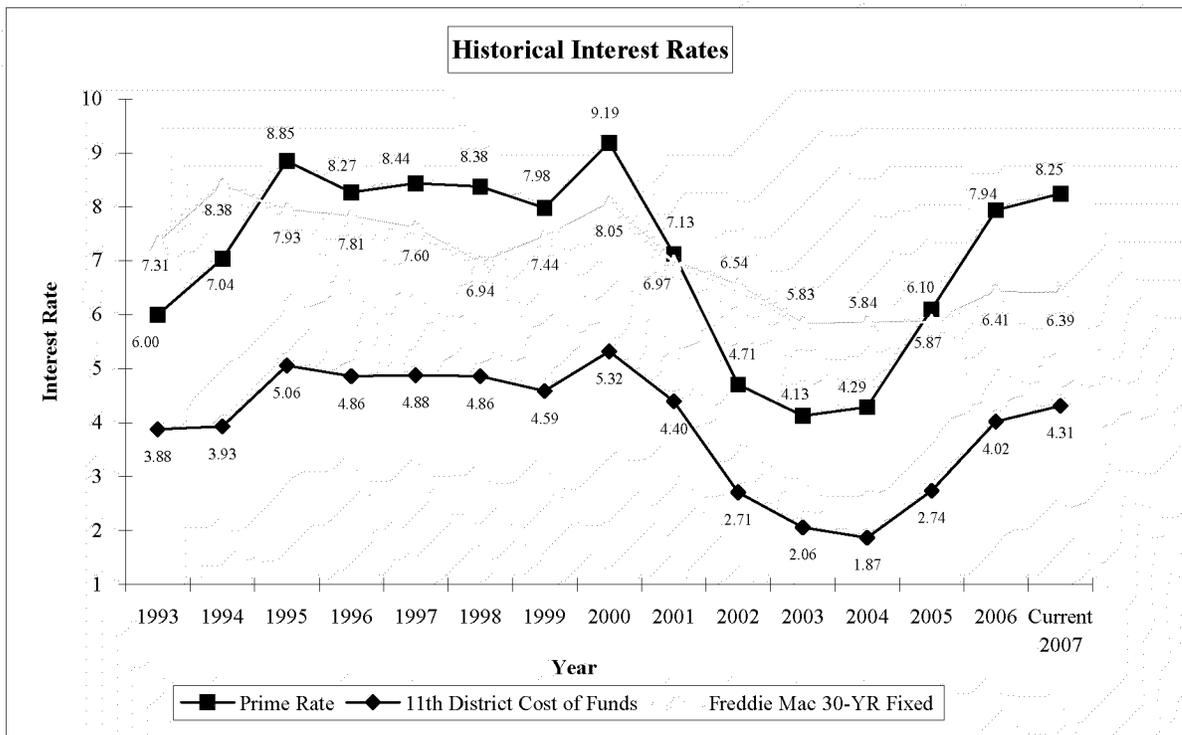
SUPPLY SUMMARY

Near-term and future detached supply levels in Orange County and the Coastal South submarket appear to be over-supplied for current demand. Near-term and future supply of attached housing has been marginal given the relatively low detached home prices and adequate availability of developable land zoned for detached residential use. However, the number of attached projects has been on the rise as detached home prices in Orange County

are becoming less affordable. Housing supply in the submarket is expected to remain steady or increase over the next 20 years as demand continues. Any increase in supply will emphasize the importance for competitive product offerings and pricing, land use mix, extensive marketing programs, etc. Although from an entitlement standpoint there is adequate future supply, all of said supply will not be concurrently brought to market and it is likely that demand levels and infrastructure constraints will dictate the velocity with which new inventory is brought online.

PURCHASING POWER/AFFORDABILITY

A significant part of the affordability equation is interest rates. Mortgage interest rates and the availability of financing in the subject’s submarket are similar to that of the region.



Source: Mortgagecafe & Freddie Mac

Although difficult to predict over an extended period, mortgage interest rates continue to remain at levels allowing for consistent purchasing power by prospective buyers. As of 2004, mortgage interest fixed rates on 30-year conforming loans and 1-year adjustable loans were at their lowest in 40 years, but have been increasing during the past 3 years. Of note, as of mid 2007, the prime rate was near 8.25%

The appraisers analyzed Orange County and the city of San Juan Capistrano with regard to household income levels. The purchasing power of households within the city of San Juan Capistrano is higher than the county due to the city’s affluent coastal location. Within San Juan Capistrano, 18%± of households earn less than \$29,999 as compared to 23%± at the county level, and 29%± of households earn less than \$50,000 as compared to 37%± at the county level. The median income of Orange County as a whole is lower overall than the affluent Coastal South submarket.

PLANNED AND PROPOSED UNITS – COASTAL SOUTH SUBMARKET

We have primarily relied on the most recent Concord Group study (June 2007), which provided us the current planned and proposed residential units within the Coastal South submarket. The chart on the following page summarizes the Concord Group's residential statistical data.

As can be seen from the statistical data provided, there are currently 3,620 units planned and proposed within the Coastal South submarket for 2007. Specifically, the city of San Juan Capistrano includes 591 total units, of which the subject makes up 300 of the 591 total units.

PLANNED/PROPOSED CHART

APPENDIX B

PLANNED AND PROPOSED NEW HOME DEVELOPMENT
CMA - SOUTH COASTAL ORANGE COUNTY
JUNE 2007

Community	Builder	Location	Total Units	Gross Project Acreage	Status
DANA POINT					
The Strand at Headlands; Phase II	Meadland Development; Headlands LLC	OHPCH on Selva	84	NA	Under Construction
TTM16730	RDH Group Development	35200 Del Rey	10	1.8	Approved
TTM16879	Sea Bright Cove at Dana Point, LLC	Stone Hill Drive and Ocean View Drive	7	1.4	Approved
NA	NA	PCH and Del Obispo	150	8.0	Pending
		Total Under Construction - Tract:	84	NA	
		Total Under Construction - MPC:	0	0	
		Total Approved:	17	3	
		Total Pending:	150	8	
		Total Dana Point:	251	11	
SAN JUAN CAPISTRANO					
Pacificia San Juan	SunCal	North Of Camino Las Ramblas And East Of 5 Fwy	300	85	Under Construction
Whispering Hills	Concorde Development	South Of San Juan Creek Rd and La Pata	155	314	Under Construction
Honeyman Ranch	William Lyon	Ortega and Rancho Viejo Road	129	79	Under Construction
Belladonna Estates	Scalzo Family Trust	Del Obispo Street and Camino Del Avion	32	17	TTM Approved
San Juan Meadows	NA	Valle Road and Camino Los Ramblas	275	NA	TTM Approved
		Total Under Construction - Tract:	284	393	
		Total Under Construction - MPC:	0	0	
		Total Approved:	307	17	
		Total Pending:	0	0	
		Total San Juan Capistrano:	591	410	
COSTA MESA					
Plaza Residences	NA	1901 Newport Boulevard	145	NA	Approved
NA	NA	330-340 West Bay Street	32	NA	Approved
Westside Urban Lofts	NA	Monrovia and Babcock	135	NA	Approved
Jabco Industries Site	McCray Properties, LLC	N of Dale Ave & W of College Ave	138	2	Pending
Symphony Towers	Stockbridge/Sakioka	Anton and Avenue of the Arts	484	NA	Pending
Segerstrom Town Center	South Coast Plaza Partners	Bristol and Sunflower	50	NA	Pending
OC Museum of Art	OC Performing Arts Center	605 Town Center Drive	80	NA	Pending; Preliminary design stage
580 Anton Blvd.	Roger Allensworth	580 Anton Boulevard	270	NA	Pending; Preliminary design stage
Pacific Arts Plaza	Maguire Properties	Bristol and Anton	300	NA	Pending; Preliminary design stage
		Total Under Construction - Tract:	0	0	
		Total Under Construction - MPC:	0	0	
		Total Approved:	312	0	
		Total Pending:	1,322	2	
		Total Costa Mesa:	1,634	2	

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THE CONCORD GROUP

PLANNED/PROPOSED CHART

APPENDIX B

**PLANNED AND PROPOSED NEW HOME DEVELOPMENT
CMA - SOUTH COASTAL ORANGE COUNTY
JUNE 2007**

Community	Builder	Location	Total Units	Gross Project Acreage	Status
NEWPORT BEACH					
PA2004-123	Monrovia Avenue, LLC	1441-1449, 1515-1519 Monrovia Avenue	42	4.2	Environmental Impact Report
PA-2004-169	Lennar Homes	S Of Santa Barbara Dr & W Of Newport Center Dr	79	NA	Pending
Pa 03-0075	Irvine Company	South Of Pelican Hill Rd And West Of Newport Coast Dr	31	20.0	Pending
PA 2005-196	NA	201 Camarion Avenue	9	NA	Pending
PA2005-140	Golf Realty Fund	1602 E. Coast Highway	32	NA	Pending
PA2004-251	Brookfield Homes	1301 Quail Street	86	3.7	Pending - Currently Inactive
PA2005-165	WPI Investment, LLC	4699 Janhoree Road	82	NA	Pending - Currently Inactive
		Total Under Construction - Tract:	0	NA	
		Total Under Construction - MPC:	0	NA	
		Total Approved:	420	4.2	
		Total Pending:	319	24	
		Total Newport Beach:	361	27.9	
NEWPORT COAST					
Bridgport Mixed Use Development	South Coast Shipyard & Design Center	SW Corner Of The Arcade & 23rd St	31	NA	Environmental Impact Report
		Total Under Construction - Tract:	0	NA	
		Total Under Construction - MPC:	0	NA	
		Total Approved:	310	0.0	
		Total Pending:	0	0.0	
		Total Newport Coast:	31	0.0	
SAN CLEMENTE					
Marblehead	SunCal	Interstate 5 and Camino Avenue Pico	213	72	Under Construction
Tulega	Tulega	Avenida Pico & Camino Tierra Grand	100	NA	Under Construction
Pacific Golf Course Conversion	Pacific Golf, LLC	New Pico and La Pata	300	NA	Pending
Forster Ranch	City of San Clemente	SW of Avenida La Pata and Avenida Vista Hermosa	135	9	Not in Planning
		Total Under Construction - Tract:	0	0	
		Total Under Construction - MPC:	100	72	
		Total Approved:	0	0	
		Total Pending:	300	NA	
		Total San Clemente:	400	72	

PLANNED/PROPOSED CHART

APPENDIX B

**PLANNED AND PROPOSED NEW HOME DEVELOPMENT
CMA - SOUTH COASTAL ORANGE COUNTY
JUNE 2007**

<u>Community</u>	<u>Builder</u>	<u>Location</u>	<u>Total Units</u>	<u>Gross Project Acreage</u>	<u>Status</u>
ALISO VIEJO					
Glenwood	Shea Homes	Glenwood Drive and Aliso Creek Road	200	NA	Under Construction
Ventana Ridge	BMR Development	West of Aliso Viejo Golf Club off Eastwig	12	2	Under Construction
The Commons at Aliso Town Center	P&Z Development	Across from the Town Center off Aliso Creek Road	140	NA	Approved
		Total Under Construction - Tract:	12	2	
		Total Under Construction - MPC:	200	0	
		Total Approved:	140	0	
		Total Pending:	0	0	
		Total Aliso Viejo:	352	2	
		TOTAL PLANNED AND PROPOSED:	3,620	525	

COMPETITIVE MASTER-PLANS

DIRECT COMPETITION – SAN JUAN CAPISTRANO

There are currently only three larger residential projects within San Juan Capistrano that are currently approved (Pacifica San Juan, Whispering Hills and Rancho Madrina) and one project that is currently in the planning process (San Juan Meadows). It should be noted, there is limited land within San Juan Capistrano that is remaining and available for residential development. The following is a discussion of these residential developments.

- The San Juan Meadows development is located in close proximity to the subject (1/4 mile north) and represents rolling hillside terrain. According to the San Juan Capistrano Planning Department, this development is planned for approximately 440 residential units (275 single family and 165 multi-family units). This project has a current application with the city and is going through the approval process. The timing of any approved entitlements is not known, but would likely occur within the next 12 to 18 months. It should be noted a portion of this site was formerly a public land fill. Any residential development that occurs on the site will be on developable land that is clear of any environmental issues. Even though in close proximity, the San Juan Meadows site is not considered to have a negative impact on the marketability of the subject lots (as evidenced by the subject's pending finished lot sales discussed later in the report).
- The Whispering Hills development is currently approved for 155 single family detached homes. The site is located approximately 3 miles northeast of the subject property. This development will offer some territorial views of the surrounding hills, but does not have the significant view amenity like the Pacifica San Juan development (harbor views). There is a pending land sale within this development that is discussed later in the report.
- The Rancho Madrina development is approved for 119 single family homes and is currently under development. There are two actively selling projects known as Floralisa and Estrella Rosa (William Lyon Homes – builder). The Floralisa project offers homes ranging in size from approximately 3,360 sf up to 4,400 sf with retail home prices from \$1,300,000 to \$1,400,000 (7,2000 sf minimum lots). The Estrella Rosa project offers homes ranging in size from approximately 4,800 sf up to 5,500 sf with retail home prices from \$1,600,000 to \$2,000,000 (12,000+ sf minimum lots). These two projects within the Rancho Madrina master plan are nearly 50% sold out and will be completely sold out within the next 12 months or less.

INDIRECT COMPETITION

The Pacifica San Juan development will consist of 387 residential dwelling units. The subject is planned for 102 attached or small lot detached homes and the remaining 285 lots will be single family detached homes (6,000 sf up to 12,000 sf minimum lots). The subject development will offer good to excellent territorial and harbor views. Consequently, the Marblehead master plan, which is being developed by SunCal, within the City of San Clemente is considered indirect competition as is discussed below.

- The Marblehead development will consist of 313 single family detached homes with minimum lots ranging from 4,200 sf up to 7,000 sf. The average retail pricing of the homes likely be over \$2,000,000. It should be noted, the Marblehead master plan is located on a bluff overlooking the Pacific Ocean and will offer some excellent ocean and territorial views. Marblehead is considered a very desirable coastal oriented residential development.

- The Talega master plan is located several miles south of the subject property within the City of San Clemente. Talega is nearing completion with most of the residential lots and homes sold out.

COASTAL DEVELOPMENTS

We have also given consideration to specific coastal developments throughout Orange County, which we have deemed additional competition. In particular, developments located in Huntington Beach, Seal Beach, Costa Mesa, Newport Coast (Crystal Cove) and Laguna Niguel.

HUNTINGTON BEACH

There is currently one development surveyed within Huntington Beach, Brightwater by Hearthside Homes, which is currently constructing model units. The models are projected to be completed by Summer 2007. Current plans call for four distinctive neighborhoods The Sands, The Trails, The Cliffs and The Breakers which will offer a wide variety of homes ranging from approximately 1,700 to 4,100 square feet on homesites measuring approximately 3,000 to over 6,000 square feet. Located on a bluff above Pacific Coast Highway at Warner Avenue the entire development will total 105 acres and include 356 homes. The development will offer several homes with unobstructed ocean views along with several homes offering views of the Bolsa Chica wetlands.

As of October 2007, base home pricing for the Trails start at \$1,030,990 to \$1,255,990 for homes ranging from 1,722 to 1,953 square feet. Base home pricing for the Sands start at \$1,145,990 to \$1,263,990 for homes ranging from 1,927 to 2,161 square feet. Base home pricing for the Cliffs start at \$1,650,000 to \$1,854,000 for homes ranging from 2,754 to 3,465 square feet. Base home pricing for the Breakers start at \$1,795,000 to \$2,081,000 for homes ranging from 3,065 to 4,110 square feet. It should be noted, the above pricing consists of base home pricing and does not consider any lot premiums.

SEAL BEACH

There was only one development surveyed within Seal Beach, Heron Pointe, which had no homes available at the time of inspection. The project was located inland, with no ocean views. However, the project did have some distant wetland views. The Seal Beach project reflected pricing ranging from \$1.5 to \$1.9 million for homes ranging from 3,578 square feet to 4,223 square feet. Home sales reflected just over 4 sales a month.

COSTA MESA

There were two developments surveyed within Costa Mesa, Half Moon Lane and the Bungalows at Bay Street. Both of the developments had approximately 25 percent of their inventory available at the time of inspection. Both of the projects had inland locations with no ocean or territorial views. The projects reflected current pricing ranging from \$855,000 to \$1,850,990 for homes ranging from 1,693 square feet to 3,622 square feet. Home sales generally range from 1 to 3 sales a month.

NEWPORT COAST (CRYSTAL COVE)

Crystal Cove is part of the Irvine Ranch, which consists of approximately 612 acres above Pacific Coast Highway between Newport Beach and Laguna Beach. There are several neighborhoods within this large coastal project, which is situated behind private gates, above the Pacific Ocean and the protected open spaces of Los Trancos and Muddy Canyons. Within the development are several public parks, ball fields, several pools/spas, outdoor fireplaces with tables, barbeque areas, recreational areas and access to a network of hiking and biking trails. Crystal Cove also benefits greatly from its Newport Beach address, which is recognized worldwide. This is also reflected in the current buyers within Crystal Cove, which consists of local, national and international buyers. The Crystal Cove projects reflect current pricing ranging from \$2.2 million and up to over \$5.0 million for homes ranging from 2,918 square feet to 7,473 square feet. Home sales generally range from 2 to 4 sales a month.

LAGUNA NIGUEL

There were two developments surveyed within Laguna Niguel, Glencove and Somerset Ridge, with Glencove having several homes available for sale at the time of inspection. Somerset Ridge was completely sold out. The Glencove project was located inland, with only distant ocean views, however, Somerset Ridge included ocean view lots. The Laguna Niguel projects reflect current pricing ranging from \$1.0 million to \$1.4 million for homes ranging from 2,579 square feet to 3,345 square feet. Home sales generally range from 1 to 4 sales a month.

NEW HOME BUYER PROFILE

According to local area participants, the typical buyer in the subject's area for new homes is for the most part a move-up buyer. There is also a moderate percentage of first time home buyers with the rest being retirees. These move up home buyers are primarily coming from Orange County and nearby counties within Southern California (Los Angeles and San Diego County). They are attracted to the subject's area for its mild climate, proximity to recreational amenities (i.e. nearby beaches and Dana Point Harbor, etc.) and desirable quality of life. The subject development will offer a variety of products from attached homes up to large estate lots (12,000 sf minimum). The subject development will cater primarily to the move up homebuyers with some retirees and first time buyers that desire a view oriented development with convenient coastal proximity.

CONCLUSION – RESIDENTIAL MARKET – ORANGE COUNTY

Orange County saw a sharp decline in sales activity throughout 2006 and 2007, reflecting the slowing of the residential market.

Overall, the general trends in indicators during the past year have indicated caution. In the event, the county's economy weakens or if interest rates continue to rise, home prices and sales activity would continue to be negatively impacted. This increased inventory of supply of homes will have a direct negative effect of the value of finished lots in the local area. Homebuilders have slowed, and in many cases stopped residential construction and are taking a more cautious approach to future developments. This has resulted in minimal residential lot sales in the market over the last 12 months. Homebuilders are generally on hold on purchases of if contemplating purchases it is with lots are in finished condition. Acquisition of finished lots minimizes development risk and speeds delivery of product. Consequently, we have reflected current market conditions in our finished lot value conclusions, which is lower than the conclusions in our previous appraisal update.

As discussed earlier, the sub-prime collapse has reduced the pool of potential buyers for new homes and increased the likelihood that additional supply may flood the market in the form of foreclosures. Consequently, homebuilders have slowed residential construction and are taking a more cautious approach to future developments. This has resulted in a stalemate between residential land developers and homebuilders regarding residential lot sales. Hence, there have been few if any residential lots sales within Orange County over the last 12 months. Homebuilders that are contemplating purchases wish to acquire the lots in finished condition which helps minimize development risk and speed delivery of development. Additionally, most homebuilders are looking for phased takedowns from a land developer with a smaller number of lots (6 to 12 lots) purchased at any one time.

Those factors typically employed to estimate effective demand for housing would indicate that demand should continue at more moderate levels. The population is increasing within Orange County with employment opportunities on the rise as the result of continued positive job growth. Moreover, interest rates still remain at historically low levels. Recent market surveys indicate that residential home absorption within Orange County has slowed considerably since 2005. However, Orange County continues to be one of the more affluent housing markets in California, specifically the Coastal submarkets. Thus, demand will most likely be moderate in the short term, with increasing demand as market recovery occurs.

RESIDENTIAL PRODUCT AND PRICING

SUBJECT LAND USE

Pacifica San Juan has 6 residential planning areas and 4 product types. The appraisers have analyzed the residential planning areas based on the 4 product types. In our product analysis we chose a representative planning area population for each product type. In this discussion we will analyze the market data and develop our revenue estimates (base price) for each product type. We have reviewed competitive home pricing by submarket, lot size, and on a project-by-project basis. The appraisers then formulated hypothetical product and pricing assumptions for the subject's attached and detached product.

For use in the development approach, the appraisers' hypothetical pricing was intended to be price and price point (\$/SF) competitive with other submarket master plans and stand-alone projects, as well as adjacent comparative submarkets, while taking into consideration the various marketing factors that effect price (i.e. location, quality, lot size, tax rates, master plan amenities, etc.). It is our understanding the developer used the product recommendations stated in the Coastal South Orange County Update Concord Study dated June 22, 2007 as a basis for product pricing.

The appraisers conducted a field review in October of 2007 of the subject's immediate market. The chart at the end of this section summarizes our findings and will be referenced in the following discussion.

In estimating the hypothetical product and associated pricing, we have analyzed: (1) The Concord data provided in the most recent study; (2) compared the Concord Study findings to Hanley Wood Local Market Intelligence; and (3) conducted a field study survey of local projects in the area. In our analysis we have delineated our study by lot size for detached product, and product type (i.e. townhomes, low-rise, and high-rise) for attached product.

The following is a discussion of our findings and our conclusions for each product type. A more detailed summary by project is presented in the Addenda.

PRODUCT TYPE 1 AND 2 – ATTACHED PRODUCT (8.0 DU/AC)

The developer proposed 102 attached homes on 8.0 dwelling units per acre with two weighted average product sizes of 1,326 and 2,250 square feet and an estimated base pricing of \$609,600 and \$956,250, or \$425 and \$460 per square foot. A market study provided by the developer from The Concord Group estimated a downside weighted average base price of \$762,000, or \$575 per square foot for the 1,326 square foot product and \$1,125,000 or \$500 per square foot for the 2,250 square foot product. Our examination of the project detail within the Concord report indicated the average price net of concessions for attached product ranged from \$243,330 to \$2,939,750, with a weighted average of \$431,277. According to the Concord data the weighted average size is 1,083 square feet and for Hanley Wood is 1,220 square feet. On a price per square foot basis Concord has indicated mid price point at \$597, whereas Hanley Wood has indicated a mid price point at \$747. Our examination of Hanley Wood data indicated a base price range of \$388,500 to \$3,500,000 or a weighted average of \$582,019.

The appraiser's surveyed the following project's: Harbor Station at Glenwood, Citywalk at Vantis and Sea Villas and confirmed a base price net of concessions of ranging from \$526,657 to \$3,500,000 (\$409 to \$1,154 psf) based on 1,287 to 3,032 square foot homes. Harbor station at Glenwood was considered inferior in location and size, while Sea Villas was considered superior due to its larger size.

The Concord and Hanley Wood data along with the appraiser's survey suggest a weighted average price for this product type between \$600,000 to \$900,000. Qualitative adjustments were applied to the weighted average base price estimate for home size, concessions and location. After adjustments the appraisers estimated average base pricing of \$610,000 or \$460 per square foot for the 8.0 DU/AC (Smaller Home) product type and \$875,000 or

\$389 per square foot for the 8.0 DU/AC (Larger Home) product type. Our base pricing is similar to the developer's estimate for the smaller home product, but lower than the developer for the larger home product.

COMPETITIVE ATTACHED PROJECTS AND PRICING																
Opened Sales	No. Units	Hanley Wood		Concord		Hanley Wood	Concord	Hanley Wood		Concord		Hanley Wood	Concord	Average Lot Premium	HOA	Tax Rate
		Abs. /Mo.	Last 3 Mo. Abs.	Abs. /Mo.	Last 3 Months	Average Home Size	Average Home Size	Average Price Net of Concessions	Average Price Net Concessions	Average Price PSF Net Concessions	Average Price PSF Net Concessions					
Min	18	0.68	0.3	0.7	0.0	947	906	\$388,500	\$243,330	\$339.93	\$213.07	\$0	\$143	1.03%		
Max	344	12.69	9.67	12.20	8.70	3,032	2,997	\$3,500,000	\$2,939,750	\$1,154.35	\$980.90	\$15,000	\$550	3.00%		
Wtd Avg		---	---	---	---	1,220	1,083	\$582,019	\$431,277	---	---	---	\$292	1.56%		

PRODUCT TYPE 3 - DETACHED 7,800 SQUARE FOOT LOTS

The developer proposed 104 detached homes on 7,800 square foot lots with a weighted average product size of 3,900 square feet and an estimated base pricing of \$1,449,600, or \$372 per square foot. A market study provided by the developer from The Concord Group estimated a downside weighted average base price of \$1,812,000, or \$465 per square foot. Our examination of the project detail within the Concord report indicated the average price net of concessions for product with lot size from 6,000 to 8,200 square feet to range from \$1,179,233 to \$3,944,245, with a weighted average of \$1,648,767. According to the Concord data the weighted average size is 3,619 square feet and for Hanley Wood is 3,641 square feet. On a price per square foot basis Concord has indicated mid price point at \$581, whereas Hanley Wood has indicated a mid price point at \$332. Our examination of Hanley Wood data indicated a base price range of \$1,049,700 to \$1,302,667 or a weighted average of \$1,182,447.

The appraisers surveyed the following projects: Belle Cliff at Pacifica San Juan (subject), Coastline at Pacifica San Juan (subject), Blue Harbor at Pacifica San Juan (subject), Alta at Talega and confirmed a base price net of concessions ranging from \$977,500 to \$1,725,667 (\$308 to \$392 psf) based on 2,920 to 5,016 square foot homes. Belle Cliffs, Coastline and Blue Harbor are all considered inferior due to their smaller lot and home sizes. However, Alta at Talega was considered superior due to its larger lot and home size.

The Concord and Hanley Wood data along with the appraiser's survey suggest a weighted average price for this product type between \$1,300,000 to \$1,400,000. Qualitative adjustments were applied to the weighted average base price estimate for home size, concessions and location. After adjustments the appraisers estimated average base pricing of \$1,350,000 or \$346 per square foot for this product type. Our base pricing is below the developer's estimate. The following chart summarizes our findings for this grouping.

COMPETITIVE DETACHED PROJECTS AND PRICING FOR PROJECTS FROM 6,000 TO 8,200 SQUARE FEET																
Opened Sales	No. Units	Hanley Wood		Concord		Hanley Wood	Concord	Hanley Wood		Concord		Hanley Wood	Concord	Average Lot Premium	HOA	Tax Rate
		Abs. /Mo.	Last 3 Mo. Abs.	Abs. /Mo.	Last 3 Months	Average Home Size	Average Home Size	Average Price Net of Concessions	Average Price Net Concessions	Average Price PSF Net Concessions	Average Price PSF Net Concessions					
Min	42	1.91	0.0	0.0	0.0	2,920	3,118	\$1,049,700	\$1,179,233	\$270.36	\$289.02	\$0	\$150	1.00%		
Max	185	4.98	4.00	6.8	3.7	4,300	4,513	\$1,302,667	\$3,944,245	\$392.69	\$873.97	\$300,000	\$469	1.60%		
Wtd Avg		---	---	---	---	3,641	3,619	\$1,182,447	\$1,648,767	---	---	---	\$302	1.35%		

PRODUCT TYPE 4 - DETACHED 12,000 SQUARE FOOT LOTS

The developer proposed 21 detached homes on 12,000 square foot lots with a weighted average product size of 5,394 square feet and an estimated base pricing of \$1,960,000, or \$363 per square foot. A market study provided by the developer from The Concord Group estimated a downside weighted average base price of \$2,450,000, or \$454 per square foot. Our examination of the project detail within the Concord report indicated the average price net of concessions for product with lot size from 9,000 to 17,000 square feet to range from \$1,637,500 to \$7,176,333, with a weighted average of \$3,536,550. According to the Concord data the weighted average size is 5,908 square feet and for Hanley Wood is 5,410 square feet. On a price per square foot basis Concord has indicated mid price point at \$682, whereas Hanley Wood has indicated a mid price point at \$380. Our examination of Hanley Wood data indicated a base price range of \$1,725,667 to \$2,445,500 or a weighted average of \$2,054,556.

The appraisers surveyed the following projects: Alta at Talega, Lucia at Talega and confirmed a base price net of concessions ranging from \$1,725,667 to \$2,445,500 (\$344 to \$415 psf) based on 5,016 to 5,879 square foot homes. Alta at Talega was considered inferior due to its smaller lot and home size, while Lucia was considered superior due to its larger home size.

The Concord and Hanley Wood data along with the appraiser's survey suggest a weighted average price for this product type between \$1,800,000 to \$2,000,000. Qualitative adjustments were applied to the weighted average base price estimate for home size, concessions and location. After adjustments the appraisers estimated average base pricing of \$1,900,000 or \$352 per square foot for this product type. Our base pricing is below the developer's estimate. The following chart summarizes our findings for this grouping.

COMPETITIVE DETACHED PROJECTS AND PRICING FOR PROJECTS FROM 9,000 TO 17,000 SQUARE FEET														
Opened Sales	No. Units	Hanley Wood		Concord		Hanley Wood Average Home Size	Concord Average Home Size	Hanley Wood		Concord		Average Lot Premium	HOA	Tax Rate
		Abs. /Mo.	Last 3 Mo. Abs. /Mo.	Abs. /Mo.	Last 3 Months			Average Price Net of Concessions	Average Price Net Concessions	Average Price PSF Net Concessions	Average Price PSF Net Concessions			
Min	29	1.45	1.0	1.4	0.0	5,016	4,971	\$1,725,667	\$1,637,500	\$344.03	\$329.41	\$0	\$150	1.50%
Max	63	1.69	2.00	3.0	3.0	5,879	6,929	\$2,445,500	\$7,176,333	\$415.97	\$1,035.70	\$300,000	\$600	1.60%
Wtd Avg	---	---	---	---	---	5,410	5,808	\$2,054,556	\$3,536,550	---	---	---	\$381	1.57%

COMPETITIVE PROJECT SUMMARY

Project Location	Builder	Opened Sales	Survey Date Status	No. Homes	No. Sold	Overall Sales Rate±	Recent Sales Rate±	Min. Lot Size± (sf)	Ave. Home Size± (sf)	Ave. Base Price ⁽¹⁾ Ave. Base Price PSF
Harbor Station At Glenwood Aliso Viejo, CA (Project 1) <i>Pricing as of October 2007</i>	Shea Homes	Mar-07	1-Oct-07 Active	184	14	2.0	2.0	TH	1,287	\$526,657 \$409.21
Citywalk At Vantis Aliso Viejo, CA (Project 2) <i>Pricing as of October 2007</i>	Shea Homes	Nov-06	1-Oct-07 Active	41	22	2.0	2.0	TH	1,890	\$827,990 \$438.09
Sea Villas Dana Point, CA (Project 3) <i>Pricing as of October 2007</i>	Makar Properties	Jul-05	1-Oct-07 Active	18	17	0.6	1.0	4-Plex	3,032	\$3,500,000 \$1,154.35
Belle Cliff At Pacifica San Juan San Juan Capistrano, CA (Project 4) <i>Pricing as of October 2007</i>	John Laing Homes	Jan-07	1-Oct-07 Active	70	39	4.3	0.0	6,000	2,920	\$1,145,000 \$392.12
Coastline At Pacifica San Juan San Juan Capistrano, CA (Project 5) <i>Pricing as of October 2007</i>	K Hovnanian Homes	Sep-07	1-Oct-07 Active	44	3	3.0	0.0	6,000	3,172	\$977,500 \$308.17
Blue Harbor At Pacifica San Juan San Juan Capistrano, CA (Project 5) <i>Pricing as of October 2007</i>	John Laing Homes	Jun-07	1-Oct-07 Active	46	2	0.5	0.0	6,500	3,570	\$1,200,000 \$336.13
Alta At Talega San Clemente, CA (Project 5) <i>Pricing as of October 2007</i>	Standard Pacific Homes	Nov-06	1-Oct-07 Active	63	14	1.3	0.0	9,000	5,016	\$1,725,667 \$344.03
Lucia At Talega San Clemente, CA (Project 5) <i>Pricing as of October 2007</i>	John Laing Homes	Nov-05	1-Oct-07 Active	53	36	1.6	0.0	12,000	5,879	\$2,445,500 \$415.97

⁽¹⁾ Comparable pricing may include premiums and/or discounts/incentives

Minimum	0.5	0.0	6,000	1,287	\$526,657
Average	1.9	0.6	7,900	3,346	\$1,395,429
Maximum	4.3	2.0	12,000	5,879	\$3,500,000

PRODUCT AND PRICING CONCLUSION

In general, market indications provided by the subject's submarket and adjacent submarkets point to a range of \$340 to \$460 per square foot. Overall, there are 4 residential product types within the subject master plan ranging from 8.0 DU/AC to 12,000 square foot lot detached product. The developer's intent is to maximize project absorption via multiple selling product lines that would require adequate product and pricing segmentation. Further, master phasing, unit sizes and planning area lot sizes, and location were critically analyzed relative to product placement, mix, sequencing, etc.

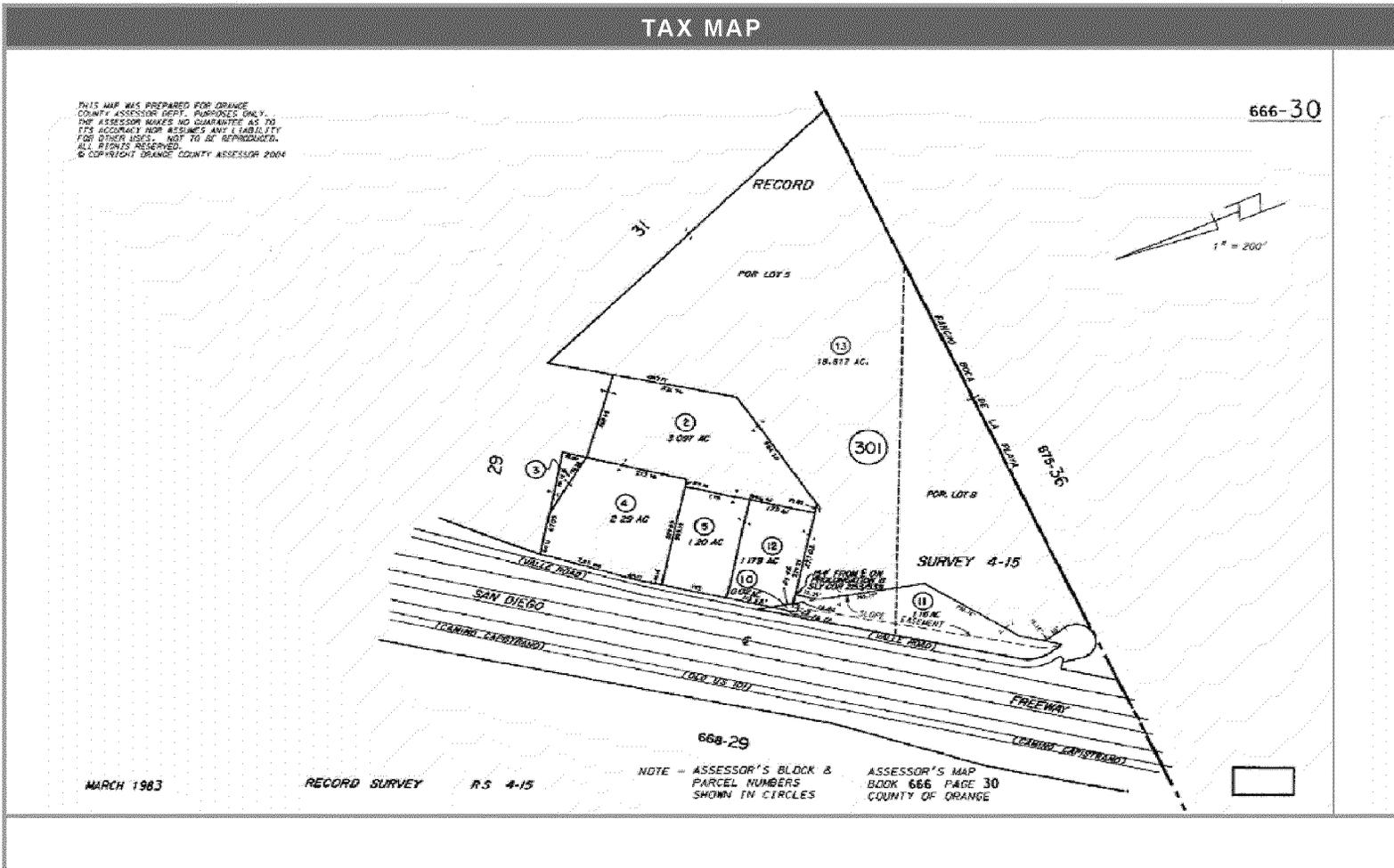
The following chart indicates the developer's estimated home pricing per product type and the appraisers' hypothetical base home pricing:

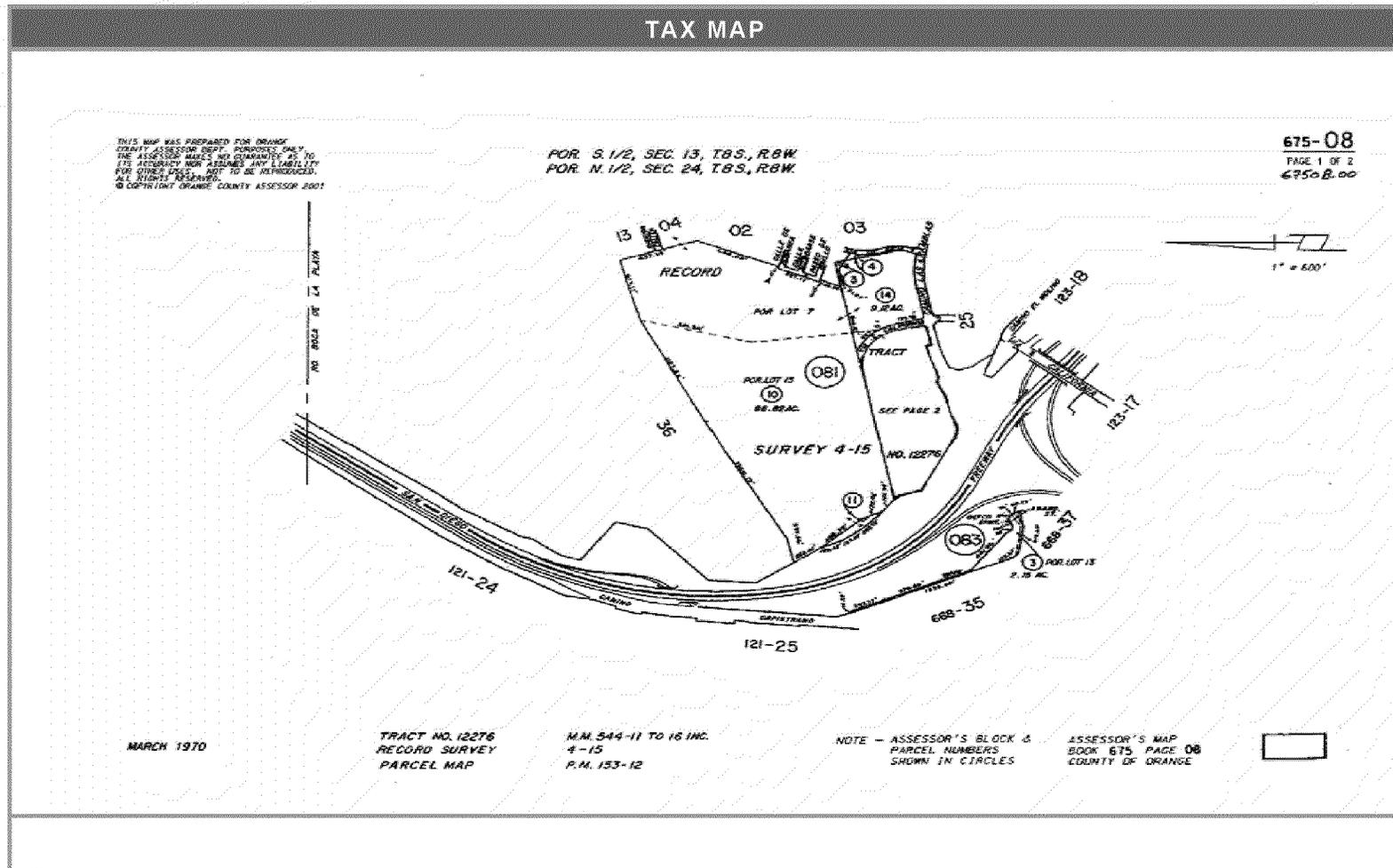
PRODUCT & PRICING ASSUMPTIONS BY PRODUCT TYPE							
Product Type	Product Description	No. Units Valued	% of Mix	SunCal Home Pricing	Weighted Average		
					Size	Base Price	PSF
Attached	8.0 DU/AC (Small)	55	24.23%	\$609,600	1,326	\$610,000	\$460
Attached	8.0 DU/AC (Large)	47	20.70%	\$956,250	2,250	\$875,000	\$389
Detached	7,800 SF Lots	104	45.81%	\$1,449,600	3,900	\$1,350,000	\$346
Detached	12,000 SF Lots	21	9.25%	\$1,960,000	5,394	\$1,900,000	\$352
Totals		227	100.00%		---		

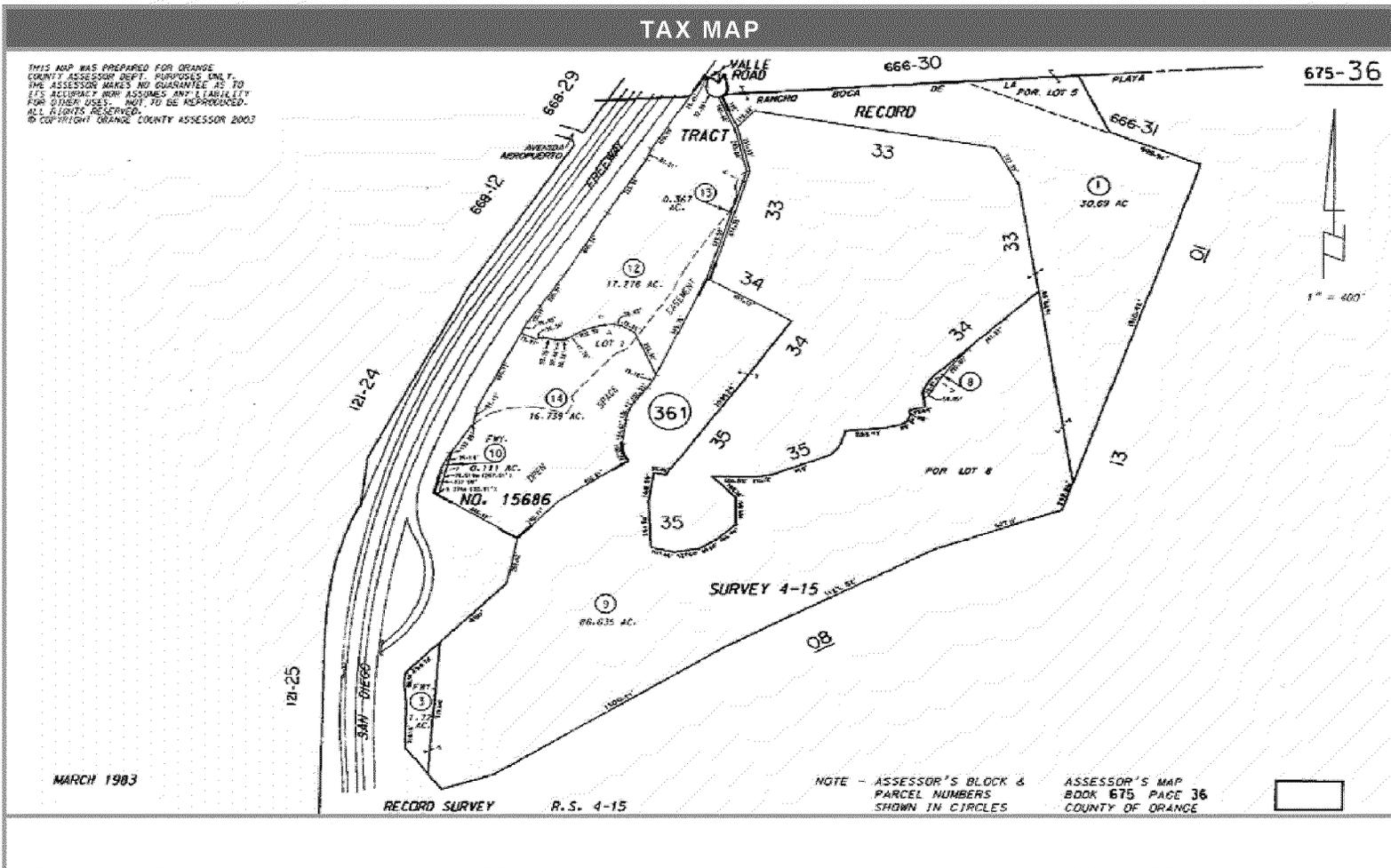
SITE DESCRIPTION

Location:	NEC of Camino Las Ramblas and Via California San Juan Capistrano, Orange County, California The subject property consists of several residential parcels located at the northeast corner of Camino Las Ramblas and Via California, continuing north on Interstate 5, within the city of San Juan Capistrano, California.
Shape:	Irregular. The subject parcels are generally irregular in shape. Please refer to the plat maps on the following pages.
Topography and Drainage:	Hilly. The topography of the raw land consists of partially graded, mass graded and undulating terrain, which will offer significant canyon and ocean views. Drainage appears adequate for residential development.
Land Area:	210.80 gross/net acres (9,182,448± gross/net square feet)
Frontage:	Good. The subject has substantial street frontage along Interstate 5 along with frontage along Via California and Camino Las Ramblas.
Access:	Good. The subject is located adjacent to Interstate 5 with excellent access to the freeway via Camino Las Ramblas.
Visibility:	Good. The subject visibility is considered good.
Soil Conditions:	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support the proposed structures. We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
Utilities	To the best of our knowledge, the site is adequately served with all public utilities available (or planned) to the site and will adequately service the proposed subject development.
Site Improvements:	The subject has good arterial street access primarily via Camino Las Ramblas. Street improvements include asphalt paving. The subject has good ingress/egress to the site.
Land Use Restrictions:	We have not reviewed a title report for the subject property. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use.
Flood Map:	National Flood Insurance Rate Map Community Panel Number unknown.

Flood Zone:	FEMA Zone X, C: Areas of minimum flood hazard from the principal source of flood in the area and determined to be out of the 0.2 percent annual chance floodplain. No mandatory flood insurance purchase requirements apply.
Seismic Hazard:	The site is not located in a seismic hazard area. The entire region, however, is prone to earthquake activity.
Wetlands:	We were not given a Wetlands survey. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a competent engineering firm.
Hazardous Substances:	We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the services of a professional engineer for this purpose.
Overall Functionality:	The subject development has exposure and access to a public streets, and adequate topography to allow development. Our investigations into the site's soil condition, utility service, land use restrictions, and nuisances and hazards revealed no obvious factors that would preclude development on the site. Overall, the site is considered to be functionally adequate for detached residential development.







IMPROVEMENTS DESCRIPTION

DESCRIPTION OF THE IMPROVEMENTS

The subject property consists of a proposed 387-lot master planned community (Pacifica San Juan), which will be located within the eastern part of San Juan Capistrano. The subject property is currently in process of being graded with each planning area in various stages of land development. Commencement of land development began in early 2004 and is nearing completion of grading. The remaining development costs will be discussed later in the Developmental Analysis section of this report. A wide variety of housing styles and floor plans are anticipated.

CURRENT APPROVALS

Based on our review of the subject's Forester Canyon Planned Community Comprehensive Development Plan (CDP 81-01), which was approved in September of 2003, the subject Pacifica San Juan tract is approved for the development of 416 residential units. Based on the subject's 387-units, the subject's proposed development is below the approved Development Plan.

SPECIFIC SITE DEVELOPMENT

The entire project will consist of 387 residential lots, 7.3 acres of school sites, a future reservoir site, 30.0 acres of commercial uses, 2.3 acres of parks and recreation area and 129.2 acres of common areas, roads and other.

As of the date of our appraisal, a portion of the Vistas 1 (70 lots), Vistas 2 (5 lots) and Harbor Vista (23 lots) have been sold and closed escrow in May of 2006 to August 2007. Thus, these 98 lots have not been included in the current valuation of the development. The remaining 289 lots is the subject of the current appraisal.

It should be noted, we have only valued the subject's 289 remaining residential lots, the 7.3 acre school sites and the future reservoir site. The subject development's additional components mentioned above are considered significant amenities to the entire project

DEVELOPMENT SCHEDULE

Pacifica San Juan will be constructed in several phases. Grading of the site began in early 2004. As mentioned above, 98 lots have already been delivered. A total of 203 lots (including the 98 closed lots) have been sold to three different merchant homebuilders. Please refer to the Sales Comparison Approach for further discussion.

Based on the budget provided by SunCal, the next group of lots consisted of approximately 7 lots are estimated to be delivered in fourth quarter of 2007. Final lot delivery is estimated by fourth quarter 2009.

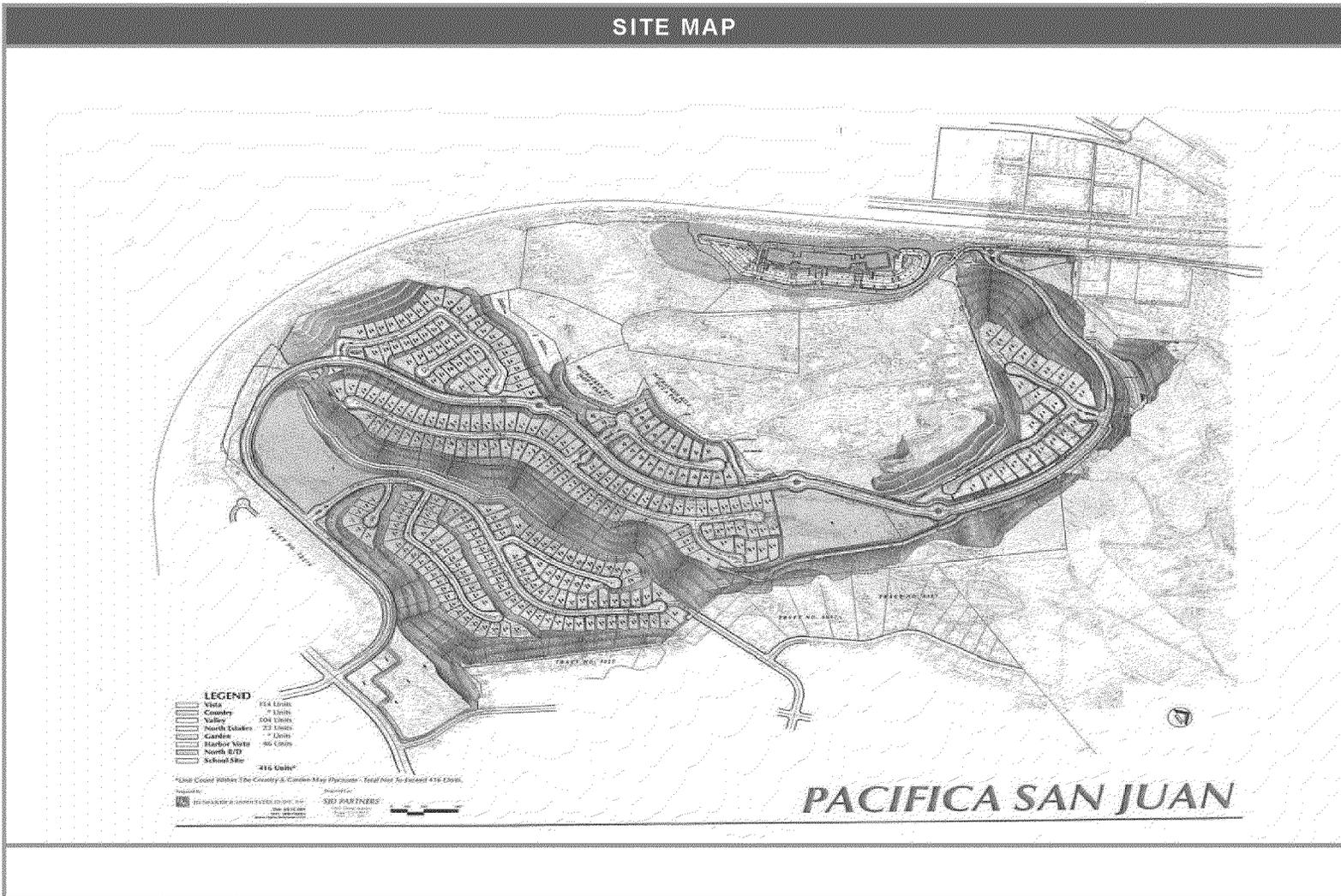
Please reference the chart on the following page, which summarizes the subject development.

PACIFICA SAN JUAN MASTER PLAN - SAN JUAN CAPISTRANO**									
Phase	Planning Area/Parcel	Product Type	Total Units	Product Description	Gross Acres	Current Condition	Proposed Condition	Wtd. Avg. Home Size (1)	Homes
One	*Vista 2 - (K. Hovnanian)	Detached	39	6,000 SF Lots	8.40	Blue Top	Blue Top	N/A	39
	Garden	Attached	55	8.0 DU/AC (Small)	9.20	Near Finished	Finished	1,326	55
	*Harbor Vista (Laing Homes)	Detached	23	6,500 SF Lots	10.70	Blue Top	Blue Top	N/A	23
	Valley	Detached	104	7,800 SF Lots	28.30	Near Finished	Finished	3,900	104
	Country (Centex Homes)	Attached	47	8.0 DU/AC (Large)	6.40	Near Finished	Finished	2,250	47
	North Estates	Detached	21	12,000 SF Lots	9.00	Near Finished	Finished	5,394	21
Subtotal	--	--	289	--	72.00	--	--	--	289
	School Site				7.30	Near Finished	Finished		
	Park & Rec. Center				2.30	Near Finished	Finished		
	Reservoir Site			2 Additional Lots		Near Finished	Finished		
	Common Area - Roads/Other				129.20	Near Finished	Finished		
Total	--	--	289	--	210.80				289

(1) Hypothetical product assumptions based on SunCal Business Plan.

*Contract Price Utilized.

**98 of 387 total lots closed through September 2007 (70 lots within Vista 1 (not shown), 5 lots within Vista 2 and 23 lots within Harbor Vista).



REAL PROPERTY TAXES AND ASSESSMENTS

CURRENT PROPERTY TAXES

The property is subject to the taxing jurisdiction of Orange County, California. Please reference the addenda of the report for the subject's assessor parcel numbers. According to the local assessor's office, taxes are current. The assessment and taxes for the property are presented below:

PROPERTY ASSESSMENT/TAX DATA	
	2006/2007
Assessed Value	
Land:	\$18,517,163
Improvements:	\$0
Total:	\$0
Tax Rate	1.0455%
Total Taxes	\$193,606.04

Total taxes for the property are \$193,606. Due to California's method of property taxation, tax rates generally vary between one percent and two percent of assessed value; but annual tax bills vary widely from property to property. The difference between the published tax rate and the effective tax rate is due to special assessments or Community Facility Districts (CFD's) applied to the subject site. Any proposed special assessments or CFD's will be subject to annual increases similar to real estate taxes. The real estate taxes have been estimated based upon an effective tax rate of approximately 1.50 percent of the as is land value. Please refer to the Development Method section of the report for further discussion of the subject development proposed special assessments/CFD's. In addition, the taxes will be increased (reassessed) based upon any improvements to the property (i.e. land or building improvements).

The definition of market value used in this report assumes a sale of the subject property. If the property were sold, it would be reassessed according to the Assessor's opinion of its market value, which is typically the sales price. Due to California's method of property taxation, tax rates generally vary between one percent and two percent of assessed value; but annual tax bills vary widely from property to property.

ZONING

GENERAL INFORMATION

As previously discussed, the subject development has been approved by the city of San Juan Capistrano.

Based on our review of the subject's Forester Canyon Planned Community Comprehensive Development Plan (CDP 81-01), which was approved in September of 2003, the subject Pacifica San Juan tract is approved for the development of 416 residential units. Based on the subject's 387-units, the subject's proposed development is below the approved Development Plan.

The subject's residential approvals include development densities ranging from 8 dwelling units per acre (attached) up to 12,000 square foot lots (detached), within 7 different planning areas.

Please refer to the following Land Use Summary and maps, which summarizes the Pacifica San Juan Development Plan and current project approvals.

Forster Canyon Planned Community
 Pacifica San Juan Amendment

City of San Juan Capistrano, California

Table 1 - General Plan Statistical Summary

GP Land Use	Acres	DUs	Density (DU/ac)
2.1 Low Density	12.7	23	1.8
2.2 Medium Low Density	66.3	209	3.2
2.3 Medium Density	58.5	261	4.5
2.4 Medium High Density	32.1	200	6.2
2.5 High Density	0.0	0	0.0
2.6 Senior Housing	5.5	165	30.0
Subtotal	175.1	858	4.9
4.3 Light Industrial	15.0		
5.0 Public Institutional	15.3		
1.0 General Open Space	131.3		
1.1 Recreation Open Space	54.9		
Subtotal	216.5		
Total	391.6		

Comparison to 1999 General Plan Land Use Element Allowable Use Guidelines

% Area in 1999 General Plan	1999 GP Acreage Equivalent of 391.6 ac.	GP Land Use	% Area In 2002 Proposal	Acres	DUs	Density (DU/ac)
28%	109.6	2.0 Very Low Density (0-1.0)	0%	0.0		
0%	0.0	2.1 Low Density (1.1-2.0)	3%	12.7	23	1.8
22%	86.2	2.2 Med. Low Density (2.1-3.5)	17%	66.3	209	3.2
25%	97.9	2.3 Med. Density (3.6-5.0)	15%	58.5	261	4.5
0%	0.0	2.4 Med. High Density (5.1-8.0)	8%	32.1	200	6.2
2%	7.8	2.5 High Density (8.1-18.0)	0%	0.0	0	0.0
0%	0.0	2.6 Senior Housing (18.1-25.0)	1%	5.5	165	30.0
7%	27.4	4.3 Light Industrial	4%	15.0		
7%	27.4	5.0 Public Institutional	4%	15.3		
7%	27.4	1.0 General Open Space	34%	131.3		
2%	7.8	1.1 Recreation Open Space	14%	54.9		
100%	391.6	Total	100%	391.6	858	2.2

Comparison of Distribution of Land Use Acreage within Forster Canyon Planned Community

GP Land Use	Pacifica San Juan*	Mesa	Forster Canyon
2.0 Very Low Density (0-1.0)	0.0	0.0	0.0
2.1 Low Density (1.1-2.0)	12.7	0.0	12.7
2.2 Med. Low Density (2.1-3.5)	66.3	0.0	66.3
2.3 Medium Density (3.6-5.0)	14.7	43.8	58.5
2.4 Medium High Density (5.1-8.0)	17.8	14.3	32.1
2.5 High Density (8.1-18.0)	0.0	0.0	0.0
2.6 Senior Housing (18.1-25.0)	0.0	5.5	5.5
4.3 Light Industrial	15.0	0.0	15.0
5.0 Public Institutional	9.8	5.5	15.3
1.0 General Open Space	101.3	30.0	131.3
1.1 Recreation Open Space	19.4	35.5	54.9
Total	257.0	134.6	391.6

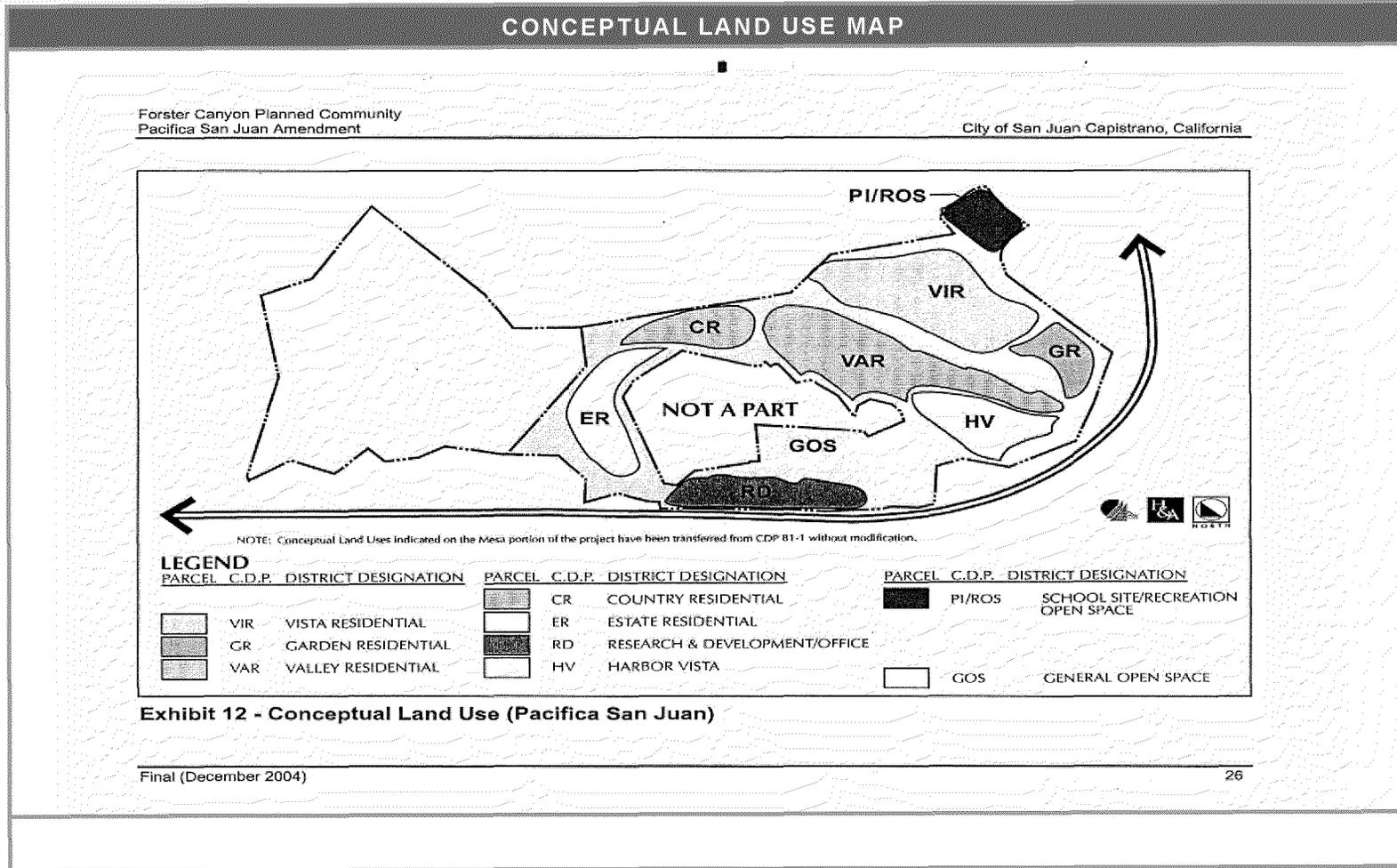
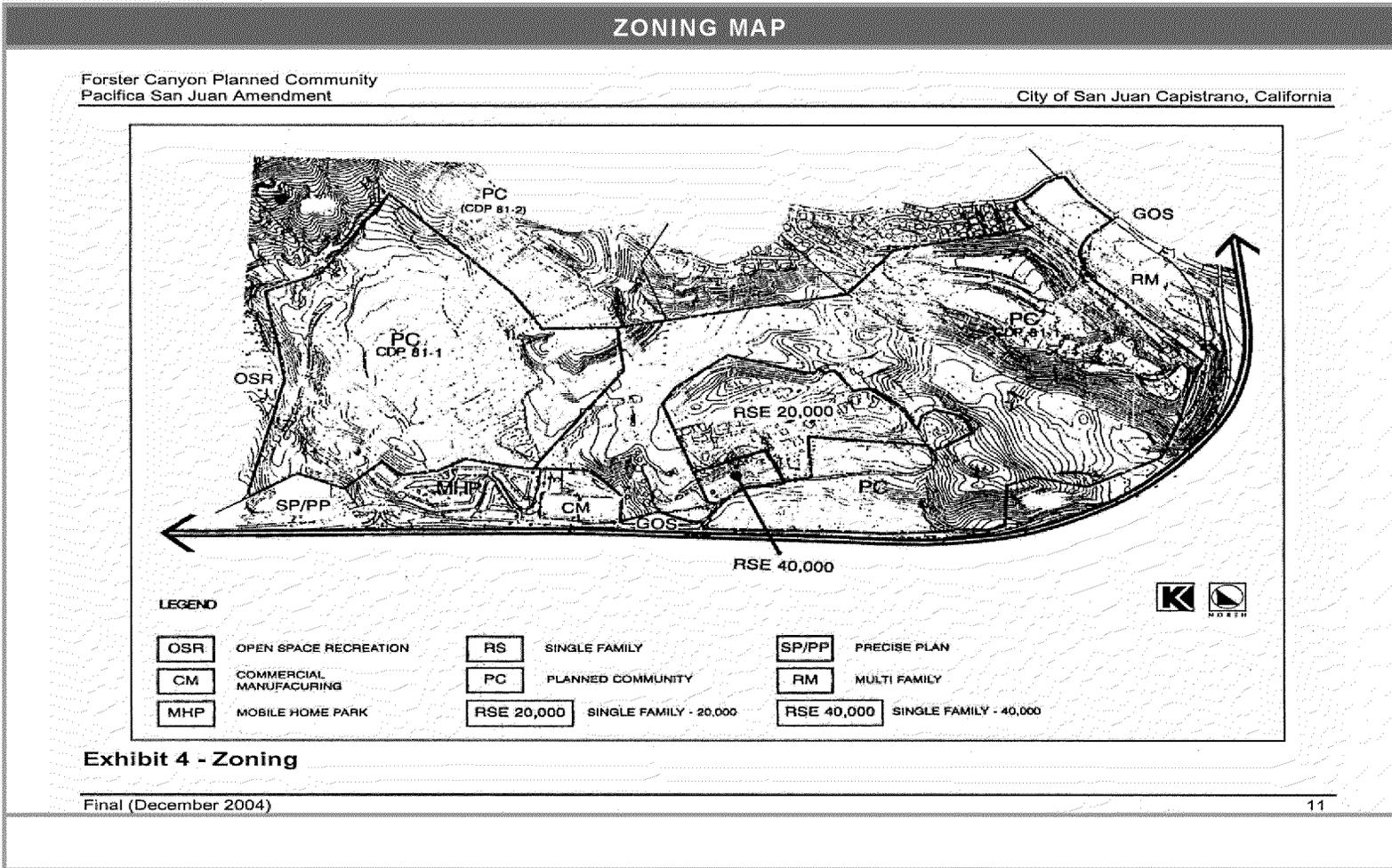


Exhibit 12 - Conceptual Land Use (Pacifica San Juan)

Final (December 2004)

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We are not experts in the interpretation of complex zoning ordinances. The planned residential improvements are considered a legal conforming use according to the Development Plan and current development standards provided.

We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or title company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.

HIGHEST AND BEST USE

DEFINITION OF HIGHEST AND BEST USE

According to *The Dictionary of Real Estate Appraisal*, Fourth Edition (2002), a publication of the Appraisal Institute, the highest and best use is defined as:

- “The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.”

HIGHEST AND BEST USE CRITERIA

We have evaluated the site's highest and best use both as currently improved and as if vacant. In both cases, the property's highest and best use must meet four criteria. That use must be (1) legally permissible (2) physically possible, (3) financially feasible, and (4) maximally productive.

LEGALLY PERMISSIBLE

The first test concerns permitted uses. According to our understanding of the zoning ordinance, noted earlier in this report, the site may legally be improved with structures that accommodate residential, office, retail and general commercial uses. Aside from the site's zoning regulations, we are not aware of any legal restrictions that limit the potential uses of the subject.

PHYSICALLY POSSIBLE

The second test is what is physically possible. As discussed in the "Site Description," section of the report, the site's size, soil, topography, etc. do not physically limit its use. The subject site is of adequate shape and size to accommodate almost all urban and suburban uses.

FINANCIAL FEASIBILITY AND MAXIMAL PRODUCTIVITY

The third and fourth tests are what is financially feasible and what will produce the highest net return. After analyzing the physically possible and legally permissible uses of the property, the highest and best use must be considered in light of financial feasibility and maximum productivity. For a potential use to be seriously considered, it must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible.

HIGHEST AND BEST USE OF SITE AS THOUGH VACANT

Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site as though vacant is development of residential lots and companion non-residential elements as demand warrants.

HIGHEST AND BEST USE OF PROPERTY AS IMPROVED

According to the Dictionary of Real Estate Appraisal, highest and best use of the property as improved is defined as:

The use that should be made of a property as it exists. An existing improvement should be renovated or retained "as is" so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

It is our opinion, the proposed development (as approved) adds value to the site as if vacant, therefore dictating a continuation of the proposed development. In conclusion, it is our opinion that the Highest and Best Use of the subject property as improved is as proposed, residential and non-residential elements until the end of their economic life.

VALUATION PROCESS

METHODOLOGY

There are three generally accepted approaches available in developing an opinion of value: the Cost, Sales Comparison and Income Capitalization approaches. We have considered each in this appraisal to develop an opinion of the market value of the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach is dependent upon the availability and comparability of the market data uncovered as well as the motivation and thinking of purchasers in the market for a property such as the subject. Each approach is discussed below, and applicability to the subject property is briefly addressed in the following summary.

LAND VALUE

Developing an opinion of land value is typically accomplished via the Sales Comparison Approach by analyzing recent sales transactions of sites of comparable zoning and utility adjusted for differences which exist between the comparables and the subject. Valuation is typically accomplished using a unit of comparison such as price per acre or price per lot/unit. Adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive a value for the subject site.

COST APPROACH

The Cost Approach is based upon the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements, which represent the highest and best use of the land; or when relatively unique or specialized improvements are located on the site, for which there exist few improved sales or leases of comparable properties.

In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciating them to reflect any value loss from physical, functional and external causes. Land value, entrepreneurial profit and depreciated improvement costs are then added resulting in a value estimate for the subject property.

SALES COMPARISON APPROACH

The Sales Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is typically accomplished using a unit of comparison such as price per square foot of building area, effective gross income multiplier or net income multiplier. Adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive a value for the subject property.

INCOME CAPITALIZATION APPROACH

This approach first determines the income-producing capacity of a property by utilizing contract rents on leases in place and by estimating market rent from rental activity at competing properties for the vacant space. Deductions then are made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

Related to the Direct Capitalization Method is the Discounted Cash Flow Method. In this method, periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

SUMMARY

This appraisal employs the Sales Comparison and Development Approaches. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered necessary and applicable for market participants.

In analyzing the property, the appraiser performed the subdivision Development Method. This methodology is essentially an inverse cost approach analysis used by investors/builders analyzing a probable purchase price for the subject after deducting the appropriate costs for all other agents of production. Therefore, a cost approach analysis was inherently performed by the appraiser in the valuation of the subject.

A variation of the income approach and cost approach, the development method, was applied. This method provided estimates of the market value by estimating retail sales proceeds from proposed improvements and deducting profit and expenses in an appropriate manner. A discounted cash flow (DCF) was used for this procedure. For the yield analysis, the periodic net revenues are discounted to determine the present worth of the future income stream after deducting development costs, costs to complete, and expenses. The sum of the discounted net incomes results in the estimated market value, typically land.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

MARKET VALUE "AT COMPLETION"

RESIDENTIAL PLANNING AREAS

This initial analysis involved estimating the market value of specific planning areas within the subject Master Plan. We have identified 4 product types within the 6 subject residential planning areas. The analysis presented involves estimating the market value of these 4 specific product types within the subject Master Plan. The development and sales comparison approaches were utilized in estimating the market value for each product type. Our final findings for the 4 product types were then extrapolated to the subject 6 residential planning areas.

With this in consideration, all residential planning areas were valued via the development method and sales comparison approaches. Each subject planning area consisted of attached and detached product. The following table details the respective planning areas and parcels and the appropriate valuation approach.

PRODUCT TYPE MARKET VALUATION								
Product Type	Product Description	Total Units	PA Analyzed	No. of Units Valued	Wtd. Avg. Home Size (1)	Property Condition	Approach To Value	
							Development	Sales Comparison
Attached	8.0 DU/AC (Small)	55	Garden	55	1,326	Finished	Yes	Yes
Attached	8.0 DU/AC (Large)	47	Country (Centex Homes)	47	2,250	Finished	Yes	Yes
Detached	7,800 SF Lots	104	Valley	104	3,900	Finished	Yes	Yes
Detached	12,000 SF Lots	21	North Estates	21	5,394	Finished	Yes	Yes
Total Residential...		227	--	227	--	--	--	--

(1) Hypothetical product assumptions based on SunCal Business Plan.

As previously discussed various planning areas were combined and/or analyzed due to various factors including product type, project timing, lot size, etc. The result was 4 planning areas/parcels necessitating specific product type analyses. It is recognized that the presented combination of planning areas/parcels was only utilized for the appraisers' analyses and valuation and that the neighborhoods could be developed and sold in many different combinations individually or jointly. Nonetheless, the following assumptions were deemed reasonable for the analyses and valuation of the larger project as a whole and reflect the currently intended build-out proposal on the part of the developer.

DEVELOPMENT METHOD (RESIDENTIAL LAND)

The development method is used by developers to determine the price they can afford to pay for land assuming certain costs, gross sales, and return considerations. This approach "backs out" a value for the land, taking into account anticipated sales revenues of the proposed homes, costs of construction, absorption projections, lending criteria, and return expectations. Basically, it is the inverse of the cost approach, which results in a residual to land value indication. In this case, the appraisers developed "generic" build-out models for each respective planning area/parcel by minimum lot and/or product type. Note that the planning areas/parcel designations are consistent with the developer's proforma. Thus, residual models were formulated, reflecting the various product proposals where a development method analysis was applicable. Individual planning area development approach assumptions, development and sales schedules, static models, and yield (discounted cash flow) models can be found in the Addenda.

STATIC ANALYSES

In the static method, total costs, expenses, and profit were deducted from the total aggregate of retail revenues on a straight line basis, indicating a residual to land value. The planning areas including detached residential lots were analyzed assuming a blue top lot condition excluding fees at permit, which is a common method of delivering tract housing lots to merchant builders in this submarket. The parcels including attached residential units, mixed-use

product, and commercial uses were analyzed assuming a "superpad" condition, which is a common method of delivering these types of sites to builders in this submarket.

BASE PRICING

As exhibited in the following table with consideration for only those planning areas and parcels to be analyzed with the development method, the appraisers assumed average weighted base pricing from \$610,000 to \$1,900,000 and \$346 to \$460 per square foot, depending on product. Further discussion on base pricing assumptions can be found in the Market Analysis. The commercial parcels were valued by the sales comparison approach and are not included in the following grid. The discussion on the valuation of the commercial parcels is presented in the Sales Comparison Section of this report. A developer breakdown of the mix, product types, developer pricing, developer assumptions etc by planning area is included in the addenda. Please refer to the market analysis for additional detail on the product line designations and pricing.

HYPOTHETICAL PRODUCT BASE PRICING BY PRODUCT TYPE ⁽¹⁾						
Product Type	Product Description	Wtd. Avg. Home Size	Wtd. Avg. Base Price	Wtd. Avg. Base PSF	No. Units Valued	Total(s)
Attached	8.0 DU/AC (Small)	1,326	\$610,000	\$460.03	55	\$33,550,000
Attached	8.0 DU/AC (Large)	2,250	\$875,000	\$388.89	47	\$41,125,000
Detached	7,800 SF Lots	3,900	\$1,350,000	\$346.15	104	\$140,400,000
Detached	12,000 SF Lots	5,394	\$1,900,000	\$352.24	21	\$39,900,000
Minimum	---	1,326	\$610,000	\$346.15	21	\$33,550,000
Maximum	---	5,394	\$1,900,000	\$460.03	104	\$140,400,000
Average	---	2,935	\$1,072,357	\$365.40	---	---

⁽¹⁾ Hypothetical only for development approach buildout assumptions; pricing reflects Sept. 2007\$.

LOT PREMIUMS

In addition to base pricing, the appraisers also included retail lot premiums for the various delineated planning areas (groups). In allocating lot premiums, consideration was given primarily to view potential, lot sizes, negative locational features, and in-project location characteristics. The following charts summarize the market indications for lot premiums for attached and detached product.

LOT PREMIUM SURVEY FOR DETACHED PRODUCT					
Project	Product Type	Location	Base Price Net Concessions	Maximum Lot Premium	Premium to Base Ratio
Alta At Talega	Detached	San Clemente	\$1,725,667	\$250,000	14.49%
Bella Vista At Talega	Detached	San Clemente	\$1,255,000	\$470,000	37.45%
Belle Cliff At Pacifica San Juan	Detached	San Juan Capistrano	\$1,146,667	\$300,000	26.16%
Caprizi At Talega	Detached	San Clemente	\$878,750	\$30,000	3.41%
Carillon At Talega	Detached	San Clemente	\$1,049,700	\$150,000	14.29%
Cornerstone	Detached	Costa Mesa	\$680,100	\$15,000	2.21%
Cazadero At Talega	Detached	San Clemente	\$1,578,000	\$275,000	17.43%
Estrella Rosa	Detached	San Juan Capistrano	\$2,325,000	\$241,750	10.40%
Floralisa	Detached	San Juan Capistrano	\$1,302,667	\$25,000	1.92%
Latitudes North At Vantis	Detached	Aliso Viejo	\$551,490	\$5,000	0.91%
Latitudes South At Vantis	Detached	Aliso Viejo	\$528,657	\$40,000	7.57%
Lucia At Talega	Detached	San Clemente	\$2,445,500	\$300,000	12.27%
Portomarin At Talega	Detached	San Clemente	\$918,500	\$100,000	10.89%
Ravenna At Talega	Detached	San Clemente	\$1,162,547	\$180,000	15.48%
Sabella At Talega	Detached	San Clemente	\$801,875	\$70,070	8.74%
Stella Mare At Talega	Detached	San Clemente	\$983,125	\$115,000	11.70%
Summit At San Joaquin Hills (The)	Detached	Laguna Niguel	\$1,477,400	\$100,000	6.77%
Minimum	---	---	\$528,657	\$5,000	0.91%
Maximum	---	---	\$2,445,500	\$470,000	37.45%
Averages	---	---	\$1,224,155	\$156,872	11.89%

The developer estimated 1.0% to 7.0% of the proposed base pricing for lot premiums. The appraisers surveyed current projects within the subject submarket as detailed in the prior tables. Lot premiums for detached product ranged from \$5,000 to \$470,000, with a mid point average of \$156,872 per lot. The detached premium to base price ratios ranged from 0.91% to 37.45%, with an average mid point of 11.89%. Based on our market investigation, the lower range of the premiums are indicative of the premium paid for larger lots and better lot orientations. The premiums at the higher end of the range are associated with view and/or location amenity, and are generally associated with golf communities.

Based on the foregoing, the appraisers estimated the average lot premium potential for each planning area analyzed. Also, the intended product for each planning area was taken into consideration. Lot premium potential tends to increase companion to an increase in product size and pricing, and vice-versa. For the most part, the proposed land use plan should result in average to above average premium potential for the majority of the planning areas/parcels. The developer is still in early planning stages for this project and mapping has not yet been completed. However, we would assume select oversized lots with views would result in the highest premiums. Further, we assume the proposed street plan should result in favorable in-project lot characteristics such as cul-de-sacs, low traffic patterns, etc. and a minimization of negative impacts. However, pending completion of grading, it was difficult to adequately quantify lot premium or discount potential resulting from views, lot size, negative factors, etc. The following chart summarizes our hypothetical lot premium estimates.

HYPOTHETICAL PRODUCT LOT PREMIUM SCHEDULE BY PRODUCT TYPE⁽¹⁾

Product Type	Product Description	Wtd. Avg. Home Size	Lot Elevations	Primary Views	Wtd. Avg. Base Price	% Premium	Avg. Lot Premium	Total(s)
Attached	8.0 DU/AC (Small)	1,326	N/A	Yes	\$610,000	10.0%	\$61,000	\$3,355,000
Attached	8.0 DU/AC (Large)	2,250	N/A	Yes	\$875,000	1.0%	\$8,750	\$411,250
Detached	7,800 SF Lots	3,900	N/A	Yes	\$1,350,000	2.0%	\$27,000	\$2,808,000
Detached	12,000 SF Lots	5,394	N/A	Yes	\$1,900,000	2.0%	\$38,000	\$798,000
Minimum	---	1,326	---	---	\$610,000	---	\$8,750	---
Maximum	---	5,394	---	---	\$1,900,000	---	\$61,000	---
Average	---	2,935	---	---	\$1,072,357	---	\$32,477	---

⁽¹⁾ Hypothetical only for development approach buildout assumptions; pricing reflects Sept. 2007\$.s.

The appraisers estimated premiums of 1.0% to 10.0% of the base price. Considering the foregoing, average lot premiums of \$8,750 to \$61,000 per lot, depending on planning area, were considered reasonable at this preliminary stage of development. The previous survey of local developments indicated that premium revenues of up to 37% of base pricing are achievable in the market. Again, it should be noted that higher premiums are generally associated with additional amenities (i.e. golf communities). The subject's premium potential is placed from the lower to mid end of this range, due to the overall size of the project and the average to above average premium potential. Thus, the estimated lot premium revenues were supported and fairly conservative compared with many new developments in the submarket.

OPTIONS PREMIUMS

The developer has estimated average option revenues of 3% of the base price for all detached and attached product. Typical option revenue percentages for option upgrades have averaged 5% to 10% over the last few years. It should be noted that during the appraisers' field study several of the projects were including significant options (i.e. slab granite, upgraded appliances, upgraded tile etc.) included in the base price offering. Our interviews confirmed that developers are attempting to increase sales pace by marketing product in this manner. The appraisers' survey indicated up to 4.0% in option to base revenue. This is consistent with the housing market downturn over the last year. Average option revenues at the lower end of the range would be more reasonable for the subject's moderate to high price range. Considering the foregoing, the appraisers estimated option revenue at 3% of the base price for each planning area/parcel, and effectively concur with the developer's estimate.

HYPOTHETICAL PRODUCT OPTIONS SCHEDULE BY PRODUCT TYPE⁽¹⁾

Product Type	Product Description	Wtd. Avg. Home Size	Wtd. Avg. Base Price	Avg. Opt. %	Total Prod. Lots	Total Option Revenues	Total Option Costs
Attached	8.0 DU/AC (Small)	1,326	\$610,000	3.0%	52	\$951,600	\$679,714
Attached	8.0 DU/AC (Large)	2,250	\$875,000	3.0%	44	\$1,155,000	\$825,000
Detached	7,800 SF Lots	3,900	\$1,350,000	3.0%	101	\$4,090,500	\$2,921,786
Detached	12,000 SF Lots	5,394	\$1,900,000	3.0%	18	\$1,026,000	\$732,857
Minimum	---	1,326	610,000	---	---	---	---
Maximum	---	5,394	1,900,000	---	---	---	---
Average	---	2,935	1,072,357	---	---	---	---

⁽¹⁾ Hypothetical only for development approach buildout assumptions; pricing reflects Sept. 2007\$.s.

MODEL PREMIUMS

Each planning area with attached and detached product was assumed to have a 3-home model complex (one model per base floor plan). Additionally, we have estimated 15% model premium to base price for each model.

Model home decorating/upgrade/merchandising budgets ranging from \$244,000 to \$760,000 per model (see following Model Complex Budgets) were incorporated into the assumptions depending on planning area/parcel.

HYPOTHETICAL PRODUCT MODEL PREMIUM SCHEDULE BY PRODUCT TYPE ⁽¹⁾									
Product Type	No of Units Valued	Product Description	Wtd. Avg. Home Size	Wtd. Avg. Base Price	Avg. Model Premium	Premium to Base Ratio	Prod. Lines	No. Models	Model Prem. Total(s)
Attached	55	8.0 DU/AC (Small)	1,326	\$610,000	\$91,500	15.00%	1	3	\$274,500
Attached	47	8.0 DU/AC (Large)	2,250	\$875,000	\$131,250	15.00%	1	3	\$393,750
Detached	104	7,800 SF Lots	3,900	\$1,350,000	\$202,500	15.00%	1	3	\$607,500
Detached	21	12,000 SF Lots	5,394	\$1,900,000	\$285,000	15.00%	1	3	\$855,000
Minimum	21	---	1,326	\$610,000	\$91,500	15.00%		---	---
Maximum	104	---	5,394	\$1,900,000	\$285,000	15.00%		---	---
Average	---	---	2,935	\$1,072,357	---	---		---	---

⁽¹⁾ Hypothetical only for development approach buildout assumptions; pricing reflects Sept. 2007\$.s.

Developers typically anticipate a 60% to 100% recovery of permanent model upgrades (i.e. floor coverings, wall coverings, appliances, landscaping, etc.). Commonly, marketable model upgrades are approximately 50% of the total model home budget. For example, assuming a \$200,000 average model home budget, 50%, or \$100,000, would be "marketable" permanent upgrades. Of this, a 60% to 100% recovery is expected, or \$60,000 to \$100,000. For the purposes of this analysis we have utilized a recovery ratio of 75%.

The appraisers allocated model unit premiums from \$91,500 to \$285,000, depending on the assumed model upgrade budget (discussion to follow).

SUMMARY OF AGGREGATE RETAIL REVENUES

As exhibited in the following table, average home pricing (including base pricing, lot and model premiums, and options) ranged from \$693,293 to \$2,027,571 and \$365 to \$523 per square foot, depending on product. The overall average is \$1,196,921, or \$408 per square foot. Further discussion on product pricing assumptions can be found in the Market Analysis section of the report.

AGGREGATE RETAIL REVENUES BY PRODUCT TYPE ⁽¹⁾										
Product Type	No of Units Valued	Product Description	Wtd. Avg. Home Size	Base Revenues	Lot Premiums	Gross Options	Model Premiums	Gross Revenues	Average Per Unit	Average Price PSF
Attached	55	8.0 DU/AC (Small)	1,326	\$33,550,000	\$3,355,000	\$951,600	\$274,500	\$38,131,100	\$693,293	\$522.85
Attached	47	8.0 DU/AC (Large)	2,250	\$41,125,000	\$411,250	\$1,155,000	\$393,750	\$43,085,000	\$916,702	\$407.42
Detached	104	7,800 SF Lots	3,900	\$140,400,000	\$2,808,000	\$4,090,500	\$607,500	\$147,906,000	\$1,422,173	\$364.66
Detached	21	12,000 SF Lots	5,394	\$39,900,000	\$798,000	\$1,028,000	\$855,000	\$42,579,000	\$2,027,571	\$375.89
Minimum	21	---	1,326						\$693,293	\$364.66
Maximum	104	---	5,394						\$2,027,571	\$522.85
Average	---	---	2,935	---	---	---	---	---	\$1,196,921	\$407.85

⁽¹⁾ Hypothetical only for development approach buildout assumptions; pricing reflects Sept. 2007\$.s.

PREDEVELOPMENT COSTS

A predevelopment cost allowance of \$2,500 per lot within the attached or detached residential planning areas under examination. Predevelopment costs include legal/title/closing fees on land acquisition, product architecture, up-front engineering, and various professional fees.

BACKBONE INFRASTRUCTURE / MASS GRADING / MAJORS REIMBURSEMENTS

The subject planning areas were assumed to be in a blue-top condition (detached lots) and the subject parcels (commercial and attached units) in superpad condition with all offsites installed, rough grading having occurred, and master development in-place. Accordingly, major backbone infrastructure, master development, intract

development, common area costs, and companion reimbursements were *not* included in the planning area valuation but were recognized in the forthcoming "as is" valuation for the entire property.

HARD CONSTRUCTION COSTS

The appraisers reviewed several cost breakdowns from other residential subdivisions appraised in the region. These cost breakdowns reflected direct hard construction costs from approximately \$53 to \$60 per square foot for detached residential product and \$70 to \$180 per square foot for attached residential product, varying primarily with quality, product size, and subdivision location.

Per the developer, directs were estimated at \$90 to \$100 per square foot for the residential product. For the most part, all other variables being the same, smaller product or attached product generally costs more to build on a per square foot basis than larger product due to economies of scale. Typically, however, the higher costs generally associated with more amenities with larger product will more than offset the economies of scale. In addition, stacked and podium product will cost more on average due to the added common areas and generally more complex building configurations.

Based on the subject's assumed product lines and pricing in comparison to other cost breakdowns, and per information from other market participants, the appraisers reconciled direct construction costs of \$90 to \$100 per square foot. These estimated direct costs were inline with the local market indications. Note that direct costs *do not* include onsite indirect costs (supervision, general conditions, temporary utilities, etc.), nor individual lot landscape and fencing.

DIRECT CONSTRUCTION COSTS BY PRODUCT TYPE ⁽¹⁾					
Product Type	No of Units Valued	Product Description	Wtd. Avg. Home Size	Average Per Unit	Direct Cost (psf)
Attached	55	8.0 DU/AC (Small)	1,326	\$610,000	\$90
Attached	47	8.0 DU/AC (Large)	2,250	\$875,000	\$90
Detached	104	7,800 SF Lots	3,900	\$1,350,000	\$90
Detached	21	12,000 SF Lots	5,394	\$1,900,000	\$100
Minimum	21	---	1,326	\$610,000	\$90
Maximum	104	---	5,394	\$1,900,000	\$100
Average	---	---	2,935	\$1,072,357	\$92

⁽¹⁾ Directs do not include individual lot landscaping, fencing, or indirects.

INDIRECT CONSTRUCTION COSTS

Indirect construction costs, including such items as onsite water, utilities, temporary power, general labor, supervision, etc., were estimated on a cost per square foot of livable area basis. The appraisers reviewed indirect construction costs from similar projects in the region. The market survey indicated that costs from similar projects ranged from \$5.00 to \$8.00 per square foot, varying primarily with project size, development duration, and subdivision location.

For the subject planning areas, indirect costs were estimated at \$5.00 per square foot. The appraisers' estimates are reasonable and consistent with indirect costs experienced in other projects in the area.

It should be noted that the developers Residual Analysis has indicated soft costs (indirect costs) at 18.50% of revenue. Although requested, we were unable to secure a further breakdown of the detail behind the developer's estimate. The following chart summarizes the indirect cost estimates for each planning area analyzed at the product level.

INDIRECT CONSTRUCTION COSTS BY PRODUCT TYPE ⁽¹⁾					
Product Type	No of Units Valued	Product Description	Wtd. Avg. Home Size	Indirect Cost (psf)	Total Indirects
Attached	55	8.0 DU/AC (Small)	1,326	\$5.00	\$364,650
Attached	47	8.0 DU/AC (Large)	2,250	\$5.00	\$528,750
Detached	104	7,800 SF Lots	3,900	\$5.00	\$2,028,000
Detached	21	12,000 SF Lots	5,394	\$5.00	\$566,370
Minimum	21	---	1,326	---	---
Maximum	104	---	5,394	---	---
Average	---	---	2,935	---	---

(1) Hypothetical only for development approach buildout assumptions; pricing reflects Sept. 2007\$.

INTRACT LAND DEVELOPMENT / DEVELOPMENT IMPACT FEES

The subject planning areas were assumed to be in a finished condition (both attached and detached product) with all offsites installed and master development in-place. Builders (buyers) of the lots would be responsible for final intract land development and development impact fees at permit.

BUILDERS' INTRACTS & FEES BY PRODUCT TYPE											
Product Type	No of Units Valued	Product Description	Wtd. Avg. Home Size	Intract Costs	Per Lot Basis	Fees @ Permit	Per Lot Basis	Total Reimb.	Per Lot Basis	Builders' Totals	Per Lot Basis
Attached	55	8.0 DU/AC (Small)	1,326	\$0	\$0	\$2,301,970	\$41,854	(\$2,246,860)	(\$40,852)	\$55,110	\$1,002
Attached	47	8.0 DU/AC (Large)	2,250	\$0	\$0	\$3,426,676	\$72,908	(\$3,190,830)	(\$67,890)	\$235,846	\$5,018
Detached	104	7,800 SF Lots	3,900	\$0	\$0	\$4,729,608	\$45,477	(\$4,521,296)	(\$43,474)	\$208,312	\$2,003
Detached	21	12,000 SF Lots	5,394	\$0	\$0	\$971,544	\$46,264	(\$930,048)	(\$44,288)	\$41,496	\$1,976
Minimum	21	---	1,326	---	\$0	---	\$41,854		(\$40,852)	---	\$1,002
Maximum	104	---	5,394	---	\$0	---	\$72,908		(\$67,890)	---	\$5,018
Average	---	---	2,935	---	\$0	---	\$50,352		(\$47,969)	---	\$2,382

The developer provided an intract budget for each planning area which has been included in the Addenda of this report. Per the budget provided by the developer, no intract land development costs (blue top/superpad to finished lots) were reflected as the lots will be delivered in finished condition. The developer's estimates appear reasonable considering the topography of the site. The developer indicated that their estimates were in line with other local projects. The appraisers relied upon the estimates provided in the developer's cost analysis, which were assumed to be reasonably true and correct.

Fees at permit, exclusive of building permit/plan check fees, ranged from \$41,854 to \$72,908 per lot depending upon planning area/parcel, and averaged \$50,352 per lot. Note that the fees at permit figures *do not* include building permit and plan check fees, which were included as an additional construction cost category.

Total reimbursements ranged from -\$40,852 to -\$67,890 per lot depending upon planning area/parcel, and averaged -\$47,969 per lot.

LANDSCAPE / FENCING (INDIVIDUAL LOTS)

Detached product pricing was assumed to reflect standard side/rear-yard fencing and front yard landscaping. Typically, attached product was estimated to have minimal, if any, non-house construction costs. Any costs that would be incurred are assumed to be included in the developer's direct costs for all attached product. The developer did not provide cost detail for landscaping costs.

Non-house construction costs vary substantially between projects depending on landscape requirements, fencing, offsite requirements, etc. Typically, lot size dictates non-housing construction costs. For the purposes of our analysis we have tiered landscaping costs based on lot size as typically larger lots will have more landscaping

costs. Based on a review of subdivision cost budgets, typical allowances range from \$5,000 to \$15,000 (large lots) per non-model production lot, depending on lot size was deemed reasonable.

We have concluded from \$0 to \$11,000 per non-model production lot for the subject. The following chart summarizes our findings.

NON-HOUSE CONSTRUCTION COSTS BY PRODUCT TYPE ⁽¹⁾					
Product Type	No of Units Valued	Product Description	Wtd. Avg. Home Size	Wtd. Avg. Base Price	Non-House Construction (Per Unit)
Attached	55	8.0 DU/AC (Small)	1,326	\$610,000	\$0
Attached	47	8.0 DU/AC (Large)	2,250	\$875,000	\$0
Detached	104	7,800 SF Lots	3,900	\$1,350,000	\$8,000
Detached	21	12,000 SF Lots	5,394	\$1,900,000	\$11,000
Minimum	21	---	1,326	\$610,000	---
Maximum	104	---	5,394	\$1,900,000	---
Average	---	---	2,935	\$1,072,357	---

⁽¹⁾ Individual lot landscaping, fencing and other.

BUILDING PERMIT / PLAN CHECK FEES

Building permit/plan check fees were estimated at \$1.50 per square foot. Said cost was based on a review of building permit/plan check fees from comparable subdivisions in the subject area.

GENERAL AND ADMINISTRATIVE COSTS

Management fees include typical G&A such as offsite management, administration, and overhead. The costs are generally projected as either a percentage of sales and/or a monthly allowance. A market survey indicated management fees typically range from 3.0% to 5.0% but most often 3.0%, which was used in the development method analyses.

MARKETING AND SALES

A marketing and sales budget category includes all advertising, marketing, brochures, publications, commissions, closing costs, warranties, escrow fees, and miscellaneous legal fees. A market survey indicated sales costs from similar projects were typically 3.0% to 5.0% and marketing/advertising costs ranged from 2.0% to 3.0%, depending on product, price range, joint marketing programs, etc.

In this case, considering the price of the product and development/sales term, marketing costs were estimated at 2.00% of revenues. The marketing expense figure was assumed to be inclusive of a master marketing fee paid to the master developer, which contributes to the community advertising program coordinated by the master developer. Sales/closing costs of 3.00% were incorporated into the analyses.

VARIOUS SOFT COSTS BY PRODUCT TYPE ⁽¹⁾						
Product Type	No of Units Valued	Product Description	Wtd. Avg. Model Size	Sales Costs	Marketing Costs	G&A
Attached	55	8.0 DU/AC (Small)	1,326	3.00%	2.00%	3.00%
Attached	47	8.0 DU/AC (Large)	2,250	3.00%	2.00%	3.00%
Detached	104	7,800 SF Lots	3,900	3.00%	2.00%	3.00%
Detached	21	12,000 SF Lots	5,394	3.00%	2.00%	3.00%

⁽¹⁾ Sales, marketing, developer's general and administrative (as % revenues).

MODEL COMPLEX BUDGETS

Model budgets typically include the cost for decorating, sales office, upgrades, furnishings, site improvements, and customer parking. Renovation costs would be required for the removal of the sales office, front perimeter fencing, and the parking lot.

Based on a review of other model budgets, and per conversations with several builders, model home decorating/upgrade/merchandising budgets typically range from \$100,000 to as high as \$300,000 per model, depending on product. An additional \$5,000 per model home conversion allowance was included in the month prior to delivery of the models dependent upon product type.

We have concluded from \$244,000 to \$760,000 per model home for the subject. The following chart summarizes our findings.

MODEL HOME COSTS BY PRODUCT TYPE ⁽¹⁾							
Product Type	No of Units Valued	Minimum Lot Size	Wtd. Avg. Model Size	Number Models	Avg Budget PSF	Avg Budget Per Model	Total Budget
Attached	55	8.0 DU/AC (Small)	1,326	3	\$184.01	\$244,000	\$732,000
Attached	47	8.0 DU/AC (Large)	2,250	3	\$155.56	\$350,000	\$1,050,000
Detached	104	7,800 SF Lots	3,900	3	\$138.46	\$540,000	\$1,620,000
Detached	21	12,000 SF Lots	5,394	3	\$140.90	\$760,000	\$2,280,000
Minimum	21	---	1,326	---	\$138.46	\$244,000	\$732,000
Maximum	104	---	5,394	---	\$184.01	\$760,000	\$2,280,000
Average	---	---	2,935	---	\$147.16	---	---

⁽¹⁾ Reflects upgrades, merchandizing, hardscape, landscape, etc.

HOMEOWNERS' FEES

The developer would be required to pay association fees on unsold standing inventory in phased construction. Due to the early development stage, the developer has not formulated the Master Plan community-wide association fees. Therefore, the appraisers surveyed similar master plans within the subject's submarket. Homeowner association (HOA) fees range from \$130 to \$600 per unit per month for comparative detached residential projects.

With the comparables in consideration, an overall average of \$470 per unit was utilized and incorporated into all of the planning area/parcel cost budgets. The builder's cost for association fees was estimated assuming phased construction and diminishing inventory.

BASE PROPERTY TAXES AND SPECIAL ASSESSMENTS

The developer is required to pay normal property taxes and any other assessments over the course of development. Property taxes assumed an initial purchase at the indicated value from this approach, a 1.50% overall tax rate applied against a diminishing inventory.

FINANCING / HOLDING COSTS

A typical subdivision development package usually consists of construction financing for the full hard and related soft costs at rates of .25% to 1.00% over prime with accelerated repayments based on 110% to 120% of the prorated loan per unit. As of the date of value, the prime rate was 8.25%. Interest rates were recently near historically low levels and are anticipated to be increasing over the short- and long-term. Accordingly, holding costs for the production lots were based on a total loan-to-value ratio of 75%, 110% release price, and 9.00% interest rate. Construction and land development were financed up to a maximum loan-to-aggregate retail value

ratio of 75%. A land loan (draw) was included, provided total construction costs resulted in a loan-to-value ratio not exceeding the maximum. Monthly interest payments were made throughout the sell-out period until the note was paid off. Loan points and fees, or the equivalent facility fee, of 1.25% were included.

MISCELLANEOUS

A miscellaneous allowance of 1.00% of sales was included for costs and contingencies not accounted for in the other cost categories. The allowance is allocated monthly over the course of development.

PROFIT

In a static analysis, a typical developer/builder will evaluate profit by deducting all construction and sell-off costs from the projected selling price of the completed units. The remaining figure represents the developer's lump sum profit figure. The developer then relates this figure back to the projected selling price, or a construction cost figure, to determine the percentage return. The ratio provides a unit of measure to judge the adequacy of the venture's profit in relation to the developer's perceived risk. The appraisers surveyed consultants, builders, and developers regarding required profit for this type of investment. Our survey indicated that current static analysis profit expectations are between 9% and 13%. Given the prevailing market conditions discussed in the Market Analysis section of this report, the infill location of the site, the fact builders would be acquiring "blue-top" lots, a 10% static profit was deemed reasonable for detached residential lot development and a 12% static profit was deemed reasonable for attached residential lot development. The appraisers' profit rates consider development by national, regional, and local builders which are represented by the overall ranges previously mentioned.

SUMMARY OF STATIC ANALYSES

The indicated residual land values via the static model are exhibited in the following table. For the development method, the market value for the detached product as totally finished lots with fees was estimated by summing fees at permit with the residual land value indicated from the development method. On those planning areas with attached product, no costs to finish were applicable. Summation of the land residual lot figures with the costs to finish indicated finished lot for detached and superpad values for attached range from \$340,468 to \$818,113 per lot, depending on the planning area. Note that the implied finished lot values *include* fees due at permit for detached product while the superpad (sheet-graded) planning areas do not include in-tracts or fees due at permit for attached product.

STATIC RESIDUAL LAND VALUES BY PRODUCT TYPE								
Product Type	No of Units Valued	Product Description	Wtd. Avg. Home Size	Static Profit	Indicated Land Value ⁽¹⁾	Costs to Finish ⁽²⁾	Finished Lot Value ⁽³⁾	Per Lot Basis
Attached	55	8.0 DU/AC (Small)	1,326	12.00%	\$18,670,627	\$55,110	\$18,725,737	\$340,468
Attached	47	8.0 DU/AC (Large)	2,250	12.00%	\$18,772,623	\$235,846	\$19,008,469	\$404,436
Detached	104	7,800 SF Lots	3,900	10.00%	\$64,030,550	\$208,312	\$64,238,862	\$617,681
Detached	21	12,000 SF Lots	5,394	10.00%	\$17,138,876	\$41,496	\$17,180,372	\$818,113
Minimum	21	---	1,326	10.00%	---	---	---	\$340,468
Maximum	104	---	5,394	12.00%	---	---	---	\$818,113

⁽¹⁾ Indicated blue top value via static method.

⁽²⁾ Builder's in-tracts and fees @ permit (detached).

⁽³⁾ Implied finished lot value via static method.

YIELD ANALYSES

The yield analysis was accomplished by applying a discounted cash flow technique. Anticipated sale revenues, loan criteria, profit, costs, expenses, etc., were projected over the total development period and periodic net cash

flows were discounted on an annual basis at an appropriate discount (return) rate. The sum of the discounted cash flows resulted in a present value, or residual to land value. Assumptions were similar to those in the static analysis. The only cost variances were in property taxes and financing, which reflected a land basis per this model. The other major difference would be utilization of the discount rate (IRR) as opposed to static profit rate.

TIMING AND ABSORPTION

The Development and Sales Schedules for the respective planning areas/parcels, included in the Addenda, provide an overview of the absorption and development assumptions for each planning area/parcel. For the detached product, the first month in the cash flows correlates to the acquisition date of the lots and planning areas/parcels in a finished or superpad condition.

PRODUCT ABSORPTION RATES BY PRODUCT TYPE ⁽¹⁾						
Product Type	Product Description	Wtd. Avg. Home Size	Wtd. Avg. Base Price	Prod. Lines	Monthly Absorption	
					Sustained	Effective
Attached	8.0 DU/AC (Small)	1,326	\$610,000	1	3.00	2.50
Attached	8.0 DU/AC (Large)	2,250	\$875,000	1	3.00	2.35
Detached	7,800 SF Lots	3,900	\$1,350,000	1	3.00	2.81
Detached	12,000 SF Lots	5,394	\$1,900,000	1	3.00	2.33
Minimum	---	1,326	\$610,000		3.00	2.33
Maximum	---	5,394	\$1,900,000		3.00	2.81
Average	---	2,935	\$1,072,357		0.80	---

⁽¹⁾ Detailed absorption and development schedules found in Addenda.

Overall, absorption was scheduled at a sustained rate of 3.00 homes per project per month, depending on product and planning area. Effective absorption, which reflects the average sales rate based on the actual projected months of sales, ranged from 2.33 to 2.81 sales per month.

Sustained absorption reflects the sales period from initial product release to the date the product sells out. Effective absorption reflects the actual number of months from initial release to final close of escrow and delivery to the individual buyer(s). Typically, final absorption rates obtained from builders include the closing period. Thus, the effective absorption rates offer an additional comparison indicator.

It should be noted that our survey of projects in the submarket indicated *current* home sales at 0, 1 and 2 homes per month. However, for the purposes of this analysis we have assumed sales rates in a recovered market. More specifically, in the developmental analysis we have assumed immediate development of the planning areas to arrive at residual blue top/superpad values for the respective planning areas. However, we have reflected timing for *current* market conditions, in the Master Cash Flow "As Is" analysis.

The reconciled sustained and effective absorption rates were within the general range of market data, which takes into account a continuing supply of direct competition to the subject, as well as the pricing and product delineation within the Master Plan. Detailed absorption and development schedules for each planning area can be found in the Addenda.

Model construction was scheduled for Month 2 and start of production unit construction in Month 3 for detached product and Month 2 for attached product. Initial release was scheduled for Month 5. Initial delivery varied based on construction cycle of given product. Subsequent construction cycles were scheduled at five-month intervals for detached product.

REVENUE AND EXPENSE ESCALATION

Considering the scheduled development, sales, and build-out duration, neither revenue nor expense trending was incorporated into the cash flow. Reconciled static profit and discount rates (IRR) reflected the "static" assumptions for home revenues and costs.

ENTREPRENEURIAL REWARD / DISCOUNT RATE

Developer's profit and discount rate assumptions are interrelated. Profit can be included as a line item expense in the cash flow or reflected in the discount rate. There are several ways to handle entrepreneurial profit in a cash flow forecast. The two most common in this market are 1) deduction as a line item expense based on a percentage of retail sales revenues under a static residual model and 2) increase the discount rate to account for the entrepreneur's contribution in addition to project risk under a yield residual model. As merchant developers in this market typically recognize profit and return requirements in yields to equity under a yield analysis, this method was used. Since there is no deduction for profit, the bottom line cash flow must be discounted to account for the overall required return to the property. Under these assumptions, the sum of the net cash flows, discounted appropriately, results in the amount a developer/builder could pay for the land, while realizing given profit, equity yield, and financial criteria.

YIELD RESIDUAL LAND VALUES BY PRODUCT TYPE								
Product Type	No. of Units Valued	Product Description	Wtd. Avg. Home Size	IRR ⁽¹⁾ (Leveraged)	Indicated Land Value ⁽²⁾	Costs to Finish ⁽³⁾	Finished Lot Value ⁽⁴⁾	Per Lot Basis
Attached	55	8.0 DU/AC (Small)	1,326	61.29%	\$18,670,627	\$55,110	\$18,725,737	\$340,468
Attached	47	8.0 DU/AC (Large)	2,250	68.58%	\$18,772,623	\$235,846	\$19,008,469	\$404,436
Detached	104	7,800 SF Lots	3,900	35.54%	\$64,030,550	\$208,312	\$64,238,862	\$617,681
Detached	21	12,000 SF Lots	5,394	106.18%	\$17,138,876	\$41,496	\$17,180,372	\$818,113
Minimum	21	---	1,326	35.54%	---	---	---	\$340,468
Maximum	104	---	5,394	106.18%	---	---	---	\$818,113

⁽¹⁾ Implied IRR iterated to the static method.

⁽²⁾ Indicated blue top value via yield method.

⁽³⁾ Builder's in-tracts and fees @ permit.

⁽⁴⁾ Implied finished lot value via yield method.

Yield rates for subdivision development are not generally published. Several consultants, builders, developers, and other investors were surveyed regarding yield requirements for this type of investment. Overall, a consensus was that equity internal rates of return were greatly dependent on the term of the investment. Due to costs and delays in acquiring alternative developments, short-term projects often have equity yield rates well above 40% whereas longer-term projects typically required internal rates of returns from just below 20% to over 30%. Iterating to the static method resulted in leveraged IRRs ranging from 35.54% to 106.18%.

The higher IRR indications are not unusual given the shorter buildout periods on product with smaller populations. With consideration for the above along with the projected development durations for the subject planning areas/parcels, the leveraged discount rates were deemed appropriate. Said rates reflect the non-trending assumption discussed above.

SALES COMPARISON APPROACH

In this initial analysis we are estimating the market value of specific planning areas within the subject Master Plan using the Sales Comparison Approach. We have identified 4 product types within the 6 residential planning areas within the subject Master Plan. The sales comparison analysis presented involves estimating the market value of these 4 specific product types within the subject Master Plan. Once we have applied, analyzed and drawn conclusions using the Sales Comparison Approach, we will compare our conclusions with the findings from the Developmental Model. The commercial portion of the subject property is discussed in a later section of this report.

With this in consideration, residential Planning Areas were valued via the sales comparison approach. The appraisers has analyzed attached and detached product separately within this approach.

METHODOLOGY

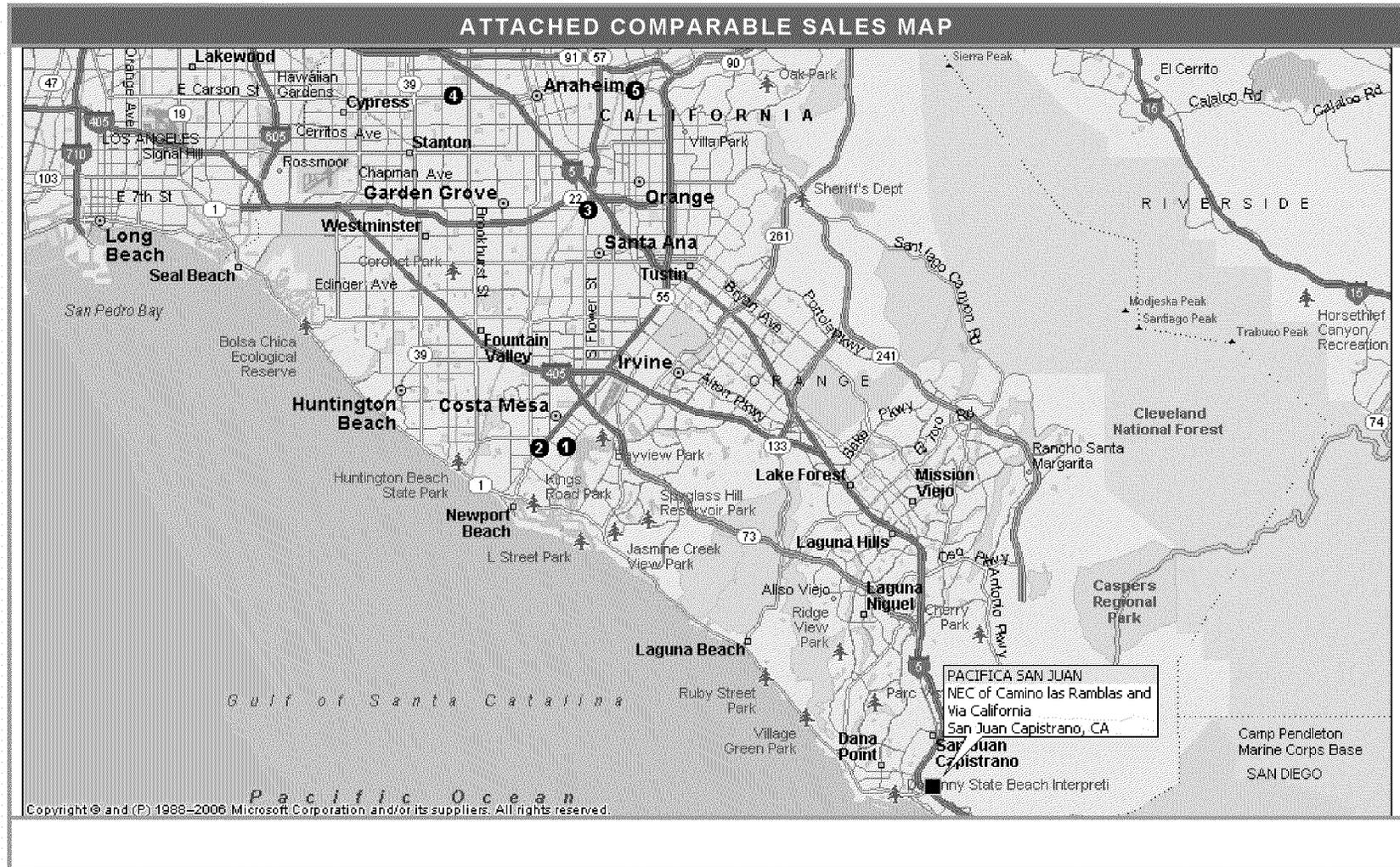
In the Sales Comparison Approach, we estimated the value of the subject by comparing it with similar, recently sold properties in the surrounding or competing area. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arms-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The sold properties must be comparable to the subject in physical, locational, and economic characteristics. The basic steps of this approach are:

- Research recent, relevant property sales and current offerings throughout the competitive area;
- Select and analyze properties that are similar to the subject, considering changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
- Identify sales that include favorable financing and calculate the cash equivalent price;
- Reduce the sale prices to a common unit of comparison;
- Make appropriate adjustments to the prices of the comparable properties;
- Interpret the adjusted sales data. These developments are not comparable communities and draw a logical value conclusion.

Single-family detached sites are typically sold (negotiated) in a "finished lot" condition and multi-family and commercial sites are typically sold in a "mass graded" condition. The first objective of this approach is to value the subject site as if in a finished condition with all site development fees paid (excluding building permits). Finished lots are defined as having interior streets and utilities complete to the site, with each lot pad graded to a finished condition. Any costs not incurred to this point will typically be reflected in the purchase price. In these cases, buyers and sellers typically estimate their finishing costs and remaining fees to be paid on a per lot basis and then deduct these costs to arrive at a nominal price for the current "as-is" condition (ie: blue top lot or current physical condition). The practice of buyers and sellers first estimating finished lot value on a price per lot basis creates direct indications of value for the subject site "as-if" finished with all fees paid. We have therefore based our analyses on a "finished lot" value. The remaining costs or fees to be paid will be deducted to provide an indication of the market value of the land in its current physical condition.

The table below summarizes the sales data and the accompanying map shows the location of the comparable properties in relation to the subject.



COMPARABLE LAND SALE SUMMARY - ATTACHED

Data Ref.	Project Address Location	Submarket Thomas Bros. Map APN(s)	Buyer Seller	Sale Price Contract Date Close of Escrow	No. Units Density (DU/Ac) Net Acres	Sale Price Per Unit	Finished Price Per Unit ⁽¹⁾	Condition Entitlements Tax Rate
1	Bungalows at Bay Street E/S of Bay Street, N/O Newport Boulevard Costa Mesa, CA	Central County 889-A2 N/Av	Richmond American Homes John A. Dick	\$14,000,000 30-Mar-05 30-Nov-05	32 3,500 Minimum	\$437,500	\$512,500	Finished Tentative Map
2	Heritage Village Bristol St. & Memory Ln. Santa Ana, CA	Central County 799-D6 N/Av	MBK Homes Silverwood Development Co., LLC	\$44,200,000 1-Apr-05 N/Av	104 8.2 12.7	\$425,000	\$425,000	Finished Tentative Map
3	N/Av W/S of Magnolia Ave., N/O Lincoln Ave. Anaheim, CA	Central County 738-B5 N/Av	KB Homes Magnolia Lane Investment Group	\$16,783,500 1-Oct-05 N/Av	38 8.8 4.3	\$428,709	\$441,671	Finished Tentative Map
4	Del Rio Master Plan NWC of Glassell St. & Lincoln Ave. Orange, CA	Central County 769-G4 N/Av	Lennar/Centex SunCal Companies	\$35,594,400 Jan-06 May-06	100 13.4 7.44	\$355,944	\$398,600	Finished Tentative Map N/Av

⁽¹⁾ Finished prices are assumed to be net of CFD reimbursements and includes fees at permit.

RESIDENTIAL PLANNING AREAS

The subject master plan includes 5 detached product types and 2 attached product types located within 11 residential planning areas. The sales comparison approach involved analyzing comparable sales, offers, listings, and pending sales of detached home sites and making adjustments for differences between the comparables and the subject. Adjustments were made on a "finished lot" basis. Finished lot reflects all onsite and offsite land development complete and the land ready for construction of improvements. Finished lot condition also includes development fees normally associated with entitlements (i.e., park fees, water and sewer fees, school fees, etc.).

DISCUSSION OF LAND SALES

The data search focused on the local area. Sales, pending sales, offers, and/or listings were researched and confirmed. The most comparable data were specifically analyzed and reported herein. Note that sales that do occur are difficult to confirm and research for critical information. The comparables utilized were the best available to the appraisers.

Overall, our investigation revealed that land sales activity has been very limited during the past 2+ years. A search was made for detached residential land sales in the local market. Overall, eight sales were considered relevant and specifically analyzed herein. These sales were analyzed on a price per lot basis, which is typical for detached residential land in this market.

It should be noted, complete verification details were not available for all of the land sales; however, the available information is considered reasonably reliable. Most of the land sales activity consisted of generally similar density residential projects. It should be noted, residential land values in the market area have decreased in the past 12 months. The subject is currently in raw condition and therefore, there is no subject sale activity at this time.

DISCUSSION OF COMPARABLE FINISHED LOT SALES (ATTACHED)

COMPARABLE SALE NO. 1

The sale consisted of a proposed 32-lot subdivision (Bungalows at Bay Street), located 18.00± miles northwest of the subject, east side of Bay Street, north of Newport Boulevard, Costa Mesa, California. The comparable was sold in blue top condition with tentative map approval and reported minimum lot sizes of 3,500± square feet. Premium potential was considered average. It was reported that Richmond American Homes entered into a contract to purchase the site from John A. Dick in March of 2005 for \$14,000,000, or \$437,500 per lot. Costs to finish the site were reported to total \$75,000± per lot bringing the finished price to \$512,500± per lot. The product size and pricing were not available.

COMPARABLE SALE NO. 2

The sale consisted of a proposed 104-lot subdivision (Heritage Village), located 24.00± miles northwest of the subject, northeast of Bristol Street and Memory Lane, Santa Ana, California. The comparable was sold in finished condition with tentative map approval and reported minimum lot sizes of 3,300± square feet or 8.2 dwelling units per acre. Premium potential was considered average. It was reported that MBK Homes entered into a contract to purchase the site from Silverwood Development Co. LLC in April of 2005 for \$44,200,000, or \$425,000 per lot. Costs to finish the site were not provided. The product size and pricing were not available.

COMPARABLE SALE NO. 3

The sale consisted of a proposed 38-lot subdivision, located 30.00± miles northwest of the subject, northwest of Lincoln Avenue and Gilbert Street in Anaheim, California. The comparable was sold in blue top condition with tentative map approval and reported 8.8 dwelling units per acre. Premium potential was considered above average. It was reported that KB Homes entered into a contract to purchase the site from Magnolia Lane

Investment Group in October of 2005 for \$16,783,500, or \$428,709 per lot. Costs to finish the site were reported to total \$12,962± per lot bringing the finished price to \$441,671± per lot. The product size and pricing were not available.

COMPARABLE SALE NO. 4

The sale consisted of a proposed 100-lot subdivision with the Del Rio master planned community, located 27.00± miles northwest of the subject, at the northwest corner of Glassell Street and Lincoln Avenue in Anaheim, California. The comparable was sold in blue top condition with tentative map approval and reported minimum lot sizes of 3,240± square feet or 13.4 dwelling units per acre. Premium potential was considered average. It was reported that Lennar and Centex Homes entered into a contract to purchase the site from SunCal in January 2006 for \$39,860,000, or \$355,944 per lot. Costs to finish the site were reported to total \$42,656± per lot bringing the finished price to \$398,600± per lot. The product size and pricing were not available.

ADJUSTMENTS TO THE COMPARABLES – ATTACHED SALES

In order to value the subject site, the comparable transactions were adjusted to reflect differences with the subject in regard to various categories that affect market value. If a comparable has an attribute that is considered superior to that of the subject, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories that are considered inferior to the subject and are adjusted upward. In order to isolate and quantify the adjustments on the comparable sales data percentage or dollar adjustments are considered appropriate. At a minimum, the appraisers considered the need to make adjustments for property rights conveyed, financing terms, conditions of sale (motivation), market conditions (time), location, and physical characteristics.

A paired sales analysis is performed in a meaningful way when the quantity and quality of the data are sufficient for such purpose. However, due to limited data from the market, adjustments may require the appraisers' experience and knowledge of the market and information obtained from those knowledgeable and active in the marketplace. An analysis involving each of these factors and the finished lot value conclusion for the subject follows. A finished price per lot was deemed the most applicable unit of comparison since this is typically utilized in the marketplace. Accordingly, the comparables were initially compared and adjusted to the subject on a finished price per lot basis.

PROPERTY RIGHTS CONVEYED

This adjustment accounts for differences in the interest sold, between the sales and the subject. Partial interests are typically less valuable than fee interest, because fee interests are whole (not fractional), are easier to finance, etc.

All of the comparable single-family residential land sales are equivalent to the subject in property right conveyed (fee simple).

FINANCING

This adjustment is made for properties, which sold with financing terms that are not considered to be cash equivalent. A sale property, which received advantageous financing, would show a higher price per unit, and would therefore be superior in the respect.

All of the comparable single-family residential land sales are equivalent to the subject in financing terms (cash equivalent).

CONDITIONS OF SALE

The condition of sale adjustment is used to account for differences in buyer and seller motivations. For example, if a seller must quickly dispose of a property, its price would be lower than if the seller was typically motivated. All of the comparable single-family residential land sales are equivalent to the subject in conditions of sale (typically motivated). No adjustments for condition of sale were made to the sales.

MARKET CONDITIONS (TIME)/LISTING PREMIUM

This adjustment category considers the differences in market conditions between the time of the comparable sale and the date of value. A comparable property, which sold during the times of better market conditions, would show a high price per unit for a more current date of value.

Any change in land prices over time was considered in this category. Along with homes, land was appreciating from 2004 through 2005. The primary reasons for the escalating prices were favorable economic conditions and very strong housing demand. Around the beginning of 2006, home and land pricing began to soften, as evidenced by declining pricing, concessions in for-sale housing projects and a decrease in sales velocity. A survey of brokers in the area reported stabilizing and depreciation in land prices, longer marketing periods, and fewer buyers than a year ago. Potential buyers are looking for "deals" or want finished sites ready to build. The decline in land values is consistent with home price and absorption reductions, higher interest rates and risk, and increasing inventory and development costs. All comparables were adjusted for market conditions.

Sales occurring in 2005 were adjusted downward 25% of the sales price and sales occurring in 2006 were adjusted downward 20% of the sales price.

LOCATION

This category considers locational factors such as an area's reputation, the quality and desirability of surrounding improvements, proximity to employment centers or housing, and distance from local and regional transportation arteries.

Comparable sales 2, 3 and 4 have been adjusted upward due to their inferior non-coastal location. All of the remaining sales were considered similar in terms of location.

PREMIUM POTENTIAL

Premium potential for lots is generally valued at 50%± of the retail lot premium. In order to adjust for differences in premium potential, the appraisers estimate average retail lot premiums for the comparables. The rounded adjustments formulated by the appraisers represent 50%± of the retail lot premium difference. Additionally, we analyzed project data provided by Hanley Wood. Lot premium indications for the projects range from \$5,000 to \$470,000. Typically, larger premiums are associated with views premium locations within golf communities. The premium to base percentage range is from 0.91% to 37.45%. The subject project has good premium potential.

The comparables were considered similar in premium potential, with no adjustments warranted.

LOT PREMIUM SURVEY FOR DETACHED PRODUCT

Project	Product Type	Location	Base Price	Maximum Lot	Premium to
			Net Concessions	Premium	Base Ratio
Alta At Talega	Detached	San Clemente	\$1,725,667	\$250,000	14.49%
Bella Vista At Talega	Detached	San Clemente	\$1,255,000	\$470,000	37.45%
Belle Cliff At Pacifica San Juan	Detached	San Juan Capistrano	\$1,146,667	\$300,000	26.16%
Caprizi At Talega	Detached	San Clemente	\$878,750	\$30,000	3.41%
Carillon At Talega	Detached	San Clemente	\$1,049,700	\$150,000	14.29%
Cornerstone	Detached	Costa Mesa	\$680,100	\$15,000	2.21%
Cazadero At Talega	Detached	San Clemente	\$1,578,000	\$275,000	17.43%
Estrella Rosa	Detached	San Juan Capistrano	\$2,325,000	\$241,750	10.40%
Floralisa	Detached	San Juan Capistrano	\$1,302,667	\$25,000	1.92%
Latitudes North At Vantis	Detached	Aliso Viejo	\$551,490	\$5,000	0.91%
Latitudes South At Vantis	Detached	Aliso Viejo	\$528,657	\$40,000	7.57%
Lucia At Talega	Detached	San Clemente	\$2,445,500	\$300,000	12.27%
Portomarin At Talega	Detached	San Clemente	\$918,500	\$100,000	10.89%
Ravenna At Talega	Detached	San Clemente	\$1,162,547	\$180,000	15.48%
Sabella At Talega	Detached	San Clemente	\$801,875	\$70,070	8.74%
Stella Mare At Talega	Detached	San Clemente	\$983,125	\$115,000	11.70%
Summit At San Joaquin Hills (The)	Detached	Laguna Niguel	\$1,477,400	\$100,000	6.77%
Minimum	---	---	\$528,657	\$5,000	0.91%
Maximum	---	---	\$2,445,500	\$470,000	37.45%
Averages	---	---	\$1,224,155	\$156,872	11.89%

ECONOMY OF SCALE/PLANNING AREA SIZE

It would seem reasonable that in comparison to smaller-sized developments, larger-sized projects would typically sell for a slightly lower price per unit since the builder would have more extensive carrying costs. The inverse would be expected for smaller projects. Another consideration influencing this adjustment is that builders require a project of sufficient size to amortize many of the fixed costs of doing business, as well as to provide the homebuyer with ample selection. That minimum project size depends upon the particular demands and financial ability of the individual builder. The analyzed land comparables ranged from 32 to 104 units. Note that although a smaller project would have lower overall carrying costs, it would also have higher costs in amortization of marketing expenses, models, etc. Further, some builders are willing to pay a premium to have a larger number of lots in a single location rather than a similar number of lots dispersed in several locations. In the current market, there is no measurable difference for the project sizes bracketing the subject.

DENSITY (DWELLING UNITS PER ACRE)

Units per acre is critical in that it dictates product size and pricing along with the inherent land basis associated with said product. The comparables have dwelling units per acre ranging from 3,500 square foot lots to 13.4. Please see adjustment grids for individual adjustments.

Comparable sale 1 was adjusted downward by \$30,000 per lot due to its lower 3,500 square foot lot density. Comparable sale 4 was adjusted upward by \$15,000 per unit due to its higher 13.4 DU/AC density.

PROPOSED PRODUCT

The proposed product size of the subject and comparables was also considered. For the most part, variances in proposed product are companion to the lot size adjustment. Proposed Product adjustments primarily are applied to planning areas with product restrictions. In most cases, the subject product was larger than the intended product proposed for the land sales. Adjustments were applied to the comparables to account for the size differential for the proposed product.

No adjustments were warranted for the 1,326 square foot homes. However, an upward adjustment of \$40,000 per unit was made to all the comparables for the subject's larger 2,250 square foot product.

ENTITLEMENTS/RISK

Due to added carrying costs and exposure risk from extended project life, it is expected that lower prices are paid for projects in earlier stages of development (i.e., un-entitled land) than for projects closer to completion (i.e., final map). The risk associated with entitlements also varies upon specific market conditions at the time of sale. Entitled land in appreciating markets with strong demand would have a lower perceived risk than similar land in stabilizing or depreciating markets with little demand. It is expected that higher prices are paid for projects with lower entitlement risk relative to demand. The subject was assumed to have final map approval.

All of the sales were purchased with tentative map approval, which was considered to have a similar level of risk to the assumed tentative map approval, requiring no adjustments.

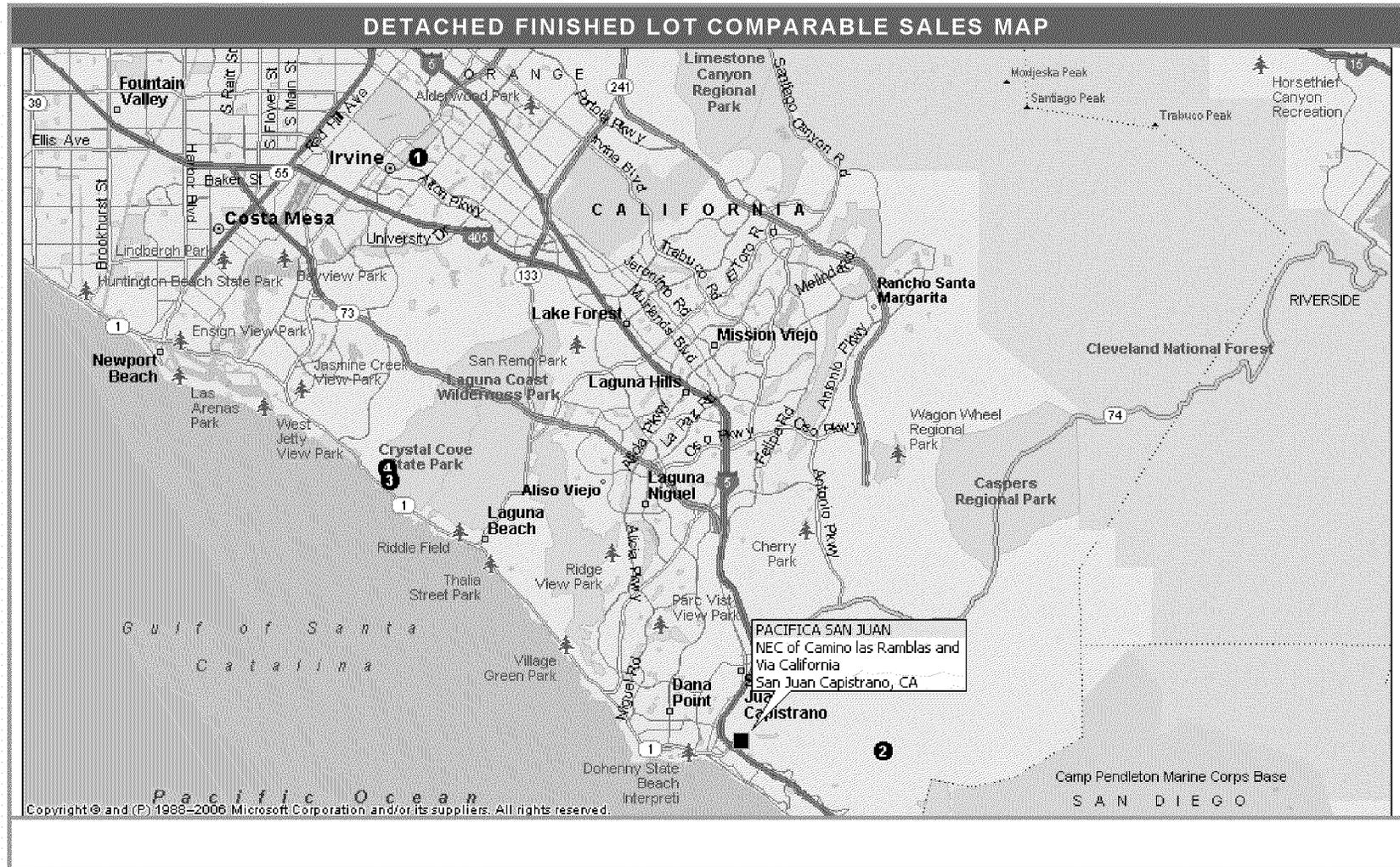
IMPROVEMENTS (STAGE OF DEVELOPMENT)

For similar reasons to those stated above (carry costs and exposure risk from an extended project life), it is expected that lower prices are paid for projects in earlier stages of development (i.e., raw land) than for projects closer to completion (i.e., superpad site). The subject lots will be sold in superpad condition.

Comparables in superpad condition were considered similar to the subject's assumed complete status. All of the sales were sold in superpad condition requiring no adjustments.

FINISHED LOT SALES (DETACHED)

The table below summarizes the detached sales data and the accompanying map shows the location of the comparable properties in relation to the subject.



COMPARABLE LAND SALE SUMMARY - DETACHED

Data Ref.	Project Address Location	Submarket Thomas Bros. Map APN(s)	Buyer Seller	Sale Price Contract Date Close of Escrow	No. Lots Lot Size (sf) Description	Sale Price Per Lot	Finished Price Per Lot ⁽¹⁾	Condition Entitlements Tax Rate	Average Product Size (sf) Base Pricing	Average Size (sf) Average Price w/ Premiums	Land Price Ratio
1	Marble Mountain (Alexandria) SWC of Harvard Ave. & Warner Ave. Irvine, CA	Central 860-C3 N/Av	Lennar Homes Tustin Vistas Partners LLC	\$34,705,137 Mar-05 Jun-05	64 4,500 Minimum	\$542,268	\$632,393	Blue Top Tentative Map N/Av	2,770 to 3,168 \$1,095,000 to \$1,250,000	2,969 \$1,172,500	53.94%
2	Telega - Lucia Planning Area 4E San Clemente, CA	South Coastal 973-B4 N/Av	WL Homes LLC (John Laing) Telega Associates, LLC	\$45,739,000 Jun-05 Sep-05	53 10,000 Minimum	\$863,000	\$997,000	Blue Top Tentative Map N/Av	5,685 to 6,055 \$2,286,000 to \$2,662,500	5,870 \$2,467,167	40.41%
3	Crystal Cove - Beach Town II E/S of Coast Highway, S/O Newport Coast Dr. Newport Beach, CA	South Coastal 920-A5 N/Av	WL Homes LLC (John Laing) The Irvine Company	\$40,000,000 Jun-05 Sep-05	20 12,000 Minimum	\$2,000,000	\$2,000,000	Finished Final Map N/Av	3,182 to 4,102 \$3,229,000 to \$4,626,700	3,642 \$3,927,850	50.92%
4	Crystal Cove - SeaCrest E/S of Coast Highway, S/O Newport Coast Dr. Newport Beach, CA	South Coastal 920-A5 N/Av	WL Homes LLC (John Laing) The Irvine Company	\$87,000,000 Jul-05 Oct-05	29 21,000 Minimum	\$3,000,000	\$3,000,000	Finished Final Map N/Av	6,519 to 7,678 \$5,760,400 to \$7,889,300	7,100 \$7,000,000	42.86%
5	Pacifica San Juan - Harbor Vista N/S of Camino Las Ramblas, E/O I-5 San Juan Capistrano, CA	South Coastal 972-C5/6 N/Av	WL Homes LLC (John Laing) SunCal Companies	\$30,252,958 Mar-06 Mar-07	46 6,500 Minimum	\$657,673	\$700,000	Blue Top Tentative Map N/Av	2,530 to 4,289 \$1,182,000 to \$1,382,000	3,388 \$1,282,000	54.60%
6	Pacifica San Juan - Vista II N/S of Camino Las Ramblas, E/O I-5 San Juan Capistrano, CA	South Coastal 972-C5/6 N/Av	K. Hovnanian SunCal Companies	\$27,625,532 Mar-06 Mar-07	44 6,000 Minimum	\$627,853	\$697,898	Blue Top Tentative Map N/Av	3,172 to 3,590 \$977,500 to \$1,130,500	3,381 \$1,054,000	66.21%

⁽¹⁾ Finished lot prices are assumed to be net of CFD reimbursements

DISCUSSION OF COMPARABLE FINISHED LOT SALES (DETACHED)

COMPARABLE SALE NO. 1

The sale consisted of a proposed 64-lot subdivision, known as Marble Mountain (Alexandria), located 17.50± miles northwest of the subject, Irvine, California. The comparable was sold in blue top condition with tentative map approval and reported minimum lot sizes of 4,500± square feet. Premium potential was considered average. It was reported that Lennar Homes entered into a contract to purchase the site from Tustin Vistas Partners LLC in June of 2005 for \$34,705,137, or \$542,268 per lot. Costs to finish the site were reported to total \$90,125± per lot bringing the finished price to \$632,393± per lot. The product sizes ranged from 2,770 to 3,168 square feet.

COMPARABLE SALE NO. 2

The sale consisted of a proposed 53-lot subdivision with the Talega master planned community (Planning Area 4E-Lucia), located 3.75± miles east of the subject, San Clemente, California. The comparable was sold in blue top condition with tentative map approval and reported minimum lot sizes of 10,000± square feet. Premium potential was considered good. It was reported that WL Homes LLC (Laing Luxury Homes) entered into a contract to purchase the site from Talega Associates LLC in June of 2005 for \$45,739,000, or \$863,000 per lot. Costs to finish the site were reported to total \$134,000± per lot bringing the finished price to \$997,000± per lot. The product sizes ranged from 5,699 to 6,070 square feet, with home pricing ranging from \$2.1 to 2.5 million.

COMPARABLE SALE NO. 3

The sale consisted of a proposed 20-lot subdivision with the Crystal Cove master planned community (Beach Town II), located 11.50± miles northwest of the subject, Newport Beach, California. The comparable was sold in finished condition with tentative map approval and reported minimum lot sizes of 12,000± square feet. Premium potential was considered excellent. It was reported that WL Homes LLC (Laing Luxury Homes) entered into a contract to purchase the site from the Irvine Company in June of 2005 for \$40,000,000, or \$2,000,000 per lot. The product sizes ranged from 3,200 to 4,100 square feet, with home pricing ranging from \$3.2 to \$4.6 million.

COMPARABLE SALE NO. 4

The sale consisted of a proposed 29-lot subdivision with the Crystal Cove master planned community (SeaCrest), located 11.50± miles northwest of the subject, Newport Beach, California. The comparable was sold in finished condition with tentative map approval and reported minimum lot sizes of 21,000± square feet. Premium potential was considered excellent. It was reported that WL Homes LLC (Laing Luxury Homes) entered into a contract to purchase the site from the Irvine Company in July of 2005 for \$87,000,000, or \$3,000,000 per lot. The product sizes ranged from 6,500 to 7,700 square feet, with home pricing ranging from \$5.7 to \$7.9 million.

COMPARABLE SALE NO. 5

The sale consisted of a proposed 46-lot subdivision with the Pacifica San Juan (Subject) master planned community, San Juan Capistrano, California. The comparable was sold in blue top condition with tentative map approval and reported minimum lot sizes of 6,500± square feet. Premium potential was considered good. It was reported that WL Homes LLC (Laing Luxury Homes) entered into a contract to purchase the site from SunCal Companies in March of 2006 for \$30,252,958, or \$657,673 per lot. Costs to finish the site were reported to total \$42,327± per lot bringing the finished price to \$700,000± per lot. The product sizes ranged from 2,530 to 4,289 square feet, with home pricing ranging from \$1.1 to \$1.4 million.

COMPARABLE SALE NO. 6

The sale consisted of a proposed 44-lot subdivision with the Pacifica San Juan (Subject) master planned community, San Juan Capistrano, California. The comparable was sold in blue top condition with tentative map

approval and reported minimum lot sizes of 6,000± square feet. Premium potential was considered good. It was reported that K. Hovnanian entered into a contract to purchase the site from SunCal Companies in March of 2006 for \$27,625,532, or \$627,853 per lot. Costs to finish the site were reported to total \$70,045± per lot bringing the finished price to \$697,898± per lot. The product sizes ranged from 3,172 to 3,590 square feet, with home pricing ranging from \$1.0 to \$1.1 million.

ADJUSTMENTS TO THE COMPARABLES – DETACHED SALES

In order to value the subject site, the comparable transactions were adjusted to reflect differences with the subject in regard to various categories that affect market value. If a comparable has an attribute that is considered superior to that of the subject, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories that are considered inferior to the subject and are adjusted upward. In order to isolate and quantify the adjustments on the comparable sales data percentage or dollar adjustments are considered appropriate. At a minimum, the appraisers considered the need to make adjustments for property rights conveyed, financing terms, conditions of sale (motivation), market conditions (time), location, and physical characteristics.

A paired sales analysis is performed in a meaningful way when the quantity and quality of the data are sufficient for such purpose. However, due to limited data from the market, adjustments may require the appraisers' experience and knowledge of the market and information obtained from those knowledgeable and active in the marketplace. An analysis involving each of these factors and the finished lot value conclusion for the subject follows. A finished price per lot was deemed the most applicable unit of comparison since this is typically utilized in the marketplace. Accordingly, the comparables were initially compared and adjusted to the subject on a finished price per lot basis.

PROPERTY RIGHTS CONVEYED

This adjustment accounts for differences in the interest sold, between the sales and the subject. Partial interests are typically less valuable than fee interest, because fee interests are whole (not fractional), are easier to finance, etc.

All of the comparable single-family residential land sales are equivalent to the subject in property right conveyed (fee simple).

FINANCING

This adjustment is made for properties, which sold with financing terms that are not considered to be cash equivalent. A sale property, which received advantageous financing, would show a higher price per unit, and would therefore be superior in the respect.

All of the comparable single-family residential land sales are equivalent to the subject in financing terms (cash equivalent).

CONDITIONS OF SALE

The condition of sale adjustment is used to account for differences in buyer and seller motivations. For example, if a seller must quickly dispose of a property, its price would be lower than if the seller was typically motivated. All of the comparable single-family residential land sales are equivalent to the subject in conditions of sale (typically motivated). No adjustments for condition of sale were made to the sales.

MARKET CONDITIONS (TIME)/LISTING PREMIUM

This adjustment category considers the differences in market conditions between the time of the comparable sale and the date of value. A comparable property, which sold during the times of better market conditions, would show a high price per unit for a more current date of value.

Any change in land prices over time was considered in this category. Along with homes, land was appreciating from 2004 through 2005. The primary reasons for the escalating prices were favorable economic conditions and very strong housing demand. Around the beginning of 2006, home and land pricing began to soften, as evidenced by declining pricing, concessions in for-sale housing projects and a decrease in sales velocity. A survey of brokers in the area reported stabilizing and depreciation in land prices, longer marketing periods, and fewer buyers than a year ago. Potential buyers are looking for "deals" or want finished sites ready to build. The decline in land values is consistent with home price and absorption reductions, higher interest rates and risk, and increasing inventory and development costs. All comparables were adjusted for market conditions.

Sales occurring in 2005 were adjusted downward 15% of the sales price and sales occurring in 2006 were adjusted downward 10% of the sales price.

LOCATION

This category considers locational factors such as an area's reputation, the quality and desirability of surrounding improvements, proximity to employment centers or housing, and distance from local and regional transportation arteries.

Comparable sale 1 was adjusted upward due to its inferior non-coastal location. Comparable sales 2 and 3 have been adjusted downward due to their superior location, closer to the ocean with better unobstructed ocean views. All of the remaining sales were considered similar in terms of location.

PREMIUM POTENTIAL

Premium potential for lots is generally valued at 50%± of the retail lot premium. In order to adjust for differences in premium potential, the appraisers estimate average retail lot premiums for the comparables. The rounded adjustments formulated by the appraisers represent 50%± of the retail lot premium difference. Additionally, we analyzed project data provided by Hanley Wood. Lot premium indications for the projects range from \$5,000 to \$470,000. Typically, larger premiums are associated with views premium locations within golf communities. The premium to base percentage range is from 0.91% to 37.45%. The subject project has average premium potential.

Comparable sale 2 was considered superior in premium potential, with a downward adjustment warranted.

LOT PREMIUM SURVEY FOR DETACHED PRODUCT

Project	Product Type	Location	Base Price Net Concessions	Maximum Lot Premium	Premium to Base Ratio
Alta At Talega	Detached	San Clemente	\$1,725,667	\$250,000	14.49%
Bella Vista At Talega	Detached	San Clemente	\$1,255,000	\$470,000	37.45%
Belle Cliff At Pacifica San Juan	Detached	San Juan Capistrano	\$1,146,667	\$300,000	26.16%
Caprizi At Talega	Detached	San Clemente	\$878,750	\$30,000	3.41%
Carillon At Talega	Detached	San Clemente	\$1,049,700	\$150,000	14.29%
Cornerstone	Detached	Costa Mesa	\$680,100	\$15,000	2.21%
Cazadero At Talega	Detached	San Clemente	\$1,578,000	\$275,000	17.43%
Estrella Rosa	Detached	San Juan Capistrano	\$2,325,000	\$241,750	10.40%
Floralisa	Detached	San Juan Capistrano	\$1,302,667	\$25,000	1.92%
Latitudes North At Vantis	Detached	Aliso Viejo	\$551,490	\$5,000	0.91%
Latitudes South At Vantis	Detached	Aliso Viejo	\$528,657	\$40,000	7.57%
Lucia At Talega	Detached	San Clemente	\$2,445,500	\$300,000	12.27%
Portomarin At Talega	Detached	San Clemente	\$918,500	\$100,000	10.89%
Ravenna At Talega	Detached	San Clemente	\$1,162,547	\$180,000	15.48%
Sabella At Talega	Detached	San Clemente	\$801,875	\$70,070	8.74%
Stella Mare At Talega	Detached	San Clemente	\$983,125	\$115,000	11.70%
Summit At San Joaquin Hills (The)	Detached	Laguna Niguel	\$1,477,400	\$100,000	6.77%
Minimum	---	---	\$528,657	\$5,000	0.91%
Maximum	---	---	\$2,445,500	\$470,000	37.45%
Averages	---	---	\$1,224,155	\$156,872	11.89%

ECONOMY OF SCALE/PLANNING AREA SIZE

It would seem reasonable that in comparison to smaller-sized developments, larger-sized projects would typically sell for a slightly lower price per unit since the builder would have more extensive carrying costs. The inverse would be expected for smaller projects. Another consideration influencing this adjustment is that builders require a project of sufficient size to amortize many of the fixed costs of doing business, as well as to provide the homebuyer with ample selection. That minimum project size depends upon the particular demands and financial ability of the individual builder. The analyzed land comparables ranged from 71 to 193 lots. Note that although a smaller project would have lower overall carrying costs, it would also have higher costs in amortization of marketing expenses, models, etc. Further, some builders are willing to pay a premium to have a larger number of lots in a single location rather than a similar number of lots dispersed in several locations. In the current market, there is no measurable difference for the project sizes bracketing the subject.

MINIMUM LOT SIZE & DIMENSIONS

Lot size is critical in that it dictates product size and pricing along with the inherent land basis associated with said product. Lot width and depth are also critical in analyzing and comparing lot sizes. The comparables have minimum lot sizes of 4,500 to 21,000± square feet. Please see adjustment grids for individual adjustments.

The comparables were adjusted to account for differences in lot size and dimension when necessary. The adjustments ranged from -\$30,000 to +\$200,000 per lot depending on their lot size.

PROPOSED PRODUCT

The proposed product size of the subject and comparables was also considered. For the most part, variances in proposed product are companion to the lot size adjustment. In most cases, the subject product was larger than the intended product proposed for the land sales. Adjustments were applied to the comparables to account for the size differential for the proposed product. For this analysis, the proposed product of the comparables was considered similar to the subject.

ENTITLEMENTS/RISK

Due to added carrying costs and exposure risk from extended project life, it is expected that lower prices are paid for projects in earlier stages of development (i.e., un-entitled land) than for projects closer to completion (i.e., final map). The risk associated with entitlements also varies upon specific market conditions at the time of sale. Entitled land in appreciating markets with strong demand would have a lower perceived risk than similar land in stabilizing or depreciating markets with little demand. It is expected that higher prices are paid for projects with lower entitlement risk relative to demand. The subject was assumed to have final map approval.

All of the sales were purchased with tentative map approval, which was considered to have a similar level of risk to the assumed tentative map approval, requiring no adjustments.

IMPROVEMENTS (STAGE OF DEVELOPMENT)

For similar reasons to those stated above (carry costs and exposure risk from an extended project life), it is expected that lower prices are paid for projects in earlier stages of development (i.e., raw land) than for projects closer to completion (i.e., blue top and finished site). The subject lots will be sold in blue top condition.

Comparables in finished or blue top condition were considered similar to the subject's assumed complete status.

COMPARABLE ATTACHED/DETACHED SALES SUMMARY

The chart below summarizes the final adjusted ranges for the detached product and our reconciled value conclusions.

RESIDENTIAL SALES COMPARISON LAND VALUATION BY PRODUCT TYPE						
Product Type	Product Description	Wtd. Avg. Home Size	No. of Units Valued	Comparables' Adjusted Finished Cost Range		Reconciled Fin. Lot Value ⁽¹⁾
Attached	8.0 DU/AC (Small)	1,326	55	\$348,750	to \$354,375	\$350,000
Attached	8.0 DU/AC (Large)	2,250	47	\$388,750	to \$394,375	\$390,000
Detached	7,800 SF Lots	3,900	104	\$633,108	to \$637,534	\$635,000
Detached	12,000 SF Lots	5,394	21	\$820,000	to \$828,108	\$825,000

⁽¹⁾ Finished lot value including fees at permit.

Our adjustment grids for the various product types can be found on the following pages.

LAND COMPARABLE ADJUSTMENT GRID - ATTACHED

Comparable No.		1	2	3	4
Identification		1	2	3	4
Close of Escrow	N/A	30-Nov-05	N/Av	N/Av	1-May-06
Contract Date	N/A	Mar-05	Apr-05	Oct-05	Jan-06
Sale Price	N/A	\$14,000,000	\$44,200,000	\$16,783,500	\$35,594,400
Price Per Unit "As Is"	N/Av	\$437,500	\$425,000	\$441,671	\$355,944
Costs To Finish (Dev & Fees)	N/Av	\$75,000	\$0	\$0	\$42,656
Price Per Unit "Super Pad"	N/Av	\$512,500	\$425,000	\$441,671	\$398,600
Price Per Unit (Unadjusted)		\$512,500	\$425,000	\$441,671	\$398,600
Property Rights	Fee	Fee 1.00	Fee 1.00	Fee 1.00	Fee 1.00
Financing Terms	Market	Market 1.00	Market 1.00	Market 1.00	Market 1.00
Conditions of Sale	Market	Market 1.00	Market 1.00	Market 1.00	Market 1.00
Market Conditions	30-Sep-07	Mar-05 0.75	Apr-05 0.75	Oct-05 0.75	Jan-06 0.80
Sum of Adjustments	---	0.75	0.75	0.75	0.80
Adjusted Price Per unit	---	\$384,375	\$318,750	\$331,253	\$318,880
Overall Tax Rate±	1.50%	0.00% \$0	0.00% \$0	0.00% \$0	N/Av \$0
Price Per Unit (Adjusted)		\$384,375	\$318,750	\$331,253	\$318,880
Comparisons					
Location	San Juan Capistrano, CA	Costa Mesa, CA \$0	Santa Ana, CA \$15,000	Anaheim, CA \$5,000	Orange, CA \$0
Premium Potential	Excellent	Good \$0	Average \$15,000	Average \$15,000	Average \$15,000
Economy of Scale/Project Size	55	32 \$0	104 \$0	38 \$0	100 \$0
Density	8.0	3,500.0 (\$30,000)	8.2 \$0	8.8 \$0	13.4 \$15,000
Proposed Product (sf±)	1,326	N/Av \$0	N/Av \$0	N/Av \$0	N/Av \$0
Entitlements	Final Map	Tentative Map \$0	Tentative Map \$0	Tentative Map \$0	Tentative Map \$0
Entitlement Risk	Low	Low \$0	Low \$0	Low \$0	Low \$0
Stage of Development	Superpad	Finished \$0	Superpad \$0	Superpad \$0	Superpad \$0
Net Physical Adjustments		(\$30,000)	\$30,000	\$20,000	\$30,000
Price Per Unit (Adjusted)		\$354,375	\$348,750	\$351,253	\$348,880
Per Unit (Before Adjustments)					
Low		\$398,600			
High		\$512,500			
Average		\$444,443			
Per Unit (After Adjustments)					
Low		\$348,750			
High		\$354,375			
Average		\$350,815			
Reconciled "Superpad" Unit Value		\$350,000			

LAND COMPARABLE ADJUSTMENT GRID - ATTACHED

Comparable No.		1	2	3	4
Identification		1	2	3	4
Close of Escrow	N/A	30-Nov-05	N/Av	N/Av	1-May-06
Contract Date	N/A	Mar-05	Apr-05	Oct-05	Jan-06
Sale Price	N/A	\$14,000,000	\$44,200,000	\$16,783,500	\$35,594,400
Price Per Unit "As Is"	N/Av	\$437,500	\$425,000	\$441,671	\$355,944
Costs To Finish (Dev & Fees)	N/Av	\$75,000	\$0	\$0	\$42,656
Price Per Unit "Super Pad"	N/Av	\$512,500	\$425,000	\$441,671	\$398,600
Price Per Unit (Unadjusted)		\$512,500	\$425,000	\$441,671	\$398,600
Property Rights	Fee	Fee 1.00	Fee 1.00	Fee 1.00	Fee 1.00
Financing Terms	Market	Market 1.00	Market 1.00	Market 1.00	Market 1.00
Conditions of Sale	Market	Market 1.00	Market 1.00	Market 1.00	Market 1.00
Market Conditions	30-Sep-07	Mar-05 0.75	Apr-05 0.75	Oct-05 0.75	Jan-06 0.80
Sum of Adjustments	---	0.75	0.75	0.75	0.80
Adjusted Price Per unit	---	\$384,375	\$318,750	\$331,253	\$318,880
Overall Tax Rate±	1.50%	0.00% \$0	0.00% \$0	0.00% \$0	N/Av \$0
Price Per Unit (Adjusted)		\$384,375	\$318,750	\$331,253	\$318,880
Comparisons					
Location	San Juan Capistrano, CA	Costa Mesa, CA	Santa Ana, CA	Anaheim, CA	Orange, CA
Premium Potential	Excellent	Good	Average	Average	Average
Economy of Scale/Project Size	47	32	104	38	100
Density	8.0	3,500.0	8.2	8.8	13.4
Proposed Product (sf±)	2,250	N/Av	N/Av	N/Av	N/Av
Entitlements	Final Map	Tentative Map	Tentative Map	Tentative Map	Tentative Map
Entitlement Risk	Low	Low	Low	Low	Low
Stage of Development	Superpad	Finished	Superpad	Superpad	Superpad
Net Physical Adjustments		\$10,000	\$70,000	\$60,000	\$70,000
Price Per Unit (Adjusted)		\$394,375	\$388,750	\$391,253	\$388,880
Per Unit (Before Adjustments)					
Low		\$398,600			
High		\$512,500			
Average		\$444,443			
Per Unit (After Adjustments)					
Low		\$388,750			
High		\$394,375			
Average		\$390,815			
Reconciled "Superpad" Unit Value		\$390,000			

LAND COMPARABLE ADJUSTMENT GRID

Comparable No.		1	2	3	4
Identification	Pacifica San Juan - Valley	1	2	5	6
Close of Escrow	N/Av	1-Jun-05	1-Sep-05	1-Mar-07	1-Mar-07
Contract Date	N/Av	Mar-05	Jun-05	Mar-06	Mar-06
Sale Price	N/Av	\$34,705,137	\$45,739,000	\$30,252,958	\$27,625,532
Price Per Lot "As Is"	N/Av	\$542,268	\$863,000	\$657,673	\$627,853
Costs To Finish (Dev & Fees)	N/Av	\$90,125	\$134,000	\$42,327	\$70,045
Finished Lot Cost	N/Av	\$632,393	\$997,000	\$700,000	\$697,898
Price Per Lot (Unadjusted)		\$632,393	\$997,000	\$700,000	\$697,898
Property Rights	Fee	Fee 1.00	Fee 1.00	Fee 1.00	Fee 1.00
Financing Terms	Market	Market 1.00	Market 1.00	Market 1.00	Market 1.00
Conditions of Sale	Market	Market 1.00	Market 1.00	Market 1.00	Market 1.00
Market Conditions	30-Sep-07	Mar-05 0.85	Jun-05 0.85	Mar-06 0.90	Mar-06 0.90
Sum of Adjustments	---	0.85	0.85	0.90	0.90
Adjusted Price Per Lot	---	\$537,534	\$847,450	\$630,000	\$628,108
Overall Tax Rate±	1.50%	N/Av \$0	N/Av \$0	N/Av \$0	Tentative Map \$0
Price Per Lot (Adjusted)		\$537,534	\$847,450	\$630,000	\$628,108
Comparisons					
Location	San Juan Capistrano, CA	Irvine, CA	San Clemente, CA	San Juan Capistrano, CA	San Juan Capistrano, CA
Premium Potential	Average	Average \$0	Good (\$30,000)	Average \$0	Average \$0
Economy of Scale/Project Size	104	64 \$0	53 \$0	46 \$0	44 \$0
Minimum Lot Size±/Dimensions	7,800	4,500 \$25,000	10,000 (\$30,000)	6,500 \$5,000	6,000 \$5,000
Proposed Product (sf±)	3,900	N/Av \$0	N/Av \$0	N/Av \$0	N/Av \$0
Entitlements	Final Map	Tentative Map \$0	Tentative Map \$0	Tentative Map \$0	Tentative Map \$0
Entitlement Risk	Low	Low \$0	Low \$0	Low \$0	Low \$0
Stage of Development	Blue Top	Blue Top \$0	Blue Top \$0	Blue Top \$0	Blue Top \$0
Net Physical Adjustments		\$100,000	(\$210,000)	\$5,000	\$5,000
Price Per Lot (Adjusted)		\$637,534	\$637,450	\$635,000	\$633,108
Per Lot (Before Adjustments)					
Low		\$632,393			
High		\$997,000			
Average		\$756,823			
Per Lot (After Adjustments)					
Low		\$633,108			
High		\$637,534			
Average		\$635,773			
Reconciled "Finished" Lot Value		\$635,000			

LAND COMPARABLE ADJUSTMENT GRID

Comparable No.		1	2	3	4
Identification	Pacifica San Juan - North Estates	2	3	5	6
Close of Escrow	N/Av	1-Sep-05	1-Sep-05	1-Mar-07	1-Mar-07
Contract Date	N/Av	Jun-05	Jun-05	Mar-06	Mar-06
Sale Price	N/Av	\$45,739,000	\$40,000,000	\$30,252,958	\$27,625,532
Price Per Lot "As is"	N/Av	\$863,000	\$2,000,000	\$657,673	\$627,853
Costs To Finish (Dev & Fees)	N/Av	\$134,000	\$0	\$42,327	\$70,045
Finished Lot Cost	N/Av	\$997,000	\$2,000,000	\$700,000	\$697,898
Price Per Lot (Unadjusted)		\$997,000	\$2,000,000	\$700,000	\$697,898
Property Rights	Fee	Fee 1.00	Fee 1.00	Fee 1.00	Fee 1.00
Financing Terms	Market	Market 1.00	Market 1.00	Market 1.00	Market 1.00
Conditions of Sale	Market	Market 1.00	Market 1.00	Market 1.00	Market 1.00
Market Conditions	30-Sep-07	Jun-05 0.85	Jun-05 0.85	Mar-06 0.90	Mar-06 0.90
Sum of Adjustments	---	0.85	0.85	0.90	0.90
Adjusted Price Per Lot	---	\$847,450	\$1,700,000	\$630,000	\$628,108
Overall Tax Rate±	1.50%	N/Av \$0	N/Av \$0	N/Av \$0	Tentative Map \$0
Price Per Lot (Adjusted)		\$847,450	\$1,700,000	\$630,000	\$628,108
Comparisons					
Location	San Juan Capistrano, CA	San Clemente, CA	Newport Beach, CA	San Juan Capistrano, CA	San Juan Capistrano, CA
Premium Potential	Average	Average	Good	Average	Average
Economy of Scale/Project Size	21	53	20	46	44
Minimum Lot Size±/Dimensions	12,000	10,000	12,000	6,500	6,000
Proposed Product (sf±)	5,394	N/Av	N/Av	N/Av	N/Av
Entitlements	Final Map	Tentative Map	Final Map	Tentative Map	Tentative Map
Entitlement Risk	Low	Low	Low	Low	Low
Stage of Development	Blue Top	Blue Top	Finished	Blue Top	Blue Top
Net Physical Adjustments		(\$25,000)	(\$875,000)	\$190,000	\$200,000
Price Per Lot (Adjusted)		\$822,450	\$825,000	\$820,000	\$828,108
Per Lot (Before Adjustments)					
Low		\$697,898			
High		\$2,000,000			
Average		\$1,098,725			
Per Lot (After Adjustments)					
Low		\$820,000			
High		\$828,108			
Average		\$823,890			
Reconciled "Finished" Lot Value		\$825,000			

RECONCILIATION OF PLANNING AREA VALUES

RESIDENTIAL LAND PLANNING AREAS

The appraisers applied two methods for estimating the finished land values for the residential planning areas intended for for-sale housing. As exhibited in the next table, the approaches provided various value indicators. With current and comparative land sales, the sales comparison approach is typically considered the most reliable indicator of value for subdivision land. The development method focuses on the development opportunity provided by the site under consideration and is not directly tied to the historical actions of buyers and sellers, as is the sales comparison approach. Although the subjectivity in many of these inputs tends to limit reliance on this technique, the development method is a tool relied upon by developers when estimating the amount they are willing to pay for a residential development site. The overall similarities between the various approaches to value generally support the majority of value indications for each lot size and product type.

ATTACHED/DETACHED RESIDENTIAL

The appraisers considered both the development and sales comparison approaches in our analysis. As mentioned in the Sales Comparison Approach there is limited availability of comparative land sales in the overall Region, and due to this some sales comparison indications were stronger for some product types and not for others. Generally, the development method was considered a stronger indicator of value primarily due to the availability of data (recent home sales versus finished lot sales). The following discussion provides our finished lot value conclusion for each of the subject product types.

ATTACHED 8.0 DU/AC (SMALL)

The developer indicated finished unit value for this product type at \$358,586 per unit. Our sales comparison indicated a value of \$350,000 per unit and the development method indicated \$340,468 per unit. The sales comparison and developmental approaches are mutually supporting. It should be noted, per the developer, the attached product will be delivered in finished condition. We have reconciled value at \$345,000 per lot.

ATTACHED 8.0 DU/AC (LARGE)

The developer indicated finished unit value for this product type at \$495,563 per unit. Our sales comparison indicated a value of \$390,000 per unit and the development method indicated \$404,436 per unit. The sales comparison and developmental approaches are mutually supporting. It should be noted, per the developer, the attached product will be delivered in finished condition. We have reconciled value at \$395,000 per lot.

DETACHED 7,800 SQUARE FOOT LOTS

The developer indicated finished lot value for this product type at \$720,254 per unit. Our sales comparison indicated a value of \$635,000 per unit and the development method indicated \$617,681 per unit. The sales comparison and developmental approaches are mutually supporting. We have reconciled value at \$625,000 per lot.

DETACHED 12,000 SQUARE FOOT LOTS

The developer indicated finished lot value for this product type at \$891,400 per unit. Our sales comparison indicated a value of \$825,000 per unit and the development method indicated \$818,113 per unit. The sales comparison and developmental approaches are mutually supporting. We have reconciled value at \$820,000 per lot.

RECONCILED RESIDENTIAL FINISHED LAND VALUES BY PRODUCT TYPE (PER LOT BASIS)

Product Type	No. of Units Valued	Product Description	Wtd. Avg. Home Size	SunCal Current Pricing	Sales Comparison	Development Method	Reconciled Finished Lot Value⁽¹⁾
Attached	55	8.0 DU/AC (Small)	1,326	\$358,586	\$350,000	\$340,468	\$345,000
Attached	47	8.0 DU/AC (Large)	2,250	\$495,563	\$390,000	\$404,436	\$395,000
Detached	104	7,800 SF Lots	3,900	\$720,254	\$635,000	\$617,681	\$625,000
Detached	21	12,000 SF Lots	5,394	\$891,400	\$825,000	\$818,113	\$820,000
Minimum	21	---	1,326	\$358,586	\$350,000	\$340,468	\$345,000
Maximum	104	---	5,394	\$891,400	\$825,000	\$818,113	\$820,000
Average	---	---	---	\$601,936	\$532,797	\$524,905	\$527,577

⁽¹⁾ Finished lot value including fees due at permit.

FINISHED LOT RATIO ANALYSIS

The finished lot ratio analysis provides a relationship between the finished lot prices and the average retail home price. Homebuilders will consider comparable finished land sales, but will also utilize and rely upon a residual analysis in buying single-family residential lots. The residual land analysis is premised on the fact that the homebuilder will pay no more for the land than will allow the builder to profitably construct and sell a single family home. Consequently, the residual land value is based upon the estimated retail price of the home less the direct home costs, indirect costs, administrative, marketing, various other absorption costs and developer profit. The value after deducting all of the project development costs from the sales price of the home will provide an indicated residual land value. Since the land makes up a significant component of the total single family home cost, the homebuilder must be careful in the acquisition of residential lots to accurately estimate the total project development costs and revenues (sale price of homes) in order to provide a reasonable residual land value indication. This finished lot ratio analysis provides a check on "reasonableness" comparing the finished lot value with the retail home price. Based on our discussions with developers and local residential land brokers, the typical finished lot ratios within the subject market range from 30% to 35% of the average retail home price (single-family residential subdivision). Within more rural and less urbanized areas, finished lot ratios can dip below 30%. A typical ratio for attached single family (condominium and townhome) projects will usually be lower (ranging from 20% to 30%) due to differences in density, development costs and average retail pricing.

It should be noted, based on the recent slowing of the residential market, finished lot ratios have dropped by 5 to 10% in the past 12 to 24 months. These general guidelines are useful in checking the overall reasonableness of the finished lot value within a particular market area.

However, for high-end product like the subject development, finished lot ratios are higher, typically within the range of 40% to 50%.

As a final check to the reasonableness of the appraisers' conclusions, the appraisers calculated the ratio of finished lot to average home price, including option revenues, as well as lot and model premiums, for the residential planning areas. As shown in the following chart, the ratios ranged from about 40% to 50%.

In general, there was an inverse relationship between the ratio and density, i.e. the ratio goes up as density goes down. This is expected as the overall costs (construction and profit) of higher density product is higher resulting in less allocation of land value to the overall price. In addition, the ratios generally increased with increasing unit size and larger lot sizes. Overall, the subject ratios were deemed reasonable and in line with the local submarket. The reader should note that the assumed average retail product prices for the subject lots were based on the appraisers' hypothetical product and pricing. Any variations in product proposals by particular planning area would likely affect the land/price ratio equation.

FINISHED LOT / AVG PRICE RATIOS BY PRODUCT TYPE						
Product Type	Product Description	Wtd. Avg. Home Size	No. of Units Valued	Finished Lot ⁽¹⁾ (Appraised)	Avg. Retail Product (Assumed)	Land/Price Ratio
Attached	8.0 DU/AC (Small)	1,326	55	\$345,000	\$693,293	49.76%
Attached	8.0 DU/AC (Large)	2,250	47	\$395,000	\$916,702	43.09%
Detached	7,800 SF Lots	3,900	104	\$625,000	\$1,422,173	43.95%
Detached	12,000 SF Lots	5,394	21	\$820,000	\$2,027,571	40.44%
Minimum	21	1,326	21	\$345,000	\$693,293	40.44%
Maximum	104	5,394	104	\$820,000	\$2,027,571	49.76%
Average(s)	---	2,935	57	\$527,577	\$1,196,921	44.31%

⁽¹⁾ Finished lot values inclusive of fees and permits due at permit.

CONCLUSION

The final step in the planning areas “at completion” valuation analysis was a deduction of the applicable costs from the reconciled finished lot value including fees back to blue-top condition excluding fees due at permit. Note that in the following grid, the initial finished lot values included fees as the comparable land sales were analyzed on this basis. In order to derive appropriate values for use in the “as is” valuation analysis, it was necessary to deduct the estimated intract costs and fees due at permit for the detached product planning areas. The result of this procedure was blue-top lot condition planning area and superpad condition planning area/parcel values excluding fees due at permit, which were then utilized in the “as is” valuation of the entire property (to follow). (Note: blue-top lots excluding fees due at permit and superpad parcels excluding fees due at permit were the assumed “to be delivered” condition utilized in the property’s “as is” valuation later in this report).

As demonstrated in the following planning area valuation summary table, the finished lot aggregate retail sale revenues from the various planning area valuations was \$159,858,022. The blue top aggregate retail sales revenues from the various planning area valuations was \$156,958,135. This figure represents the aggregate of blue-top lot and superpad land values excluding fees due at permit for the 289 residential units.

Further, it is especially important to note that any substantial changes in the costs to finish the lots and/or superpad parcels, basically the builder’s costs, would affect the indicated land value indications. It was assumed that the costs provided were reasonably true and correct.

RESIDENTIAL REVENUES BY PLANNING AREA									
Phase	Planning Area/Parcel	Product Description	Total Units	Revenues (Finish Lot)		Intracts		Revenues (Blue Top)	
				Per Lot	Total	Per Lot	Total	Per Lot	Total
One	*Vista 2 - (K. Hovnanian)	6,000 SF Lots	39	\$697,898	\$27,218,022	(\$32,701)	(\$1,275,339)	\$665,197	\$25,942,683
	Garden	8.0 DU/AC (Small)	55	\$345,000	\$18,975,000	(\$1,001)	(\$55,055)	\$343,999	\$18,919,945
	*Harbor Vista (Laing Homes)	6,500 SF Lots	23	\$560,000	\$12,880,000	(\$47,118)	(\$1,083,714)	\$512,882	\$11,796,286
	Valley	7,800 SF Lots	104	\$625,000	\$65,000,000	(\$2,004)	(\$208,416)	\$622,996	\$64,791,584
	Country (Centex Homes)	8.0 DU/AC (Large)	47	\$395,000	\$18,565,000	(\$5,018)	(\$235,846)	\$389,982	\$18,329,154
	North Estates	12,000 SF Lots	21	\$820,000	\$17,220,000	(\$1,977)	(\$41,517)	\$818,023	\$17,178,483
Total	---	---	289	---	\$159,858,022	---	(\$2,899,887)	---	\$156,958,135

* - Contract Price

It should be noted, as shown above, we have concluded to the recently adjusted contract price of \$697,898 per lot for the subject’s 6,000 square foot lots within Vista 2 and \$560,000 per lot for the subject’s 6,500 square foot lots within Harbor Vista. The recent contract price adjustments, which have occurred over the past year range from \$128,205 to \$140,000 per lot. The subject existing contract lots will be delivered in blue top condition. The sales comparison and developmental approaches were not utilized for these planning areas.

The most recent price adjustment within Harbor Vista is considered near current market value, however, the Vista 2 pricing is considered above market value. Due to the proven recent closing record for the Vista 2 and Harbor Vista planning areas, the continued likelihood of lot closings is strong.

Also worth noting, per the developer, all the subject’s non-contract lots will be delivered in finished condition (including the attached product).

MARKET VALUE "AS IS"

Previously in this report the appraisers separately analyzed and valued, as of October 1, 2007, the individual residential and commercial planning areas/parcels. The resulting "as if complete" market values for these planning areas did not take into account the additional costs of development, primarily on- and offside land development costs associated with the entire master development program. In this analysis, the entire property was considered as one holding. The valuation accounts for various remaining (as of the "as is" date of value) major backbone infrastructure land development costs, common area costs, master development costs, timing for development, profit in land development, etc. for the entire development as opposed to a single planning area/parcel. In this case the development approach was deemed the appropriate method of valuation. As individual master plans involve a unique array of planned/proposed development, it was not possible to analyze the date in an appropriate way that would render a meaningful value for the subject. Therefore a sales comparison approach with direct comparison of these sales with the subject in its entirety was not utilized.

DEVELOPMENT METHOD

For this analysis, appraisers used the yield model (discounted cash flow) of the development method. The appraisers input the individual market values "as if complete" of the specific neighborhoods/planning area groups in to the discounted cash flow at their prospective dates of sale. A discount was then applied for time lag between the date of value "as is" and the prospective dates of sale. There are several reasons supporting the rationale for this analysis. First, it is very common for larger developers to analyze master plans on a neighborhood-by-neighborhood (planning area) basis. As developers typically analyze master plans by their individual components, the appraisers concluded market values for each respective neighborhood (planning area). This valuation process allows a master developer to identify the estimated incremental value of each neighborhood (planning area) for possible sale to merchant builders or for internal purposes if proceeding with their own build-out of the project. Assuming a master developer builds out all or portions of the master plan, separate cash flows of the individual neighborhoods allow for considerations of equity partners, accounting, allocating costs, tracking profit and internal rates of return, land and home construction loans, etc., for each respective planning area. This methodology also allows for any profit applicable to the master developer for master land development, if applicable.

Lots can be delivered in a variety of conditions, from sheet graded to fully finished with all fees paid. For the purposes of this analysis, the appraisers value the detached residential planning areas in a finished or blue-top condition excluding fees due at permit and the attached residential/commercial parcels in a sheet graded superpad condition excluding fees due at permit.

TIMING AND ABSORPTION

ABSORPTION PERIOD

The absorption rates experienced by new residential master planned communities typically range from 25 to 100 lots per project per month. Based on our previous Residential Market Analysis section, the subject's Coastal South submarket reflected a current monthly sales rate of 2.7 units per project per month. Current monthly sales throughout all of Orange County ranged from a low of 0.7 to a high of 2.7 sales per project per month.

Based on discussions with the developer and the budget provided, the developer plans for the next lot delivery in November 2007 (consisting of 7 lots). A total of 183 lots are slated to be delivered in 2008. The remaining lots will

be delivered by October 2009. The developer's total timetable spans 25 months from October of 2007 to October 2009, which equates to 11.56 lot sales per month. Based on the most recent budget (August 2007) provided by the developer, the current absorption figures appear aggressive.

We have also given consideration to the Concord Group market study. The Concord Group projections as of June of 2007 have not been adjusted over the past two quarters. Currently the Concord Group has projected monthly absorption ranging from 2.5 to 5.5 sales per month, per planning area or 276 units per year, which equates to 23 units per month, which is similar to their March 2007 projections. The Concord Group projections appear aggressive also.

Based on current market conditions, the developer's projections and the recent Concord Group projections, we have estimated absorption of the subject lots at an overall rate of 7 lots per month. We have projected 92 lot sales in 2008, 146 lot sales in 2009 and 51 lot sales in 2010.

Based on discussions with several local developers familiar with the Orange County market and our experience estimating absorption rates with similar large master plans, our projected timetable is considered reasonable.

Please refer to the following chart, which summarizes our projected absorption schedule and corresponding revenue events for the subject development.

SUBDIVISION DEVELOPMENT METHOD - ABSORPTION SCHEDULE

Year (Quarterly) Period	Dec-07 1	Mar-08 2	Jun-08 3	Sep-08 4	Dec-08 5	Mar-09 6	Jun-09 7	Sep-09 8	Dec-09 9	Mar-10 10	Jun-10 11	Sep-10 12	Dec-10 13	Totals					
Lot Sales	0	23	19	12	38	56	42	24	24	19	12	12	8	289					
Cumulative Lot Sales	0	23	42	54	92	148	190	214	238	257	269	281	289						
Planning Area														Check					
Vistas 2 (K. Hovnanian)	0	0	12	0	7	20	0	0	0	0	0	0	0	39					
Garden	0	0	0	0	0	12	12	12	12	7	0	0	0	55					
Harbor Vista (Laing Homes)	0	23	0	0	0	0	0	0	0	0	0	0	0	23					
Valley	0	0	0	0	12	12	12	12	12	12	12	12	8	104					
Country (Centex Homes)	0	0	0	12	12	12	11	0	0	0	0	0	0	47					
North Estates	0	0	7	0	7	0	7	0	0	0	0	0	0	21					
Totals	0	23	19	12	38	56	42	24	24	19	12	12	8	289					
Cumulative Lot Sales	0	23	42	54	92	148	190	214	238	257	269	281	289						
Lot Sales (By Planning Area)														Check					
Planning Area	Revenue	Weighted Ave.																	
Vistas 2 (K. Hovnanian)	\$25,942,683	\$665,197	\$0	\$0	\$0	\$7,982,364	\$0	\$4,656,379	\$13,303,940	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,942,683
Garden	\$18,919,945	\$343,999	\$0	\$0	\$0	\$0	\$0	\$0	\$4,127,988	\$4,127,988	\$4,127,988	\$4,127,988	\$2,407,993	\$0	\$0	\$0	\$0	\$0	\$18,919,945
Harbor Vista (Laing Homes)	\$11,796,286	\$512,882	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,796,286
Valley	\$64,791,584	\$622,996	\$0	\$0	\$0	\$0	\$7,475,952	\$7,475,952	\$7,475,952	\$7,475,952	\$7,475,952	\$7,475,952	\$7,475,952	\$7,475,952	\$7,475,952	\$7,475,952	\$4,983,968	\$0	\$64,791,584
Country (Centex Homes)	\$18,329,154	\$389,982	\$0	\$0	\$0	\$4,679,784	\$4,679,784	\$4,679,784	\$4,289,802	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,329,154
North Estates	\$17,178,483	\$818,023	\$0	\$0	\$0	\$5,726,161	\$0	\$5,726,161	\$0	\$5,726,161	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,178,483
Totals	\$156,958,135	\$0	\$0	\$11,796,286	\$13,708,525	\$4,679,784	\$22,538,276	\$29,587,664	\$21,619,903	\$11,603,940	\$11,603,940	\$9,883,945	\$7,475,952	\$7,475,952	\$4,983,968	\$156,958,135			\$156,958,135
Cumulative Sale Revenues	\$0	\$11,796,286	\$25,504,811	\$30,184,595	\$52,722,871	\$82,310,535	\$103,930,438	\$115,534,378	\$127,138,318	\$137,022,263	\$144,498,215	\$151,974,167	\$156,958,135						
Lots Unsold	289	266	247	235	197	141	99	75	51	32	20	8	0						
Lots Sold	0	23	19	12	38	56	42	24	24	19	12	12	8	289					

Planning Area Name	Planning Area
Vistas 1 (Laing Homes)	1
Vistas 2 (K. Hovnanian)	2
Garden	3
Harbor Vista (Laing Homes)	4
Valley	5
Country (Centex Homes)	6
North Estates	7

PRODUCT SEQUENCING

Based on the developer's pro-forma (including a master development phasing plan, a critical path, proposed land use mix, and forecasted project absorption rates) a project sequencing schedule was formulated. The appraisers assigned anticipated prospective dates of completion for the individual neighborhoods. Prospective dates of completion were formulated so as to prevent substantial intra-project competition and to be compatible with the master phasing infrastructure construction plan. The development plan allows several non-competing projects to open simultaneously. Scheduling was formulated so as there would not be more than three directly competing and simultaneously selling product lines. This strategy continues throughout the project life cycle for the various for-sale neighborhoods.

As previously discussed, the developer's completion schedule and corresponding absorption is considered reasonable given current market conditions. Thus, we have forecasted a similar absorption period for the subject development. We have assumed that physical development of the project will follow the developer's construction and absorption schedule.

A total of 19 lots within Vistas 2 and 23 lots within Harbor Vista are projected to be delivered in 2008. We have projected a total of 92 lot sales in 2008, 146 lot sales in 2009 and 51 lot sales in 2010.

Based on our previously concluded absorption schedule, we have projected delivery of the subject lots utilizing a similar development and absorption sequence as the developer.

PROSPECTIVE DATES OF COMPLETION

The date of market value "as is" was October 1, 2007. Utilizing the developer's proforma, the appraisers developed prospective dates of completion and sale for specific planning areas. The prospective dates represented the time period in which individual neighborhoods would be delivered to merchant builders per the developer's critical path timeline. The prospective dates of completion were formulated so as to limit intra-project competition and allow for absorption of inventory with maximum absorption without extensive overlapping and competition among similar product types. As previously discussed, we have assumed that physical development of the project would proceed over a slightly longer period versus the developer's projections. The following chart outlines our prospective dates of delivery.

Pacifica San Juan Master Plan - Prospective Dates of Delivery					
Planning Area	Number of Lots	Min. Lot Size	Assumed Condition	Cashflow Period	Period Ending
Vistas 2 (K. Hovnanian)	39	6,000	Blue Top Lots	3 thru 6	6/08 to 3/09
Garden	55	8 units/acre	Finished Lots	6 thru 10	3/09 to 3/10
Harbor Vista (Laing Homes)	23	6,500	Blue Top Lots	2	3/08
Valley	104	7,800	Finished Lots	5 thru 13	12/08 to 12/10
Country (Centex Homes)	47	8 units/acre	Finished Lots	4 thru 7	9/08 to 6/09
North Estates	21	12,000	Finished Lots	3 thru 7	6/08 to 6/09
PA-1-Total/Average	289	5,247			

SALES PROCEEDS (FINISHED/BLUE TOP LOTS)

As previously discussed, we concluded to a total aggregate retail revenue of the subject finished or blue top lots of \$156,958,135 or \$543,108 per lot. We have utilized the previously concluded finished and or blue top lot revenues for the various planning areas as revenue events within the following discounted cashflow.

OTHER REVENUE

CFD (COMMUNITY FACILITY DISTRICT) REIMBURSEMENTS

We have also included a revenue line item for Community Facility District (CFD) reimbursements. According to the developer, these credits/reimbursements are anticipated within the subject development based on preliminary discussions with city/county representatives. According to the client, these estimates have been verified by a third party consultant that has concluded that these estimates are reasonable. As a result, we have relied on these CFD estimates in our analysis.

The CFD proceeds will be credited for backbone infrastructure and other development costs borne by the land developer (SunCal). SunCal will effectively receive reimbursements for county approved infrastructure, which will in turn serve as a credit against development costs incurred. Rather than reduce the total project development costs in our cash flow model, the reimbursements have been included as a revenue line item in our cash flow model.

Although these reimbursement estimates have not been independently verified, they appear to be reasonable given their percentage of the total development costs. Thus, we have relied on these estimates. Based on the figures provided by the developer, the subject development is estimated to generate total CFD reimbursements of \$8,131,945.

Based on the data provided, the current CFD reimbursement estimate is approximately 2 to 5 percent below the third party consultant's recommendations, which is considered reasonable.

RESERVOIR SITE

The subject development includes two lots within the North Estates that will be sold to the city of San Juan Capistrano for use as a future reservoir. Based on the developer's budget, \$1,351,144 has been allocated for the future reservoir site.

SCHOOL SITE SALE

As previously discussed, the subject development includes a school site totaling 7.29 acres. Based upon discussions with the developer, the school sites are anticipated to be sold to or reimbursed through CFD proceeds by the school district. As part of our appraisal, we attempted to locate sales of school sites throughout the subject market area, but none were found. It is common for school sites either to be dedicated to school districts as part of the entitlement process or to be reimbursed through CFD and/or other reimbursement proceeds.

Based on the Impact Mitigation Agreement dated February 26, 2004, the subject school site is currently being purchased for \$8,500,000. According to the agreement, the landowner (SunCal) agrees to sell and transfer to the School District that approximately 8.0 acre parcel pursuant to a purchase and sale agreement to be entered into between the School District and Landowner for a purchase price of \$8,500,000, which amount includes reimbursements of certain landowner costs incurred for improvements made to the school site.

Thus, we have concluded to a school site value of \$8,500,000 (net of intract costs) for the subject development.

TOTAL REVENUE

Based on our concluded aggregate retail blue top lot revenues and the total other revenues generated throughout the development, the total revenue equates to \$174,941,224 (non-inflated) over the entire holding period.

LAND DEVELOPMENT COSTS

The total master development cost equates to \$132,432,181 (per development budget included in the Addenda) and approximately \$107,071,151 in master developer costs (aka land improvement hard costs) have been spent to date (through September of 2007). The remaining master developer costs equate to approximately \$25,361,030 or \$87,754 per unit, which has been deducted in our development cash flow analysis.

As previously discussed, the developer's proforma including a master development phasing plan, critical path, proposed land use mix, and forecasted project absorption rates, which has been relied on in estimating the anticipated completion of the land development for the various planning areas. The developer's master development phasing and planning area delivery schedule was deemed reasonable. Thus, we have primarily relied on the developer's budget for our estimate of development costs on a quarterly basis. The development costs per quarter vary throughout the cashflow based on the individual planning area size and scheduled delivery.

OTHER COSTS & EXPENSES (SOFT COSTS)

REAL ESTATE TAXES

Property taxes were calculated assuming an initial purchase at the indicated land basis and subsequent diminishing inventory (planning areas) as the sites are sold. Planning area revenue event totals were used to revise the diminishing basis for each assessment period due to diminishing inventory. Thus, the assessment to the master developer decreases as the neighborhoods are delivered and released from the assessment calculation.

We estimated taxes using the current tax rate of 1.50 percent of market value, which is similar to the current tax rates of several recently completed subdivisions in close proximity to the subject. Property taxes were calculated annually.

INDIRECT COSTS

The owner has included indirect costs consisting of insurance and construction management costs. We have relied on the actual costs provided by the developer. It should be noted, the total indirect cost (consisting of insurance and construction management) equates to \$2,782,144 (per development budget included in the Addenda) and approximately \$2,077,373 in indirect costs has been spent to date (through September of 2007). The remaining indirect costs equate to approximately \$704,771 or \$54,213 per period. We have deducted the indirect costs equally on a per period basis over the projected holding period.

SALES COMMISSIONS, TITLE AND CLOSING COSTS

The owner has included sales commissions in the proforma plus additional title and closing costs. These costs are typical for subdivision lot sales in this market. Based upon our average retail price, we have projected a total sales commission, title and closing costs of 1.5 percent of the sale price of each lot sold. This appears reasonable based upon our experience with sales costs.

MARKETING/ADVERTISING COSTS

As is typical in master-planned communities, the appraisers assumed a cooperative marketing program would be created to provide additional marketing for the community. In this analysis, the appraisers assumed the co-op reimbursement program would fall short of the net master marketing costs. An allowance of 0.50 percent of sale revenues was included, reflecting a net cost to the developer after co-op reimbursements from participating builders. Said cost also incorporated any homeowners' fee subsidies required on the part of the master developer. We have deducted the marketing/advertising costs equally on a quarterly basis over the projected holding period.

GENERAL ADMINISTRATIVE/OVERHEAD COSTS

Over the duration of the project, the master developer's staff and/or hired consultants will have to oversee all aspects of the project, including planning, entitlements, development and construction oversight, land sales, master marketing, financial reporting, etc. Per a review of similar cost budgets from comparable developments, general and administrative expenses typically range from 3.0 to 4.0 percent.

We have estimated an allowance of 3.0 percent of sales for general & administration/overhead costs and/or equivalent management fee. We have deducted the general administrative/overhead costs equally on a quarterly basis over the projected holding period.

TOTAL COSTS/EXPENSES

Based on our concluded land development costs and other costs and expenses primarily consisting of soft costs, the total expenses equates to \$36,374,301 (non-inflated) over the entire holding period.

REVENUE APPRECIATION

The marketing and sale of the planning areas will occur over an extended term. For this reason, it would be imprudent to assume no change in underlying land values that contribute to improved property values. In the late 1980s, the residential land market was characterized by rapidly appreciating values that at times exceeded 20% annually. Residential land values were observed to have substantially declined between 1990 and 1994, oftentimes exceeding a 50% decrease. During 1994, several submarkets experienced moderate increases as builders/developers appeared to be anticipating a shortage of available lots for construction. Between late 1993 and early 1995, increases of up to 20% were demonstrated in certain areas of Southern California. This trend stabilized in 1995 and into 1996. However, beginning in mid-1996 through 2005, demand for residential land ready for immediate development in desirable areas progressively increased. This situation, combined with the steadily decreasing supply of improved sites, fueled rapid price increases of residential land in most areas of Southern California.

Starting in 2006 and through 2007 to-date demand substantially decreased, companion to decreasing home sales rates, home and land pricing. The majority of market participants surveyed anticipate 2007 to remain "soft" with positive movement in sales velocity, home, and land pricing sometime in 2008 or 2009. In general, the overall trend during the past two decades has been one of upward change. The observed fluctuation serves to illustrate the fact that changes in value do occur as normal economic cycles but are rarely predictable.

Per historical home pricing information from Hanley Wood, price points (psf basis) for attached and detached housing in Riverside County were increasing significantly into 2006 and then decreased in late 2006 and early 2007. Based on historical trends, a continuation in the rapid increase in pricing experienced from 1997-2005 would not be expected. The short-term projection is for flat pricing and/or stabilization. The long-term projections are for moderate positive growth in nearly all sectors. A general consensus, based upon interviews with builders, developer's, and

brokers active in the market, is for no major shifts in pricing in 2007 and into 2008. The majority of those interviewed suggested an anticipated recovery, and hence renewed price appreciation, in late 2008 or 2009. This anticipated trend is also presented in various published sources.

In that the master development cash flow incorporates "land" rather than "home" sale revenues, consideration must be given to the relative price trending in underlying land resulting from the assumed home trending assumptions. As exhibited in the following table, the appraisers prepared a land sale revenues trending analysis, which incorporates pertinent assumptions relative to said trending (i.e. home prices, home price trending, profit, costs, cost trending, time frame, etc.).

The analysis was specifically tailored to the appraisers' product and cost assumptions for the subject master plan. Per the appraisers' assumptions, the average home price (present dollars) in the for-sale residential neighborhoods was \$1,196,921± or \$408± per square foot. We have utilized static profit of 10% for detached product and 12% for attached product within our builder residual cashflow models. Static profit was assumed to remain constant at 11% of sales. Turn-key construction costs and fees (present dollars) were assumed to be approximately \$180± per square foot with consideration of a weighted average product type within the subject project. Finally, the term of land development and land sales (to merchant builders) was assumed to be 4.0 years.

LAND SALE REVENUES TRENDING ANALYSIS					
General Product & Pricing Assumptions					
Average Home Price (Current \$)	\$1,196,921	Static Profit		11.00%	
Average Price PSF (Current \$)	\$408	Costs & Fees (Current \$ PSF)		\$180.00	
Average Home Size	2,935	Time Period (Yrs)		4.00	
Scenario 1			Scenario 2		
Price Trending (Per Annum)	2.00%	Price Trending (Per Annum)		3.00%	
Cost Trending (Per Annum)	3.00%	Cost Trending (Per Annum)		3.00%	
Category	Current \$	Trended \$	Category	Current \$	Trended \$
Home Price	\$1,196,921	\$1,295,586	Home Price	\$1,196,921	\$1,347,145
Profit	(\$131,661)	(\$142,514)	Profit	(\$131,661)	(\$148,186)
Costs	(\$528,300)	(\$594,606)	Costs	(\$528,300)	(\$594,606)
Land Value	\$536,960	\$558,465	Land Value	\$536,960	\$604,353
Land Trending Factor		0.99%	Land Trending Factor		3.00%
Scenario 3			Scenario 4		
Price Trending (Per Annum)	4.00%	Price Trending (Per Annum)		5.00%	
Cost Trending (Per Annum)	3.00%	Cost Trending (Per Annum)		3.00%	
Category	Current \$	Trended \$	Category	Current \$	Trended \$
Home Price	\$1,196,921	\$1,400,228	Home Price	\$1,196,921	\$1,454,865
Profit	(\$131,661)	(\$154,025)	Profit	(\$131,661)	(\$160,035)
Costs	(\$528,300)	(\$594,606)	Costs	(\$528,300)	(\$594,606)
Land Value	\$536,960	\$651,597	Land Value	\$536,960	\$700,224
Land Trending Factor		4.96%	Land Trending Factor		6.86%

As can be seen, from the previous chart, the static average land value of \$536,960 per lot is similar (albeit slightly lower) to our overall average blue top lot value of approximately \$543,108 per lot.

The two variables in each respective scenario were home and cost trending. Effective land price annual trending factors ranged from 0.99% to 6.86%, depending on the Scenario. As will be discussed further, the appraisers have assumed a cost inflation factor of 3.00%. Scenario 1 reflected an inverse revenue/cost trending situation in which cost increases were slightly higher than revenue appreciation. In this case, 2.00% revenue and 3.00% cost trending

resulted in a net land trending factor of 0.99%. Scenario 2 demonstrated that the underlying land would trend similar to revenues and costs if both were assumed to be trending forward at the same rate of 3.00%.

Scenarios 3 and 4 demonstrated that if revenue trending exceeds cost trending, the implied land trending would increase at a greater rate. A combination of 4.00% home and 3.00% cost trending assumptions indicated an underlying land appreciation rate of 4.96% (Scenario 3). Finally, if assuming more aggressive price trending at 5.00%, and cost trending at 3.00%, the inflation factor for land would increase substantially, at 6.86% (Scenario 4).

Finally, and perhaps most relative to estimated trending rates, are those assumptions being made by market participants in their selling and buying decisions. The majority of more recent proformas indicate level pricing in the immediate near-term with 3.00% to 5.00% price trending starting in 2008 or 2009.

We have determined that a prospective buyer/developer would consider limited growth over the next two years. However, improvement from the current market conditions and future market trending will most likely be expected. As previously discussed within our Residential Market Analysis section, the current residential market is estimated to recover by late 2008 to early 2009.

Thus, based on current market conditions and our estimate of future market improvement, we have included zero annual growth in revenue over the next two years, with 4.0 percent annual growth beginning in 2009, 5.0 percent annual growth beginning in 2010 and 6.0 percent annual growth beginning in 2012.

COST INFLATION

The development of the project will occur over an extended term. For this reason, it would be imprudent to assume no change in development costs. As detailed in the following table, the appraisers gathered historical cost information from two sources, The Engineering News Record and Marshall Valuation Service. The Marshall cost index indicated an average annual increase of 4.89% over the past 27 years ending January 2007 with an average compounded increase of 3.16% per annum. A review of the Engineering News Record (ENR) building cost index indicated an average annual increase of 4.76% over the past 25 years ending January 2005 and an average compounded increase of 3.19% per annum.

CONSTRUCTION COST INDEX ANALYSIS						
Year	Marshall & Swift			Engineering News Record		
	Index	Annual % Increase	Cumulative Increase ⁽¹⁾	Index	Annual % Increase	Cumulative Increase ⁽¹⁾
1980	1076	-	-	1819	-	-
1981	1146	6.55%	6.55%	1941	6.71%	6.71%
1982	1185	3.34%	10.11%	2097	8.04%	15.28%
1983	1226	3.51%	13.98%	2234	6.53%	22.81%
1984	1281	4.43%	19.03%	2384	6.71%	31.06%
1985	1309	2.23%	21.67%	2417	1.38%	32.88%
1986	1316	0.53%	22.32%	2428	0.46%	33.48%
1987	1325	0.68%	23.14%	2483	2.27%	36.50%
1988	1354	2.21%	25.87%	2541	2.34%	39.69%
1989	1379	1.85%	28.20%	2598	2.24%	42.83%
1990	1422	3.06%	32.12%	2634	1.39%	44.80%
1991	1434	0.88%	33.28%	2702	2.58%	48.54%
1992	1460	1.81%	35.70%	2751	1.81%	51.24%
1993	1530	4.82%	42.24%	2834	3.02%	55.80%
1994	1593	4.10%	48.07%	2996	5.72%	64.71%
1995	1636	2.71%	52.08%	3111	3.84%	71.03%
1996	1644	0.48%	52.81%	3111	0.00%	71.03%
1997	1703	3.58%	58.28%	3203	2.96%	76.09%
1998	1731	1.64%	60.87%	3364	5.03%	84.94%
1999	1776	2.61%	65.06%	3391	0.80%	86.42%
2000	1852	4.30%	72.15%	3456	1.92%	89.99%
2001	1886	1.82%	75.30%	3539	2.40%	94.56%
2002	1920	1.80%	78.46%	3574	0.99%	96.48%
2003	1971	2.66%	83.20%	3623	1.37%	99.18%
2004	2077	5.38%	93.05%	3693	1.93%	103.02%
2005	2231	7.41%	107.36%	3984	7.88%	119.02%
2006	2317	3.85%	115.35%	---	---	---
2007	2495	7.68%	131.90%	---	---	---
Avg Annual Rate (Straight Avg)			4.89%	---		4.76%
Avg Annual Rate (Compounded)			3.16%	---		3.19%

⁽¹⁾ Calculated from base year 1980.

Cost increases are also commonly tied to annual CPI increases. Over the past several years, the CPI has indicated fairly modest increases, typically 2.50%± to 3.00%±. Finally, perhaps most relative to estimated cost trending rates are those assumptions being made by market participants in their selling and buying decisions. A survey of developers and builders indicated that many are incorporating slight cost inflation trending assumptions, typically ranging from 2.00% to 4.00% as of late.

Considering the foregoing, costs for labor and materials were projected to remain flat through 2008 and increasing 3.00% per annum (compounded quarterly) commencing in 2009.

PROFIT

The developer has not estimated any profit within the development cost budget provided. Any developer profit would be accounted for in the overall discount rate selection, which is typical market practice and similar to the Korpacz market rate reporting.

DISCOUNT RATE

Based upon the projected sell-out period, the current status of the subject's entitlements and estimated risk in the remaining land development process, an appropriate discount rate must be selected in arriving at an "as-is" discounted value. In estimating an "as-is" value, the appraiser would project a sell-out period for the lots at an appropriated market supported absorption rate similar to that reflected in our total net valuation. Based upon the amount of risk involved in the development and sell-out period of residential lots, an appropriate discount rate would be selected by the appraiser and applied to the sales proceeds. The appraiser would estimate the discount rate based upon an appropriate spread in basis points over the current lending rate. Thus, a market supported discount rate would be applied to the net cash flows in arriving at an "as-is" value. Typically, an "all in" discount rate, which includes developer profit would be utilized in discounting the net cash flows in arriving at an "as-is" value.

In addition, we have reviewed the most recent survey (semiannual), performed by Korpacz as of 2nd Quarter of 2007, regarding discounts rates (free and clear) for development properties. It should be noted, the Korpacz is primarily focused on discount rates for residential land development. The most recent survey listed free and clear discount rates ranging from a low of 10 percent to a high of 25 percent with an average of 17.72 percent.

Considering the subject property represents a residential subdivision land development, an appropriate discount rate would be selected in order to provide an "as-is" value. Given the inherent risks in developing the subject property, the strength of the current market, infill Orange County location, smaller number of lots, an appropriate discount rate of 15 percent has been selected. Based upon these factors and the Korpacz survey, we have selected a 15 percent "all in" discount rate in our development cash flow analysis.

AS IS VALUE CONCLUSION

We employed an Excel spreadsheet program for this developmental analysis. It should be noted, the cash flow is discounted (end of the period) on a quarterly, semi-annual or annual basis (depending upon the size of the development). The label for the specific time period is noted at the beginning of the period for example: Mar-08 indicates a January to March 2008 time period (using a quarterly discounting). A spreadsheet showing our assumptions and calculations is located on the previous page. Based on our discounted cash flow, utilizing an appropriate discount rate, the indicated As Is Value of the subject lots, if sold at market prices, as of **October 1, 2007**, is:

ONE HUNDRED TEN MILLION DOLLARS

\$110,000,000

PACIFICA SAN JUAN MASTER PLAN - SAN JUAN CAPISTRANO
SUBDIVISION DEVELOPMENT METHOD - AS-IS VALUE

BASIC ASSUMPTIONS

TOTAL NUMBER OF LOTS	289	SUMMATION OF BLUE TOP LOT REVENUES	Total	\$156,958,135	Per Lot	\$543,108
DEVELOPMENT PERIOD (MONTHS)	39	TOTAL REMAINING DEVELOPMENT COSTS		\$25,361,030		\$87,754
ABSORPTION RATE (LOTS/MONTH)	7	YEAR		2009	2010-11	2012+
SELECTED DISCOUNT PERIODS/YEAR	4	ANNUAL REVENUE INFLATION RATE		4.00%	5.00%	6.00%
REAL ESTATE TAX RATE	1.500%	RESULTING GROWTH RATE/PERIOD		1.00%	1.25%	1.50%
REAL ESTATE TAXES BASED ON AS-IS VALUE MULTIPLIED BY THE TAX RATE ABOVE		ANNUAL DEV. COST INFLATION RATE		3.00%		
		RESULTING GROWTH RATE/PERIOD		0.75%		
		ANNUAL DISCOUNT RATE (NPV)		15.00%		
		RESULTING DISCOUNT RATE/PERIOD		3.56%		

* PERIOD COMMENCING OCTOBER 2007

SALES PERIODS* (QUARTERLY)	Dec-07	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	TOTAL
	1	2	3	4	5	6	7	8	9	10	11	12	13	
TIMING AND ABSORPTION														
PLANNING AREAS	0	3	2, 7	6	2, 5, 6, 7	2, 3, 5, 6	3, 5, 6, 7	3, 5	3, 5	3, 5	5	5	5	
NUMBER OF LOTS SOLD	0	23	19	12	38	56	42	24	24	19	12	12	8	289
NUMBER OF LOTS UNSOLD	289	266	247	235	197	141	99	75	51	32	20	8	0	
CUMULATIVE LOTS SOLD	0	23	42	54	92	148	190	214	238	257	269	281	289	
SALES PROCEEDS (BLUE TOP LOTS)														
PROCEEDS (UNTRENDED)	\$0	\$11,796,286	\$13,708,525	\$4,679,784	\$22,538,276	\$29,587,664	\$21,619,903	\$11,603,940	\$11,603,940	\$9,883,945	\$7,475,952	\$7,475,952	\$4,983,968	\$156,958,135
TRENDING FACTOR	1.0000	1.0000	1.0000	1.0000	1.0000	1.0100	1.0201	1.0303	1.0406	1.0536	1.0668	1.0801	1.0936	
PROCEEDS (TRENDED)	\$0	\$11,796,286	\$13,708,525	\$4,679,784	\$22,538,276	\$29,883,541	\$22,054,463	\$11,955,551	\$12,075,106	\$10,413,839	\$7,975,209	\$8,074,899	\$5,450,557	\$160,606,035
OTHER REVENUES														
OTHER REVENUE (CFD REIMBURSEMENTS)	\$0	\$0	\$0	\$8,131,945	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,131,945
OTHER REVENUE (RESERVOIR SITE)	\$0	\$0	\$0	\$0	\$0	\$1,351,144	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,351,144
OTHER REVENUE (SCHOOL SITE)	\$0	\$0	\$0	\$0	\$8,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500,000
TOTAL OTHER REVENUES	\$0	\$0	\$0	\$8,131,945	\$8,500,000	\$1,351,144	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,983,089
TOTAL REVENUES	\$0	\$11,796,286	\$13,708,525	\$12,811,729	\$31,038,276	\$31,234,685	\$22,054,463	\$11,955,551	\$12,075,106	\$10,413,839	\$7,975,209	\$8,074,899	\$5,450,557	\$178,589,124
LAND DEVELOPMENT COSTS (UNTRENDED)	\$13,700,000	\$5,200,000	\$2,500,000	\$1,500,000	\$1,000,000	\$750,000	\$500,000	\$211,030	\$0	\$0	\$0	\$0	\$0	\$25,361,030
TRENDING FACTOR	1.0000	1.0000	1.0000	1.0000	1.0000	1.0075	1.0151	1.0227	1.0303	1.0381	1.0459	1.0537	1.0616	
LAND DEVELOPMENT COSTS (TRENDED)	\$13,700,000	\$5,200,000	\$2,500,000	\$1,500,000	\$1,000,000	\$755,625	\$507,528	\$215,814	\$0	\$0	\$0	\$0	\$0	\$25,378,967
OTHER COSTS & EXPENSES (SOFT COSTS)														
REAL ESTATE TAXES/PERIOD *	0.3750%	\$412,500	\$381,570	\$356,086	\$340,480	\$286,851	\$206,336	\$145,599	\$110,854	\$75,757	\$47,772	\$30,007	\$12,063	\$0
SPECIAL ASSESSMENTS/PERIOD	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INDIRECT COSTS (INS. & CONST. MGMT.)	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$704,771
SALES/TITLE/CLOSING COSTS	1.50%	\$0	\$176,944	\$205,628	\$70,197	\$338,074	\$448,253	\$330,817	\$179,333	\$181,127	\$156,208	\$119,628	\$121,123	\$81,758
MARKETING/ADVERTISING COSTS	0.50%	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$784,791
GENERAL ADMINISTRATIVE/OVERHEAD	3.00%	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$4,708,744
SUBTOTAL		\$889,293	\$1,035,307	\$1,038,507	\$887,470	\$1,101,718	\$1,131,382	\$953,208	\$766,980	\$733,677	\$680,772	\$626,427	\$609,979	\$558,551
TOTAL COSTS/EXPENSES	\$14,589,293	\$6,235,307	\$3,538,507	\$2,387,470	\$2,101,718	\$1,887,007	\$1,460,737	\$982,793	\$733,677	\$680,772	\$626,427	\$609,979	\$558,551	\$36,392,238
CASH FLOW OF RESIDUAL VALUES	(\$14,589,293)	\$5,560,979	\$10,170,018	\$10,424,259	\$28,936,558	\$29,347,678	\$20,593,726	\$10,972,757	\$11,341,430	\$9,733,067	\$7,348,781	\$7,464,920	\$4,892,006	\$142,196,887
PRESENT VALUE OF NET CASH FLOW (MATH)	\$110,000,147													
NUMBER OF LOTS	289													
PRESENT VALUE PER LOT	\$380,623													
PRESENT VALUE OF NET CASH FLOW (ROUNDED)	\$110,000,000													
BULK VALUE AS A % OF RETAIL SUMMATION	70.08%													

TOTAL NET PROCEEDS (FORMERLY TOTAL NET VALUE) CONCLUSION

Per the client's request, we have also provided a Total Net Proceeds (formerly Total Net Value) conclusion for the subject property. Total Net Proceeds (formerly Total Net Value) is defined as the aggregate sum of master development net cash flows *excluding* any deduction for master developer's profit, return, or the time value of money. Net cash flows are derived by estimating individual component land/property sale revenue events as they occur and deducting associated master development related costs. Land/property sale revenues may include, but are not necessarily limited to, bulk residential lots, existing home inventory, commercial land, golf courses, and other non-residential land property types. Master development costs may include, but are not necessarily limited to, applicable infrastructure construction, off-sites, grading, master marketing, and related carrying costs. Master developer's profit/entrepreneurial reward and present value calculations have not been considered or applied in estimating Total Net Proceeds (formerly Total Net Value). Total Net Proceeds (formerly Total Net Value) *is not* a value estimate nor should be construed as such. The client, Lehman Brothers Commercial Paper Inc., *has specifically requested* the appraiser(s) report Total Net Proceeds (formerly Total Net Value), as defined. The reported Total Net Proceeds (formerly Total Net Value) is intended for use by the client, Lehman Brothers Commercial Paper Inc., for internal underwriting purposes.

A spreadsheet showing our assumptions and calculations is located on the previous page. Based on our previous As-Is cashflow, assuming no discount rate, the indicated Total Net Proceeds (formerly Total Net Value) of the subject lots, if sold at market prices, as of **October 1, 2007**, is:

ONE HUNDRED FORTY-TWO MILLION TWO HUNDRED THOUSAND DOLLARS

\$142,200,000

PACIFICA SAN JUAN MASTER PLAN - SAN JUAN CAPISTRANO
SUBDIVISION DEVELOPMENT METHOD - TOTAL NET PROCEEDS (FORMERLY TOTAL NET VALUE)

BASIC ASSUMPTIONS

			Total	Per Lot		
TOTAL NUMBER OF LOTS	289	SUMMATION OF BLUE TOP LOT REVENUES	\$156,958,135	\$543,108		
DEVELOPMENT PERIOD (MONTHS)	39	TOTAL REMAINING DEVELOPMENT COSTS	\$25,361,030	\$87,754		
ABSORPTION RATE (LOTS/MONTH)	7	YEAR	2009	2010-11	2012+	
SELECTED DISCOUNT PERIODS/YEAR	4	ANNUAL REVENUE INFLATION RATE	4.00%	5.00%	6.00%	
REAL ESTATE TAX RATE	1.500%	RESULTING GROWTH RATE/PERIOD	1.00%	1.25%	1.50%	
REAL ESTATE TAXES BASED ON AS-IS VALUE MULTIPLIED BY THE TAX RATE ABOVE		ANNUAL DEV. COST INFLATION RATE	3.00%			
		RESULTING GROWTH RATE/PERIOD	0.75%			
		ANNUAL DISCOUNT RATE (NPV)	0.00%			
		RESULTING DISCOUNT RATE/PERIOD	0.00%			

* PERIOD COMMENCING OCTOBER 2007	Dec-07	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	TOTAL	
SALES PERIODS* (QUARTERLY)	1	2	3	4	5	6	7	8	9	10	11	12	13		
TIMING AND ABSORPTION															
PLANNING AREAS	0	3	2, 7	6	2, 5, 6, 7	2, 3, 5, 6	3, 5, 6, 7	3, 5	3, 5	3, 5	5	5	5		
NUMBER OF LOTS SOLD	0	23	19	12	38	56	42	24	24	19	12	12	8	289	
NUMBER OF LOTS UNSOLD	289	266	247	235	197	141	99	75	51	32	20	8	0		
CUMULATIVE LOTS SOLD	0	23	42	54	92	148	190	214	238	257	269	281	289		
SALES PROCEEDS (BLUE TOP LOTS)															
PROCEEDS (UNTRENDED)	\$0	\$11,796,286	\$13,708,525	\$4,679,784	\$22,538,276	\$29,587,664	\$21,619,903	\$11,603,940	\$11,603,940	\$9,883,945	\$7,475,952	\$7,475,952	\$4,983,968	\$156,958,135	
TRENDING FACTOR	1.0000	1.0000	1.0000	1.0000	1.0000	1.0100	1.0201	1.0303	1.0406	1.0536	1.0668	1.0801	1.0936		
PROCEEDS (TRENDED)	\$0	\$11,796,286	\$13,708,525	\$4,679,784	\$22,538,276	\$29,883,541	\$22,054,463	\$11,955,551	\$12,075,106	\$10,413,839	\$7,975,209	\$8,074,899	\$5,450,557	\$160,606,035	
OTHER REVENUES															
OTHER REVENUE (CFD REIMBURSEMENTS)	\$0	\$0	\$0	\$8,131,945	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,131,945	
OTHER REVENUE (RESERVOIR SITE)	\$0	\$0	\$0	\$0	\$0	\$1,351,144	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,351,144	
OTHER REVENUE (SCHOOL SITE)	\$0	\$0	\$0	\$0	\$8,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500,000	
TOTAL OTHER REVENUES	\$0	\$0	\$0	\$8,131,945	\$8,500,000	\$1,351,144	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,983,089	
TOTAL REVENUES	\$0	\$11,796,286	\$13,708,525	\$12,811,729	\$31,038,276	\$31,234,685	\$22,054,463	\$11,955,551	\$12,075,106	\$10,413,839	\$7,975,209	\$8,074,899	\$5,450,557	\$178,589,124	
LAND DEVELOPMENT COSTS (UNTRENDED)	\$13,700,000	\$5,200,000	\$2,500,000	\$1,500,000	\$1,000,000	\$750,000	\$500,000	\$211,030	\$0	\$0	\$0	\$0	\$0	\$25,361,030	
TRENDING FACTOR	1.0000	1.0000	1.0000	1.0000	1.0000	1.0075	1.0151	1.0227	1.0303	1.0381	1.0459	1.0537	1.0616		
LAND DEVELOPMENT COSTS (TRENDED)	\$13,700,000	\$5,200,000	\$2,500,000	\$1,500,000	\$1,000,000	\$755,625	\$507,528	\$215,814	\$0	\$0	\$0	\$0	\$0	\$25,378,967	
OTHER COSTS & EXPENSES (SOFT COSTS)															
REAL ESTATE TAXES/PERIOD *	0.3750%	\$412,500	\$381,570	\$356,086	\$340,480	\$286,851	\$206,336	\$145,599	\$110,854	\$75,757	\$47,772	\$30,007	\$12,063	\$0	\$2,405,874
SPECIAL ASSESSMENTS/PERIOD	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INDIRECT COSTS (INS. & CONST. MGMT.)	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$54,213	\$704,771
SALES/TITLE/CLOSING COSTS	1.50%	\$0	\$176,944	\$205,628	\$70,197	\$338,074	\$448,253	\$330,817	\$179,333	\$181,127	\$156,208	\$119,628	\$121,123	\$81,758	\$2,409,091
MARKETING/ADVERTISING COSTS	0.50%	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$60,369	\$784,791
GENERAL ADMINISTRATIVE/OVERHEAD	3.00%	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$362,211	\$4,708,744
SUBTOTAL		\$889,293	\$1,035,307	\$1,038,507	\$887,470	\$1,101,718	\$1,131,382	\$953,208	\$766,980	\$733,677	\$680,772	\$626,427	\$609,979	\$558,551	\$11,013,271
TOTAL COSTS/EXPENSES	\$14,589,293	\$6,235,307	\$3,538,507	\$2,387,470	\$2,101,718	\$1,887,007	\$1,460,737	\$982,793	\$733,677	\$680,772	\$626,427	\$609,979	\$558,551	\$36,392,238	
CASH FLOW OF RESIDUAL VALUES	(\$14,589,293)	\$5,560,979	\$10,170,018	\$10,424,259	\$28,936,558	\$29,347,678	\$20,593,726	\$10,972,757	\$11,341,430	\$9,733,067	\$7,348,781	\$7,464,920	\$4,892,006	\$142,196,887	
PRESENT VALUE OF NET CASH FLOW (MATH)	\$142,196,887														
NUMBER OF LOTS	289														
PRESENT VALUE PER LOT	\$492,031														
PRESENT VALUE OF NET CASH FLOW (ROUNDED)	\$142,200,000														
BULK VALUE AS A % OF RETAIL SUMMATION	90.60%														

RECONCILIATION AND FINAL VALUE OPINION

VALUATION METHODOLOGY REVIEW AND RECONCILIATION

This appraisal employs the Sales Comparison and Development Approaches. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered necessary and applicable for market participants.

In analyzing the property, the appraiser performed the subdivision Development Method. This methodology is essentially an inverse cost approach analysis used by investors/builders analyzing a probable purchase price for the subject after deducting the appropriate costs for all other agents of production. Therefore, a cost approach analysis was inherently performed by the appraiser in the valuation of the subject.

A variation of the income approach and cost approach, the development method, was applied. This method provided estimates of the market value by estimating retail sales proceeds from proposed improvements and deducting profit and expenses in an appropriate manner. A discounted cash flow (DCF) was used for this procedure. For the yield analysis, the periodic net revenues are discounted to determine the present worth of the future income stream after deducting development costs, costs to complete, and expenses. The sum of the discounted net incomes results in the estimated market value, typically land.

FINAL VALUE OPINION	
METHODOLOGY	VALUE CONCLUSION
Cost Approach	Not Applicable
Sales Comparison Approach/Development Method	
As Is Value:	\$110,000,000
Hypothetical Aggregate Retail Revenues (Finished Lots)	\$159,858,022
Hypothetical Aggregate Retail Revenues (Blue Top Lots)	\$156,958,135
Total Net Proceeds (Formerly Total Net Value)	\$142,200,000
Income Capitalization Approach	Not Applicable

Based on our appraisal as defined by the Uniform Standards of Professional Appraisal Practice, we have formed an opinion that the **As Is Value** of the fee simple estate in the referenced property subject to the attached assumptions, limiting conditions, certifications, and definitions, as of **October 1, 2007**, is:

ONE HUNDRED TEN MILLION DOLLARS

\$110,000,000

Based on our appraisal as defined by the Uniform Standards of Professional Appraisal Practice, we have formed an opinion that the **Hypothetical Aggregate Retail Revenues (Finished Lots)** of the fee simple estate in the reference property subject to the attached assumptions, limiting conditions, certifications, and definitions, as of **October 1, 2007**, is:

ONE HUNDRED FIFTY-NINE MILLION EIGHT HUNDRED FIFTY-EIGHT THOUSAND TWENTY-TWO DOLLARS

\$159,858,022

Based on our appraisal as defined by the Uniform Standards of Professional Appraisal Practice, we have formed an opinion that the **Hypothetical Aggregate Retail Revenues (Blue Top Lots)** of the fee simple estate in the reference property subject to the attached assumptions, limiting conditions, certifications, and definitions, as of **October 1, 2007**, is:

ONE HUNDRED FIFTY-SIX MILLION NINE HUNDRED FIFTY-EIGHT THOUSAND ONE HUNDRED THIRTY-FIVE DOLLARS

\$156,958,135

Based on our appraisal as defined by the Uniform Standards of Professional Appraisal Practice, we have formed an opinion that the **Total Net Proceeds (Formerly Total Net Value)** of the fee simple estate in the referenced property subject to the attached assumptions, limiting conditions, certifications, and definitions, as of **October 1, 2007**, is:

ONE HUNDRED FORTY-TWO MILLION TWO HUNDRED THOUSAND DOLLARS

\$142,200,000

For purposes of this report, Total Net Proceeds (formerly Total Net Value) is defined as the aggregate sum of master development net cash flows *excluding* any deduction for master developer's profit, return, or the time value of money. Net cash flows are derived by estimating individual component land/property sale revenue events as they occur and deducting associated master development related costs. Land/property sale revenues may include, but are not necessarily limited to, bulk residential lots, existing home inventory, commercial land, golf courses, and other non-residential land property types. Master development costs may include, but are not necessarily limited to, applicable infrastructure construction, off-sites, grading, master marketing, and related carrying costs. Master developer's profit/entrepreneurial reward and present value calculations have not been considered or applied in estimating Total Net Proceeds (formerly Total Net Value). Total Net Proceeds (formerly Total Net Value) *is not* a value estimate nor should be construed as such. The client, Lehman Brothers Commercial Paper Inc., *has specifically requested* the appraiser(s) report Total Net Proceeds (formerly Total Net Value), as defined. The reported Total Net Proceeds (formerly Total Net Value) is intended for use by the client, Lehman Brothers Commercial Paper Inc., for internal underwriting purposes

ASSUMPTIONS AND LIMITING CONDITIONS

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor C&W shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of C&W any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of C&W is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without C&W's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by C&W in writing to use or rely thereon, hereby agrees to indemnify and hold C&W, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.

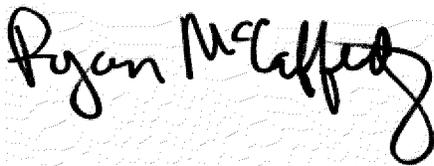
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. C&W assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. C&W recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.
- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and C&W make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. C&W recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. C&W recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of C&W, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against C&W or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by C&W or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and C&W, its employees and the Appraiser have no liability to such recipients. C&W disclaims any and all liability to any party other than the party that retained C&W to prepare the Report.
- Any estimate of insurable value, if included within the agreed upon scope of work and presented within this report, is based upon figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, we make no warranties regarding the accuracy of this estimate.

- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

CERTIFICATION OF APPRAISAL

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Ryan McCafferty made a personal inspection of the property that is the subject of this report, as well as the rental comparables. Brian J. Curry, MAI, SRA, Managing Director, Valuation Services, has reviewed and approved the report but did not inspect the property.
- No one provided significant real property appraisal assistance to the persons signing this report.
- As of the date of this report, Brian J. Curry, MAI, SRA has completed the continuing education program of the Appraisal Institute.
- Our analyses, opinions, or conclusions were developed and this report has been prepared in conformity with the requirements of the State of California for State-certified appraisers.



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GLOSSARY OF TERMS & DEFINITIONS

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Fourth Edition (2002), published by the Appraisal Institute, as well as other sources.

ACCRUED DEPRECIATION

1. In appraisal, a loss in property value from any cause; the difference between the reproduction or replacement cost of an improvement on the effective date of the appraisal and the market value of the improvements on the same date. 2. In regard to improvements, depreciation encompasses both deterioration and obsolescence. 3. In accounting, an allowance made against the loss in value of an asset for defined purpose and computed using a specific method.

CASH EQUIVALENCE

A price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts. Calculating the cash-equivalent price requires an appraiser to compare transactions involving atypical financing to transactions involving comparable properties financed at typical market terms.

EXPOSURE TIME

Under Paragraph 3 of the Definition of Market Value, the value opinion presumes that "A reasonable time is allowed for exposure in the open market." Exposure time is defined as the length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effective date of the appraisal. Exposure time is presumed to precede the effective date of the appraisal.

The reasonable exposure period is a function of price, time and use. It is not an isolated opinion of time alone. Exposure time is different for various types of property and under various market conditions. As noted above, exposure time is always presumed to precede the effective date of appraisal. It is the length of time the property would have been offered prior to a hypothetical market value sale on the effective date of appraisal. It is a retrospective opinion based on an analysis of past events, assuming a competitive and open market. It assumes not only adequate, sufficient and reasonable time but adequate, sufficient and a reasonable marketing effort. Exposure time and conclusion of value are therefore interrelated.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined by the *USPAP* (2006 Edition) as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

FEE SIMPLE ESTATE

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

GOING CONCERN VALUE

The value created by a proven property operation; considered as a separate entity to be valued with a specific business establishment. Common going-concern appraisals are conducted for assisted living facilities, nursing homes, hotels and motels, restaurants, bowling alleys, industrial enterprises, retail stores, and similar property uses. For these property types, the physical real estate assets are integral parts of an ongoing business such that the market values from the land and building are difficult, if not impossible, to segregate from the total value of the ongoing business.

HYPOTHETICAL CONDITIONS:

A hypothetical condition is defined by the *USPAP* (2006 Edition) as “that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

LEASED FEE INTEREST

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.

LEASEHOLD INTEREST

The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.

MARKETING TIME

Marketing time is an opinion of the time that might be required to sell a real property interest at the concluded market value level. Marketing time is presumed to start during the period immediately after the effective date of an appraisal. (Marketing time is subsequent to the effective date of the appraisal and exposure time is presumed to precede the effective date of the appraisal). The opinion of marketing time uses some of the same data analyzed in the process of developing a reasonable exposure time opinion as part of the appraisal process and it is not intended to be a prediction of a date of sale or a one-line statement.

MARKET RENT

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

- Lessee and lessor are typically motivated.
- Both parties are well informed or well advised, and acting in what they consider their best interests.
- A reasonable time is allowed for exposure in the open market.
- The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
- The rental amount represents the normal consideration for the property lease unaffected by special fees or concessions granted by anyone associated with the transaction.

MARKET VALUE

The following definition of market value is cited in *The Dictionary of Real Estate Appraisal*, 4th Edition, Appraisal Institute.

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (12 C.F.R. Part 34.42(g) *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994).

PROSPECTIVE VALUE OPINION

A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

PROSPECTIVE VALUE UPON REACHING STABILIZED OCCUPANCY

The value of a property as of a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy. At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs, and other carrying charges are assumed to have been incurred.

VALUE AS IS

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

INSURABLE VALUE

- The value of an asset or asset group that is covered by an insurance policy; can be estimated by deducting costs of noninsurable items (e.g., land value) from market value.
- Value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and noninsurable items. Sometimes cash value or market value, but often entirely a cost concept. (Marshall & Swift LP)

ADDENDA CONTENTS

ADDENDUM A:	UPDATED DEVELOPER BUDGET/PROFORMA
ADDENDUM B:	SUNCAL BUILDER RESIDUAL MODEL
ADDENDUM C:	C&W BUILDER RESIDUAL CASHFLOWS BY PRODUCT TYPE
ADDENDUM D:	QUALIFICATIONS OF THE APPRAISERS

ADDENDUM A: UPDATED DEVELOPER BUDGET/PROFORMA

Pacifica San Juan

California

LOG (for budget updates, any changes in costs, revenues or related assumptions)

Last Actuals August 31, 2007

Master Budget Date June 30, 2007

In-Tract Budget Date June 30, 2007

Date	Notes
12-Sep-07	Updated 8/07 actuals.
11-Sep-07	Updated 7/07 actuals.
17-Jul-07	Updated 6/07 actuals. Updated with 6/07 project budget.
20-Jun-07	Updated May Actuals
16-May-07	Updated Apr. Actuals
11-Apr-07	Updated Mar. Actuals
08-Mar-07	Updated Feb. Actuals
07-Mar-07	Updated Marketing Expense with Marketing's February Budget
07-Mar-07	Increased Construction Management to \$30k/month until June-07. Additional funds were pulled out of Insurance and the net effect on the budget is zero.
07-Mar-07	Remodled CFD Rebursement in Lot Takedown to reflect 5 month funding lag. No \$ or timing change, just automated the model.
07-Mar-07	Added Loan Extension Fee to Revolver - Points Line item in CFM
07-Mar-07	Revised January CF, updated Actuals
11-Jan-07	Updated Lot timing from latest meeting with Cindy
09-Jan-07	Updated Budget (12/31/06)
09-Jan-07	Updated Dec. Actuals
14-Dec-06	Updated Nov. Actuals
28-Nov-06	Updated Oct. Actuals
13-Oct-06	Updated Sept. Actuals
11-Oct-06	Updated Budget (9/30/06)
12-Sep-06	Updated August Actuals
14-Aug-06	Updated July Actuals
11-Jul-06	Updated June Actuals
11-Jul-06	Updated Master & In-Tract Budgets (6/30/06)
13-Jun-06	Updated May Actuals
12-Jun-06	Updated April Actuals
23-May-06	Cash flow updated with actuals from inception to 3/31/06 and reconciled with Accounting records

Below are a portion of the Notes from the posted March 31, 2006 Cash Flow before the remodel:

4/11/2006	Updated: March Actuals, Budget and In-tracts--from 12.31.05 to 3.31.06
4/3/2006	Revised: Harbor Vistas Deposit schedule based on Laing's updated email
3/31/2006	Updated: February Actuals
3/21/2006	Updated: January Actuals
3/16/2006	Moved: Updated Vista II Deposits according to K-hov Term Sheet dated 12/15/05
2/9/2006	Moved: Spaced Vista II takedowns according to Khov Term Sheet dated 12/15/05 and moved Centex lot takedown according to PSA abstract; moved school & CFD ba
2/7/2006	Revenue: Per Cindy, Garden now has 55 lots @ \$29m residual - \$8.7m (or 22%) decrease. Update Vistas II w/ term sheet (+\$2.7m)
1/30/2006	Updated 12/05 actuals
1/19/2006	Revised capital structure to reflect Lehman's 01.25.06 Term Sheet
12/29/2005	Added: Harbor Vista Term Sheet with Laing & Moved Laing sales back 1 month
12/29/2005	Eliminated excess allocation from Fees & Assessments & Contingency
12/29/2005	Revised G&A amount down to original 9/30/05 amount
12/29/2005	Updated Other Revenues - Modeled in Laing's Price Participation (assumed \$70k per lot, which increased other revenues by \$4.9m)

SunCal Companies

Pacifica San Juan California

Base Assumptions

Base Project Assumptions		Notes and Explanations	
Date of Initial Assumptions:			
File Name:			
Project Name:	Pacifica San Juan		
Location:	California		
Size (acres):	0		
Number of Lots:	387	2,782,144	
Anticipated Project Duration:	122 months		
Land Purchase Price	\$20,790,000		
Land Purchase Commission	3.00%		
Lots Sales Commission	2.00%		
Project Insurance	1.00%	1,348,029	of Appraised Value @ loan clo
Construction Management/Month	---	1,434,115	Starting Month: 100 Ending Month:
General & Administrative	3.00%	241,210,687	Starting Month: 100 Ending Month:
Legal, Closing, @ Land Purchase	\$2,230,684		(% of Gross Rev. less CFD on & afte Starting Month: 69 Ending Month:
Legal, Closing, etc. @ Lot Sales	\$250		Plus \$25,000 every three months until end of project
Master Marketing Program	4,510,411		Per Lot
SunCal Marketing Fee	0.00%		of Land Residual Total
Working Capital	\$0		Starting Month: 100 Ending Month: 151
Property Tax %:	1.10%		
Finished Lot Price Inflator (Net Per Year):	0.00%		Net of Improvement Costs Inflation
Residual Price Escalator:	0.00%		Anticipated Cost of Interest Carry to the Developer (Rolling Options Only)

Debt and Equity Assumptions		Notes and Explanations	
Max. Loan to Cost	0.00%		
Peak Loan Amount	\$16,947,053		
OE Loan - Points	0.00%		
OE Loan - Interest Reserve	0.00%		
CBT Loan - Points	0.00%		
CBT Loan - Interest Reserve	0.00%		
Lehman Ten - Points	0.00%		
Lehman Ten - Interest Reserve	0.00%		
Acquisition & Development Loan	0.00%		
Acquisition & Development Loan	0.00%		
Legal, Closing, etc. @ A&D Loan Close	\$100,000		Plus \$15,000 every three months until end of A&D Loan close
Equity Points/Origination Fee	0.00%		
SunCal Acquisition Fee	0.00%		of Land Purchase Price
Preferred Return to Primary Investor	15.00%		Per Annum
Lookback IRR or Target IRR to Primary	25.00%		
Preferred Return to Secondary Investor	15.00%		Per Annum
Lookback IRR or Target IRR to Secondary	25.00%		Developer to Catch-up to Investor Hurdle Rate
Preferred Return to Project Mezzanine	15.00%		Per Annum
Lookback IRR or Target IRR to Project Mezzanine	25.00%		
Investor Equity Participation	90.00%		
Developer Equity Participation	10.00%		
% of Profits to Investor	45.00%		
% of Profits to Developer	55.00%		

SunCal Companies

Pacifica San Juan
California

CFD Analysis

of Lots 387

	<i>Total</i>	<i>Per Lot</i>
Total CFD Capacity	\$ 26,913,278	\$ 69,543
Less:	\$ -	\$ -
Total CFD Capacity	\$ 26,913,278	\$ 69,543
<u>Fees</u>		
Less: Fee Credit	\$ -	\$ -
Less: Prepaid Fee by CFD	\$ 5,640,309	\$ 14,574
Less: Reimbursement	\$ -	\$ -
Subtotal	\$ 5,640,309	\$ 14,574
<u>Less Facilities Built by Others</u>	\$ 4,641,024	\$ 11,992
Remaining CFD	\$ 16,631,945	\$ 42,977

SunCal Companies

Pacifica San Juan
California

Revenue Assumptions

Planning Area	General Plan Category	# of Acres	Lot Size	# of Units	Finished Lot Pricing			Total Revenue
					Value	Premium	Total	
Vistas	SFR	<i>Laing (PSA)</i>	6,000	70	545,000	\$ -	\$ 545,000	\$ 38,150,000
Vistas - 2	SFR	<i>K Hov (PSA)</i>	6,000	44	826,103	#####	697,898	30,707,506
Garden	Attached		8 Units/Acre	55	413,131	(54,545)	358,586	19,722,205
Harbor Vista	SFR	<i>Laing (PSA)</i>	6,500	46	630,000	-	630,000	28,980,000
Valley	SFR		7,800	104	835,254	#####	720,254	74,906,416
Country	Attached	<i>Centex (PSA)</i>	8 Units/Acre	47	574,852	(79,289)	495,563	23,291,461
North Estates	SFR		12,000	21	891,400	-	891,400	18,719,400
Totals/Averages		0.00	\$ 5,287	387	\$ 668,746	#####	\$ 605,884	\$234,476,988

Planning Area	General Plan Category	# of Acres	Total Sq Ft	Commercial Pricing / Sq. Ft.			Total Revenue
				Value	Premium	Total	
Commercial - Parcel A	Oct 02	10.45	455,202	\$16.66	\$ -	\$ 16.66	\$ 7,583,232
Commercial - Parcel B	Apr 04	2.98	129,809	\$15.95	-	15.95	2,069,971
Totals/Averages		13.43	585,011	\$ 16.50	\$ -	\$ 16.50	\$ 9,653,203

Planning Area	General Plan Category	# of Acres		Institutional Pricing / Acre			Total Revenue
				Value	Premium	Total	
School		0.00	0	\$8,500,000	\$ -	\$8,500,000	\$ 8,500,000
Totals/Averages		0.00	-	\$8,500,000	\$ -	\$8,500,000	\$ 8,500,000

Project Totals/Averages		13.43		\$9,168,762		\$9,105,900	\$252,630,191
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SunCal Companies

Pacifica San Juan
California

Infrastructure Assumptions

	Totals	Per Lot
MASTER DEVELOPER COSTS		
Land Acquisition	\$20,790,000	\$53,721
LAND IMPROVEMENT HARD COSTS		
DIRECT COSTS		
Site Prep and Grading	\$ 41,809,250	\$ 108,034
Street Improvements	8,962,769	23,160
Sanitary Sewer	3,598,658	9,299
Water Improvements	6,616,556	17,097
Storm Drain	10,747,880	27,772
Amenities & Special Construction	10,219,163	26,406
Utilities	3,863,046	9,982
TOTAL DIRECT HARD COSTS	\$ 85,817,322	\$ 221,750
Contingency @ 7%	6,280,230	16,228
TOTAL DIRECT & CONTINGENCY	\$ 92,097,552	\$ 237,978
IN-DIRECT HARD COSTS		
Fees, Assessments & Bonds - Map	12,190,160	31,499
Consultants and Engineering	24,569,737	63,488
TOTAL IN-DIRECT HARD COSTS	\$ 36,759,896	\$ 94,987
TOTAL LAND IMPROVEMENT HARD COSTS	\$ 128,857,448	\$ 332,965
TOTAL PROJECT ACQUISITIONS AND HARD COSTS	\$ 149,647,448	\$ 386,686

Budget/Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Month	January	February	March	April	May	June	July	August	September	October	November	December	
Year	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	
Period	Total	103	104	105	106	107	108	109	110	111	112	113	114
IMPROVEMENT COSTS													
Land Acquisition	\$ (20,790,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Site Prep and Grading	(41,809,250)	(1,533,550)	(1,461,400)	(1,570,376)	(2,131,446)	(866)	(497,442)	(879,592)	4,630	(1,641,453)	(959,117)	(651,696)	(367,282)
Street Improvements	(8,962,769)	(74,872)	(124,233)	(89,000)	(358,688)	-	(9,057)	(8,950)	-	(343,312)	-	(14,146)	(78,919)
Sanitary Sewer	(3,598,658)	-	85,909	(289,254)	(125,799)	-	(13,021)	(1,019)	-	-	-	-	(110,128)
Water Improvements	(6,616,556)	974,191	(520,729)	2,001,276	(472,016)	92,664	(432,567)	(134,455)	(50,631)	(178,128)	(109,575)	(111,750)	(261,308)
Storm Drain	(10,747,880)	(420,080)	215,734	(98,848)	(105,667)	-	(2,828)	(18,000)	-	(591,896)	(66,335)	-	(93,555)
Amenities & Special Construction	(10,219,163)	(4,005)	(333,978)	(200)	(15,306)	-	(5,200)	(8,000)	(41,653)	2,661	(5,850)	(619,398)	(29,629)
Utilities	(3,863,046)	(43,594)	(528,420)	(86,932)	(34,287)	(12,115)	(17,874)	(16,396)	(47,166)	(75,728)	(28,822)	(408,882)	(21,397)
Contingency @ 7.32%	(6,280,230)	-	-	-	-	-	-	-	-	-	-	-	-
Fees, Assessments & Bonds - Map	(12,190,160)	(79,901)	(441,231)	(654,016)	(12,653)	3,088	(55,047)	(220)	(18,156)	(1,106,314)	(390,484)	(68,242)	(113,534)
Consultants and Engineering	(24,569,737)	(591,532)	(808,481)	(277,572)	(478,000)	(475,050)	(227,020)	(123,638)	(24,457)	(980,173)	(316,024)	(662,503)	(291,784)
TOTAL IMPROVEMENT COSTS	\$ (149,647,448)	\$ (1,773,343)	\$ (3,916,828)	\$ (1,064,923)	\$ (3,733,863)	\$ (392,279)	\$ (1,260,056)	\$ (1,190,269)	\$ (177,433)	\$ (4,914,342)	\$ (1,876,207)	\$ (2,536,618)	\$ (1,367,535)

SunCal Companies

Pacifica San Juan
California

Infrastructure Assumptions

	Totals	Per Lot
MASTER DEVELOPER COSTS		
Land Acquisition	\$20,790,000	\$53,721
LAND IMPROVEMENT HARD COSTS		
DIRECT COSTS		
Site Prep and Grading	\$ 41,809,250	\$ 108,034
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Utilities	3,863,046	9,982
TOTAL DIRECT HARD COSTS	\$ 85,817,322	\$ 221,750
Contingency @ 7%	6,280,230	16,228
TOTAL DIRECT & CONTINGENCY	\$ 92,097,552	\$ 237,978
IN-DIRECT HARD COSTS		
Fees, Assessments & Bonds - Map	12,190,160	31,499
Consultants and Engineering	24,569,737	63,488
TOTAL IN-DIRECT HARD COSTS	\$ 36,759,896	\$ 94,987
TOTAL LAND IMPROVEMENT HARD COSTS	\$ 128,857,448	\$ 332,965
TOTAL PROJECT ACQUISITIONS AND HARD COSTS	\$ 149,647,448	\$ 386,686

Budget/Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	
Month	January	February	March	April	May	June	July	August	September	October	November	December	
Year	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	
Period	Total	115	116	117	118	119	120	121	122	123	124	125	126
IMPROVEMENT COSTS													
Land Acquisition	\$ (20,790,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Site Prep and Grading	(41,809,250)	(48,835)	(437,108)	(846,605)	(2,364)	(110,401)	(21,091)	(7,287)	(1,714,439)	(361,118)	(361,118)	(361,118)	(361,118)
Street Improvements	(8,962,769)	-	(34,438)	(593,693)	(43,785)	(1,391,378)	(24,219)	(1,700)	(1,127,340)	(401,938)	(401,938)	(401,938)	(401,938)
Sanitary Sewer	(3,598,658)	-	(147,842)	(764,591)	9,833	(213,414)	-	-	(95,913)	(1,177,460)	-	-	-
Water Improvements	(6,616,556)	(190,431)	(879,799)	(204,872)	(257,714)	(369,164)	-	-	(199,725)	(253,795)	(253,795)	(253,795)	(253,795)
Storm Drain	(10,747,880)	-	(632,052)	(438,921)	18,000	(497,586)	(18,000)	-	(396,645)	(1,191,883)	(1,191,883)	(1,191,883)	(1,191,883)
Amenities & Special Construction	(10,219,163)	-	(612,208)	(682,423)	-	(763,757)	-	-	(1,401,442)	(1,109,052)	(1,109,052)	(1,109,052)	(1,109,052)
Utilities	(3,863,046)	(23,886)	(5,790)	(105,554)	(16,441)	(336,152)	(1,214)	-	(120,337)	(379,413)	(379,413)	(379,413)	(379,413)
Contingency @ 7.32%	(6,280,230)	-	-	-	-	-	-	-	-	-	-	-	(785,029)
Fees, Assessments & Bonds - Map	(12,190,160)	(16,670)	-	(18,291)	157	(60,382)	(149,791)	(17,600)	43,906	(85,871)	(85,871)	(85,871)	(85,871)
Consultants and Engineering	(24,569,737)	(20,000)	(224,888)	(677,491)	(20,000)	(166,065)	(20,000)	(23,493)	(302,862)	(475,669)	(475,669)	(475,669)	(475,669)
TOTAL IMPROVEMENT COSTS	\$ (149,647,448)	\$ (299,822)	\$ (2,974,126)	\$ (4,332,442)	\$ (312,314)	\$ (3,908,299)	\$ (234,315)	\$ (50,080)	\$ (5,314,797)	\$ (5,436,198)	\$ (4,258,739)	\$ (4,258,739)	\$ (5,043,767)

SunCal Companies

Pacifica San Juan
California

Infrastructure Assumptions

	Totals	Per Lot
MASTER DEVELOPER COSTS		
Land Acquisition	\$20,790,000	\$53,721
LAND IMPROVEMENT HARD COSTS		
DIRECT COSTS		
Site Prep and Grading	\$ 41,809,250	\$ 108,034
Street Improvements	8,962,769	23,160
Sanitary Sewer	3,598,658	9,299
Water Improvements	6,616,556	17,097
Storm Drain	10,747,880	27,772
Amenities & Special Construction	10,219,163	26,406
Utilities	3,863,046	9,982
TOTAL DIRECT HARD COSTS	\$ 85,817,322	\$ 221,750
Contingency @ 7%	6,280,230	16,228
TOTAL DIRECT & CONTINGENCY	\$ 92,097,552	\$ 237,978
IN-DIRECT HARD COSTS		
Fees, Assessments & Bonds - Map	12,190,160	31,499
Consultants and Engineering	24,569,737	63,488
TOTAL IN-DIRECT HARD COSTS	\$ 36,759,896	\$ 94,987
TOTAL LAND IMPROVEMENT HARD COSTS	\$128,857,448	\$ 332,965
TOTAL PROJECT ACQUISITIONS AND HARD COSTS	\$149,647,448	\$ 386,686

Budget/Actual	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
Month	January	February	March	April	May	June	July	August	September	October	November	December	
Year	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	
Period	Total	127	128	129	130	131	132	133	134	135	136	137	138
IMPROVEMENT COSTS													
Land Acquisition	\$ (20,790,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Site Prep and Grading	(41,809,250)	-	-	-	-	-	-	-	-	-	-	-	-
Street Improvements	(8,962,769)	(401,938)	(401,938)	(401,938)	(401,938)	(401,938)	-	-	-	-	-	-	-
Sanitary Sewer	(3,598,658)	-	-	-	-	-	-	-	-	-	-	-	-
Water Improvements	(6,616,556)	-	-	-	-	-	-	-	-	-	-	-	-
Storm Drain	(10,747,880)	-	-	-	-	-	-	-	-	-	-	-	-
Amenities & Special Construction	(10,219,163)	(1,109,052)	-	-	-	-	-	-	-	-	-	-	-
Utilities	(3,863,046)	-	-	-	-	-	-	-	-	-	-	-	-
Contingency @ 7.32%	(6,280,230)	(785,029)	(785,029)	(785,029)	(785,029)	(785,029)	(785,029)	(785,029)	-	-	-	-	-
Fees, Assessments & Bonds - Map	(12,190,160)	-	-	-	-	-	-	-	-	-	-	-	-
Consultants and Engineering	(24,569,737)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL IMPROVEMENT COSTS	\$ (149,647,448)	\$ (2,296,018)	\$ (1,186,966)	\$ (1,186,966)	\$ (1,186,966)	\$ (1,186,966)	\$ (785,029)	\$ (785,029)	\$ -				

SunCal Companies

Pacifica San Juan
California

In-Tract Cost Assumptions

IN-TRACT COSTS	Vistas # of Lots: 70		Vistas - 2 # of Lots: 44		Garden # of Lots: 55		Harbor Vista # of Lots: 46		Valley # of Lots: 104	
	Totals	Per Lot	Totals	Per Lot	Totals	Per Lot	Totals	Per Lot	Totals	Per Lot
Site Prep & Grading	\$ 10,000	\$ 143	\$ 22,000	\$ 500	\$ -	\$ -	\$ 27,420	\$ 596	\$ -	\$ -
Street Improvements	294,650	4,209	299,836	6,814	-	-	628,604	13,665	-	-
Sanitary Sewer	81,659	1,167	147,690	3,357	-	-	161,930	3,520	-	-
Water Improvements	133,945	1,914	226,667	5,152	-	-	156,245	3,397	-	-
Storm Drain & Retention	58,073	830	217,299	4,939	-	-	276,171	6,004	-	-
Amenities & Special Const.	41,650	595	41,224	937	-	-	392,477	8,532	-	-
Utilities	119,415	1,706	198,406	4,509	-	-	243,281	5,289	-	-
Contingency	5.0% 36,970	528	5.0% 57,656	1,310	#####	#####	5.0% 94,306	2,050	#####	#####
Fees, Assessments & Bonds - Permit	2,739,613	39,137	1,726,570	39,240	-	-	2,098,741	45,625	4,729,610	45,477
Fees, Assessments & Bonds - School Fees	-	-	-	-	-	-	-	-	-	-
Consultants and Engineering	200,016	2,857	144,615	3,287	-	-	88,943	1,934	-	-
SUB-TOTAL IN-TRACT IMPROVEMENTS	\$ 3,715,990	\$ 53,086	\$ 3,081,962	\$ 70,045	\$ 2,301,996	\$ 41,854	\$ 4,168,119	\$ 90,611	\$ 4,729,610	\$ 45,477
Less: Fee Credit	(1,488,418)	(21,263)	(935,577)	(21,263)	(1,423,480)	(25,881)	(1,272,348)	(27,660)	(2,876,613)	(27,660)
Less: Prepaid Fee by CFD	(961,105)	(13,730)	(604,123)	(13,730)	(741,424)	(13,480)	(631,583)	(13,730)	(1,427,927)	(13,730)
Less: Reimbursement	(70,015)	(1,000)	(103,400)	(2,350)	(82,012)	(1,491)	(96,773)	(2,104)	(216,688)	(2,084)
TOTAL IN-TRACT IMPROVEMENTS	\$ 1,196,452	\$ 17,092	\$ 1,438,862	\$ 32,701	\$ 55,080	\$ 1,001	\$ 2,167,414	\$ 47,118	\$ 208,382	\$ 2,004

IN-TRACT COSTS	Country # of Lots: 47		North Estates # of Lots: 21		Totals # of Lots: 387	
	Totals	Per Lot	Totals	Per Lot	Totals	Per Lot
Site Prep & Grading	\$ -	\$ -	\$ -	\$ -	\$ 59,420	\$ 1,844
Street Improvements	-	-	-	-	1,223,090	3,160
Sanitary Sewer	-	-	-	-	391,279	1,011
Water Improvements	-	-	-	-	516,857	1,336
Storm Drain & Retention	-	-	-	-	551,542	1,425
Amenities & Special Const.	-	-	-	-	475,351	1,228
Utilities	-	-	-	-	561,102	1,450
Contingency	#####	-	#DIV/0!	-	5.0% 188,932	488
Fees, Assessments & Bonds - Permit	3,426,695	72,908	971,546	46,264	17,994,771	46,498
Fees, Assessments & Bonds - School Fees	-	-	-	-	433,574	1,120
Consultants and Engineering	-	-	-	-	-	-
SUB-TOTAL IN-TRACT IMPROVEMENTS	\$ 3,426,695	\$ 72,908	\$ 971,546	\$ 46,264	\$ 22,395,918	\$ 59,561
Less: Fee Credit	(2,129,800)	(45,315)	(580,855)	(27,660)	(10,707,090)	(27,667)
Less: Prepaid Fee by CFD	(979,015)	(20,830)	(295,131)	(14,054)	(5,640,309)	(14,574)
Less: Reimbursement	(82,012)	(1,745)	(54,050)	(2,574)	(704,950)	(1,822)
TOTAL IN-TRACT IMPROVEMENTS	\$ 235,868	\$ 5,018	\$ 41,510	\$ 1,977	\$ 5,343,569	\$ 15,499

TOTAL PROJECT IN-TRACT COSTS	\$ 5,343,569
PER LOT	\$ 13,808

SunCal Companies

Pacifica San Juan
California

Lot Takedown Schedule

Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual		
Month		January	February	March	April	May	June	July	August	September	October	November	December	
Year		2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	
Period		Total	103	104	105	106	107	108	109	110	111	112	113	114

LOT TAKEDOWNS # of Lots

Vistas	Laing (PSA)	70	-	-	-	25	-	-	-	-	-	-	-	-
Vistas - 2	K Hov (PSA)	44	-	-	-	5	-	-	-	-	-	-	-	-
Garden		55	-	-	-	-	-	-	-	-	-	-	-	-
Harbor Vista	Laing (PSA)	46	-	-	-	-	-	-	-	-	23	-	-	-
Valley		104	-	-	-	-	-	-	-	-	-	-	-	-
Country	Centex (PSA)	47	-	-	-	-	-	-	-	-	-	-	-	-
North Estates		21	-	-	-	-	-	-	-	-	-	-	-	-

TOTAL LOT TAKEDOWNS		387	-	-	-	30	-	-	-	-	23	-	-	-
	Cumulative	387	0	0	0	30	30	30	30	30	53	53	53	53

Brad Gates

		(5,091,399)				(583,333)	0	0	0	0	(447,222)	0	0	0
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Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual		
Month		January	February	March	April	May	June	July	August	September	October	November	December	
Year		2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	
Period		Total	103	104	105	106	107	108	109	110	111	112	113	114

Escalator	Finished Price	In-Tract Cost/Lot	Residual Price
Vistas	\$ 545,000	\$ 17,092	\$ 527,908
Vistas - 2	697,898	32,701	665,196
Garden	358,586	1,001	357,584
Harbor Vista	630,000	47,118	582,882
Valley	720,254	2,004	718,250
Country	495,563	5,018	490,545
North Estates	891,400	1,977	889,423

Escalator

Vistas	\$ 545,000	\$ 17,092	\$ 527,908	(582,499)	\$ 36,371,049	\$ -	\$ -	\$ -	\$ -	\$ 11,447,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vistas - 2	697,898	32,701	665,196	641,026	29,909,669	-	-	-	-	3,967,008	-	-	-	-	-	-
Garden	358,586	1,001	357,584	-	19,667,125	-	-	-	-	-	-	-	-	-	-	-
Harbor Vista	630,000	47,118	582,882	0	28,422,586	-	-	-	-	-	-	-	15,016,293	-	-	-
Valley	720,254	2,004	718,250	-	74,698,034	-	-	-	-	-	-	-	-	-	-	-
Country	495,563	5,018	490,545	-	23,055,593	-	-	-	-	-	-	-	-	-	-	-
North Estates	891,400	1,977	889,423	-	18,677,890	-	-	-	-	-	-	-	-	-	-	-

TOTALS		\$ 58,527	\$ 230,801,946	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,414,704	\$ -	\$ -	\$ -	\$ -	\$ 15,016,293	\$ -	\$ -
		8.0%															

		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
		January	February	March	April	May	June	July	August	September	October	November	December	
		2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	
DEPOSIT SCHEDULE		Net Total*	103	104	105	106	107	108	109	110	111	112	113	114

*Must equal 0

Vistas	Laing (PSA)	\$ 3,695,356	10%	\$ (0)	\$ 1,445,356	\$ -	\$ -	\$ -	\$ (1,766,785)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vistas - 2	K Hov (PSA)	3,490,969	10%	(1)	-	-	-	3,093,816	450	-	-	-	-	-	-	-
Garden		1,966,712	10%	(0)	-	-	-	-	-	-	-	-	-	-	-	-
Harbor Vista	Laing (PSA)	3,034,114	10%	(1)	-	-	500,000	-	2,538,518	-	(4,405)	-	(1,517,057)	-	-	-
Valley		7,469,803	10%	0	-	-	-	-	-	-	-	-	-	-	-	-
Country		2,305,559	10%	0	-	-	-	-	-	-	-	-	-	-	-	-
North Estates		1,867,789	10%	0	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL		\$ 23,830,303		\$ (2)	\$ 1,445,356	\$ -	\$ -	\$ 500,000	\$ 1,327,032	\$ 2,538,968	\$ -	\$ (4,405)	\$ -	\$ (1,517,057)	\$ -	\$ -

SunCal Companies

Pacifica San Juan
California

Lot Takedown Schedule

Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Month		January	February	March	April	May	June	July	August	September	October	November	December	
Year		2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	
Period		Total	103	104	105	106	107	108	109	110	111	112	113	114
OTHER REVENUES														
Commercial - Parcel B	2,069,971	2,069,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial - Parcel A	7,583,232	7,583,232	-	-	-	-	-	-	-	-	-	-	-	-
School (from CFD proceeds)	8,500,000	8,500,000	-	-	-	-	-	-	-	-	-	-	-	-
School 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing Reimbursement	3,448,250	3,448,250	-	-	-	-	59,894	-	-	-	-	80,500	-	-
Additional Lots	1,351,144	1,334,135	-	-	-	-	-	-	-	-	-	-	-	-
Sales Holdback (escrow clearing)	1	1	250,000	-	-	4,014	-	-	-	-	-	18,066	-	-
Community Facilities District	8,131,945	8,131,945	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	308,191	326,919	5,175	(361)	13,479	4,903	25,359	1,034	9,852	15,409	3,152	-	9,220	11,551
Misc Income	248,987	248,987	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER REVENUE		\$ 31,643,439	\$ 255,175	\$ (361)	\$ 13,479	\$ 8,917	\$ 85,253	\$ 1,034	\$ 9,852	\$ 15,409	\$ 3,152	\$ 98,566	\$ 9,220	\$ 11,551
TOTAL PROJECT REVENUE		\$ 262,445,386	\$ 1,700,531	\$ (361)	\$ 13,479	\$ 508,917	\$ 16,826,989	\$ 2,540,001	\$ 9,852	\$ 11,004	\$ 3,152	\$ 13,597,803	\$ 9,220	\$ 11,551

SunCal Companies

Pacifica San Juan
California

Lot Takedown Schedule

Budget/Actual Month Year Period	Actual												Budget			
	January	February	March	April	May	June	July	August	September	October	November	December	September	October	November	December
	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007
Total	115	116	117	118	119	120	121	122	123	124	125	126				

LOT TAKEDOWNS # of Lots

Vistas	Laing (PSA)	70	-	25	-	-	-	-	20	-	-	-	-	-	-	-
Vistas - 2	K Hov (PSA)	44	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Garden		55	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Harbor Vista	Laing (PSA)	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valley		104	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Country	Centex (PSA)	47	-	-	-	-	-	-	-	-	-	-	-	-	-	-
North Estates		21	-	-	-	-	-	-	-	-	-	-	-	7	-	-

TOTAL LOT TAKEDOWNS	387	-	25	-	-	-	-	-	20	-	-	-	-	7	-	-
Cummulative	387	53	78	78	78	78	78	78	98	98	98	105	105	105	105	105

Brad Gates

	(5,091,399)	0	(486,111)	0	0	0	0	0	0	(388,889)	0	(1,027,511)	0	0	0	0
Total	115	116	117	118	119	120	121	122	123	124	125	126				

	Finished Price	In-Tract Cost/Lot	Residual Price	Escalator
Vistas	\$ 545,000	\$ 17,092	\$ 527,908	(582,499)
Vistas - 2	697,898	32,701	665,196	641,026
Garden	358,586	1,001	357,584	-
Harbor Vista	630,000	47,118	582,882	0
Valley	720,254	2,004	718,250	-
Country	495,563	5,018	490,545	-
North Estates	891,400	1,977	889,423	-

TOTALS	\$ 58,527	\$ 230,801,946	\$ 10,390,440	\$ -	\$ -	\$ -	\$ 663,965	\$ 94,880	\$ 8,991,728	\$ -	\$ 350,000	\$ 6,575,963	\$ 350,000
	8.0%												

DEPOSIT SCHEDULE	Actual												Budget			
	January	February	March	April	May	June	July	August	September	October	November	December	September	October	November	December
	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007
Net Total*	115	116	117	118	119	120	121	122	123	124	125	126				

*Must equal 0

	Total Deposits	% of Revenue
Vistas	Laing (PSA) \$ 3,695,356	10%
Vistas - 2	K Hov (PSA) 3,490,969	10%
Garden	1,966,712	10%
Harbor Vista	Laing (PSA) 3,034,114	10%
Valley	7,469,803	10%
Country	2,305,559	10%
North Estates	1,867,789	10%
TOTAL	\$ 23,830,303	

	(2)	(1,071,429)	-	-	-	-	-	(857,143)	(3,375,000)	1,867,789	(622,596)	-	-
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SunCal Companies

Pacifica San Juan
California

Lot Lakedown Schedule

Budget/Actual Month Year Period	Actual		Actual		Actual		Actual		Actual		Actual		Budget	Budget	Budget	Budget
	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	September 2007	October 2007	November 2007	December 2007
Total	115	116	117	118	119	120	121	122	123	124	125	126				
OTHER REVENUES																
Commercial - Parcel B	2,069,971	2,069,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial - Parcel A	7,583,232	7,583,232	-	-	-	-	-	-	-	-	-	-	-	-	-	-
School (from CFD proceeds)	8,500,000	8,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
School 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing Reimbursement	3,448,250	3,448,250	-	78,731	-	-	-	2,957	3,732	48,450	17,357	17,357	52,271	17,357	-	
Additional Lots	1,351,144	1,334,135	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sales Holdback (escrow clearing)	1	1	-	-	232,401	164	-	-	-	-	-	-	-	-	-	
Community Facilities District	8,131,945	8,131,945	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Income	308,191	326,919	2,744	2,954	925	51,917	-	15,421	2,106	1,201	-	-	-	-	-	
Misc Income	248,987	248,987	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL OTHER REVENUE	\$ 31,643,439	\$ 2,744	\$ 81,686	\$ 233,326	\$ 52,082	\$ -	\$ 18,378	\$ 5,838	\$ 49,651	\$ 17,357	\$ 17,357	\$ 52,271	\$ 17,357	\$ -	\$ 17,357	
TOTAL PROJECT REVENUE	\$ 262,445,386	\$ 2,744	\$ 9,400,697	\$ 233,326	\$ 52,082	\$ -	\$ 682,343	\$ 100,718	\$ 8,184,236	\$ (3,357,643)	\$ 2,235,146	\$ 6,005,638	\$ 367,357	\$ -	\$ 367,357	

SunCal Companies

Pacifica San Juan
California

Lot Takedown Schedule

Budget/Actual		Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
Month		January	February	March	April	May	June	July	August	September	October	November	December	
Year		2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	
Period		Total	127	128	129	130	131	132	133	134	135	136	137	138

LOT TAKEDOWNS # of Lots

Vistas	Laing (PSA)	70	-	-	-	-	-	-	-	-	-	-	-	-
Vistas - 2	K Hov (PSA)	44	6	-	6	-	7	-	10	-	10	-	-	-
Garden		55	-	-	-	-	-	-	-	12	-	-	-	12
Harbor Vista	Laing (PSA)	46	23	-	-	-	-	-	-	-	-	-	-	-
Valley		104	-	-	-	12	-	-	12	-	-	12	-	-
Country	Centex (PSA)	47	-	-	12	-	-	12	-	-	12	-	-	11
North Estates		21	-	-	-	-	7	-	-	-	-	-	7	-

TOTAL LOT TAKEDOWNS 387
Cumulative

Brad Gates

		387	29	-	18	12	14	12	22	-	34	12	7	23
		387	134	134	152	164	178	190	212	212	246	258	265	288
		(5,091,399)	(563,889)	0	(350,000)	(233,333)	(272,222)	(233,333)	(427,778)	0	(77,778)	0	0	0
Budget/Actual		Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
Month		January	February	March	April	May	June	July	August	September	October	November	December	
Year		2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	
Period		Total	127	128	129	130	131	132	133	134	135	136	137	138

	Finished Price	In-Tract Cost/Lot	Residual Price	Escalator
Vistas	\$ 545,000	\$ 17,092	\$ 527,908	(582,499)
Vistas - 2	697,898	32,701	665,196	641,026
Garden	358,586	1,001	357,584	-
Harbor Vista	630,000	47,118	582,882	0
Valley	720,254	2,004	718,250	-
Country	495,563	5,018	490,545	-
North Estates	891,400	1,977	889,423	-

TOTALS	\$	58,527	\$ 230,801,946	\$ 17,747,471	\$ 350,000	\$ 10,227,713	\$ 8,969,004	\$ 11,232,338	\$ 6,236,534	\$ 15,620,968	\$ 350,000	\$ 17,179,508	\$ 8,969,004	\$ 6,458,303	\$ 9,686,999
		8.0%													

	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	January	February	March	April	May	June	July	August	September	October	November	December	
	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	2008	
DEPOSIT SCHEDULE	Net Total*	127	128	129	130	131	132	133	134	135	136	137	138

*Must equal 0

Vistas	Laing (PSA)	\$ 3,695,356	10%	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Vistas - 2	K Hov (PSA)	3,490,969	10%	(1)	(476,041)	-	(476,041)	-	(555,381)	-	(793,402)	-	(793,402)	-		
Garden		1,966,712	10%	(0)	-	-	-	-	-	1,966,712	(429,101)	-	-	(429,101)		
Harbor Vista	Laing (PSA)	3,034,114	10%	(1)	(1,517,057)	-	-	-	-	-	-	-	-	-		
Valley		7,469,803	10%	0	-	7,469,803	(861,900)	-	-	(861,900)	-	(861,900)	-	-		
Country		2,305,559	10%	0	-	2,305,559	(588,653)	-	(588,653)	-	(588,653)	-	-	(539,599)		
North Estates		1,867,789	10%	0	-	-	-	(622,596)	-	-	-	-	(622,596)	-		
TOTAL		\$ 23,830,303		\$ (2)	\$ (1,993,098)	\$ 2,305,559	\$ 6,405,109	\$ (861,900)	\$ (1,177,978)	\$ (588,653)	\$ (1,655,302)	\$ 1,966,712	\$ (1,811,156)	\$ (861,900)	\$ (622,596)	\$ (968,700)

SunCal Companies

Pacifica San Juan
California

Lot Lakedown Schedule

Budget/Actual Month Year Period	Budget		Budget		Budget		Budget		Budget		Budget		Budget	
	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	Total	Total
OTHER REVENUES														
Commercial - Parcel B	2,069,971	2,069,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial - Parcel A	7,583,232	7,583,232	-	-	-	-	-	-	-	-	-	-	-	-
School (from CFD proceeds)	8,500,000	8,500,000	-	-	-	-	8,500,000	-	-	-	-	-	-	-
School 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing Reimbursement	3,448,250	3,448,250	118,857	17,357	80,357	42,000	66,357	59,357	94,357	48,607	131,500	76,714	45,328	146,464
Additional Lots	1,351,144	1,334,135	-	-	-	-	-	-	-	-	-	1,334,135	-	-
Sales Holdback (escrow clearing)	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Community Facilities District	8,131,945	8,131,945	-	-	-	8,131,945	-	-	-	-	-	-	-	-
Interest Income	308,191	326,919	-	-	-	-	-	-	-	-	-	-	-	-
Misc Income	248,987	248,987	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER REVENUE	\$ 31,643,439	\$ 118,857	\$ 17,357	\$ 80,357	\$ 8,173,945	\$ 66,357	\$ 8,559,357	\$ 94,357	\$ 48,607	\$ 131,500	\$ 76,714	\$ 1,379,463	\$ 146,464	
TOTAL PROJECT REVENUE	\$ 262,445,386	\$ 15,873,230	\$ 2,672,916	\$ 16,713,179	\$ 16,281,049	\$ 10,120,718	\$ 14,207,238	\$ 14,060,023	\$ 2,365,320	\$ 15,499,852	\$ 8,183,818	\$ 7,215,170	\$ 8,864,763	

SunCal Companies

Pacifica San Juan
California

Lot Takedown Schedule

Budget/Actual		Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Month		January	February	March	April	May	June	July	August	September	October	November	December
Year		2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009
Period		Total	139	140	141	142	143	144	145	146	147	148	150

LOT TAKEDOWNS # of Lots

Vistas	Laing (PSA)	70	-	-	-	-	-	-	-	-	-	-	-
Vistas - 2	K Hov (PSA)	44	-	-	-	-	-	-	-	-	-	-	-
Garden		55	-	-	12	-	-	12	-	-	7	-	-
Harbor Vista	Laing (PSA)	46	-	-	-	-	-	-	-	-	-	-	-
Valley		104	12	-	-	12	-	-	12	-	-	12	-
Country	Centex (PSA)	47	-	-	-	-	-	-	-	-	-	-	-
North Estates		21	-	-	-	-	-	-	-	-	-	-	-

TOTAL LOT TAKEDOWNS		387	12	-	12	12	-	12	12	-	7	12	-
	Cumulative	387	300	300	312	324	324	336	348	348	355	367	367

Brad Gates

		(5,091,399)	0	0	0	0	0	0	0	0	0	0	0
Budget/Actual		Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Month		January	February	March	April	May	June	July	August	September	October	November	December
Year		2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009
Period		Total	139	140	141	142	143	144	145	146	147	148	150

Finished Price	In-Tract Cost/Lot	Residual Price	Escalator
Vistas	\$ 545,000	\$ 17,092	\$ 527,908
Vistas - 2	697,898	32,701	665,196
Garden	358,586	1,001	357,584
Harbor Vista	630,000	47,118	582,882
Valley	720,254	2,004	718,250
Country	495,563	5,018	490,545
North Estates	891,400	1,977	889,423

Vistas	(582,499)	\$ 36,371,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vistas - 2	641,026	29,909,669	-	-	-	-	-	-	-	-	-	-	-
Garden	-	19,667,125	-	4,291,009	-	-	4,291,009	-	-	2,503,089	-	-	-
Harbor Vista	0	28,422,586	-	-	-	-	-	-	-	-	-	-	-
Valley	-	74,698,034	8,619,004	-	8,619,004	-	-	8,619,004	-	-	8,619,004	-	-
Country	-	23,055,593	-	-	-	-	-	-	-	-	-	-	-
North Estates	-	18,677,890	-	-	-	-	-	-	-	-	-	-	-
TOTALS	\$ -58,527	\$ 230,801,946	\$ 8,619,004	\$ -	\$ 4,291,009	\$ 8,619,004	\$ -	\$ 4,291,009	\$ 8,619,004	\$ -	\$ 2,503,089	\$ 8,619,004	\$ -

8.0%

	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	January	February	March	April	May	June	July	August	September	October	November	December	2009
	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009
DEPOSIT SCHEDULE	Net Total*	139	140	141	142	143	144	145	146	147	148	149	150

*Must equal 0

Vistas	Laing (PSA)	\$ 3,695,356	10%	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vistas - 2	K Hov (PSA)	3,490,969	10%	(1)	-	-	-	-	-	-	-	-	-
Garden		1,966,712	10%	(0)	-	(429,101)	-	(429,101)	-	(250,309)	-	-	-
Harbor Vista	Laing (PSA)	3,034,114	10%	(1)	-	-	-	-	-	-	-	-	-
Valley		7,469,803	10%	0	(861,900)	-	(861,900)	-	(861,900)	-	(861,900)	-	-
Country		2,305,559	10%	0	-	-	-	-	-	-	-	-	-
North Estates		1,867,789	10%	0	-	-	-	-	-	-	-	-	-
TOTAL		\$ 23,830,303		\$ (2)	\$ (861,900)	\$ -	\$ (429,101)	\$ (861,900)	\$ -	\$ (429,101)	\$ (861,900)	\$ -	\$ -

SunCal Companies

Pacifica San Juan
California

Lot Takedown Schedule

Budget/Actual Month Year Period	Budget		Budget		Budget		Budget		Budget		Budget		Budget	
	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	Total	Budget
OTHER REVENUES														
Commercial - Parcel B	2,069,971	2,069,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial - Parcel A	7,583,232	7,583,232	-	-	-	-	-	-	-	-	-	-	-	-
School (from CFD proceeds)	8,500,000	8,500,000	-	-	-	-	-	-	-	-	-	-	-	-
School 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing Reimbursement	3,448,250	3,448,250	125,328	102,771	105,193	121,857	61,107	134,357	153,107	87,500	112,000	135,750	50,000	758,417
Additional Lots	1,351,144	1,334,135	-	-	-	-	-	-	-	-	-	-	-	-
Sales Holdback (escrow clearing)	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Community Facilities District	8,131,945	8,131,945	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	308,191	326,919	-	-	-	-	-	-	-	-	-	-	-	-
Misc Income	248,987	248,987	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER REVENUE	\$ 31,643,439	\$ 125,328	\$ 102,771	\$ 105,193	\$ 121,857	\$ 61,107	\$ 134,357	\$ 153,107	\$ 87,500	\$ 112,000	\$ 135,750	\$ 50,000	\$ 758,417	
TOTAL PROJECT REVENUE	\$ 262,445,386	\$ 7,882,432	\$ 102,771	\$ 3,967,101	\$ 7,878,961	\$ 61,107	\$ 3,996,265	\$ 7,910,211	\$ 87,500	\$ 2,364,780	\$ 7,892,854	\$ 50,000	\$ 758,417	

SunCal Companies

Pacific San Juan
California

Cash Flow Summary

Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Month		January	February	March	April	May	June	July	August	September	October	November	December	
Year		2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	
Period	Total	103	104	105	106	107	108	109	110	111	112	113	114	
REVENUES														
Land Residual Total	\$	240,886,098	\$ 1,445,356	\$ -	\$ -	\$ 500,000	\$ 16,741,736	\$ 2,538,968	\$ -	\$ (4,405)	\$ -	\$ 13,499,237	\$ -	
Less: Commissions		(4,812,675)	-	-	-	-	(308,294)	-	-	-	(300,326)	-	-	
NET PROJECT REVENUE		236,073,422	1,445,356	-	-	500,000	16,433,441	2,538,968	-	(4,405)	-	13,198,911	-	
Add: Other Revenue		21,990,236	255,175	(361)	13,479	8,917	85,253	1,034	9,852	15,409	98,566	9,220	11,551	
TOTAL PROJECT REVENUE	\$	258,063,658	\$ 1,700,531	\$ (361)	\$ 13,479	\$ 508,917	\$ 16,518,695	\$ 2,540,001	\$ 9,852	\$ 11,004	\$ 3,152	\$ 13,297,477	\$ 9,220	\$ 11,551
IMPROVEMENT COSTS														
Land	\$	(20,790,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Commission @ Land Purchase		(414,500)	8,485	-	-	-	-	-	-	-	-	-	-	
Directs		(41,809,250)	(1,533,550)	(1,461,400)	(1,570,376)	(2,131,446)	(866)	(497,442)	(879,592)	4,630	(1,641,453)	(959,117)	(651,696)	(367,282)
Site Prep and Grading		(8,962,769)	(74,872)	(124,233)	(89,000)	(358,688)	(9,057)	(8,950)	(343,312)	-	-	(14,146)	(78,919)	
Street Improvements		(3,598,658)	85,909	(289,254)	(125,799)	-	(13,021)	(1,019)	-	-	-	-	(110,128)	
Sanitary Sewer		(6,616,556)	974,191	(520,729)	2,001,276	(472,016)	92,664	(432,567)	(134,455)	(50,631)	(178,128)	(109,575)	(261,308)	
Water Improvements		(10,747,880)	(420,080)	215,734	(98,848)	(105,667)	-	(2,828)	(18,000)	(591,896)	(66,335)	-	(93,555)	
Storm Drain		(10,219,163)	(4,005)	(333,978)	(200)	(15,306)	-	(5,200)	(8,000)	(41,653)	2,661	(5,850)	(619,398)	
Amenities & Special Construction		(3,863,046)	(43,594)	(528,420)	(86,932)	(34,287)	(12,115)	(17,874)	(16,396)	(47,166)	(75,728)	(28,822)	(21,397)	
Utilities		(6,280,230)	-	-	-	-	-	-	-	-	-	-	-	
Contingency @ 7.32%		(12,190,160)	(79,901)	(441,231)	(654,016)	(12,653)	-3,088	(55,047)	(220)	(18,156)	(1,106,314)	(390,484)	(68,242)	
Fees, Assessments & Bonds - Map		-	-	-	-	-	-	-	-	-	-	-	-	
Fees, Assessments & Bonds - Other		(28,144,469)	(591,532)	(808,481)	(277,572)	(478,000)	(475,050)	(227,020)	(123,638)	(24,457)	(980,173)	(316,024)	(662,503)	
Consultants and Engineering		(1,348,029)	-	(20,582)	-	-	-	-	(5,159)	-	(202,701)	(91,969)	(12,572)	
Insurance		(1,434,115)	(3,485)	(507,172)	(4,340)	(54,702)	(1,541)	(6,635)	(61,403)	(3,387)	(78,779)	(7,950)	(29,158)	
Construction Management		(4,890,510)	-	(1,050,000)	(75,000)	(150,000)	-	(75,000)	(75,000)	-	(150,000)	(75,000)	(75,000)	
General & Administrative		(2,230,684)	-	279,655	-	(751)	-	(2,350)	(98)	-	(882)	(1,589)	(11,568)	
Legal, Closing, etc. @ Land Purchase		(2,126,285)	-	(988,295)	(12,256)	(53,393)	1,469	(14,354)	(4,514)	(2,715)	(6,074)	(3,915)	(457)	
Legal, Closing, etc. @ A&D Loan		(331,787)	-	(331,787)	(18,481)	(16,194)	(32,701)	-	-	-	(25,000)	(36,499)	(12,217)	
Legal, Closing, etc. @ Lot Sales		(4,510,411)	-	(46,379)	(25,467)	(18,713)	-	(18,043)	(33,184)	(14,684)	(59,389)	(49,848)	(86,524)	
Master Marketing Program		(2,090,897)	564,526	150,777	15,301	(15,301)	1,490	12,661	-	-	-	27,735	8	
Miscellaneous		(2,939,112)	(85,193)	(84,958)	-	-	750	(1,913)	-	-	-	3,406	(122,467)	
Property Taxes		(4,613,279)	-	(384)	-	-	-	-	-	-	-	-	-	
OE Loan - Points		(13,371,849)	-	-	-	-	-	-	-	-	-	-	-	
OE Loan - Interest Reservc		(1,857,713)	-	(278,963)	-	-	-	-	-	-	-	-	-	
CBT Loan - Points		(6,867,281)	(379,178)	(619,439)	-	-	-	-	-	-	-	-	-	
CBT Loan - Interest Reservc		(1,000,000)	-	(1,000,000)	-	-	-	-	-	-	-	-	-	
Lehman Term - Points		(22,090,272)	-	(363,639)	-	(872,306)	(860,469)	(898,981)	(853,309)	(901,466)	(906,090)	(877,481)	(869,049)	
Lehman Term - Interest Reservc		(924,841)	-	(250,000)	-	-	-	-	-	-	-	(43,528)	-	
Lehman Revolv - Points		(1,176,133)	-	(28,727)	-	(68,912)	(89,514)	(19,665)	(12,637)	(22,464)	(31,253)	(73,280)	(21,764)	
Lehman Revolv - Interest Reservc		-	-	-	-	-	-	-	-	-	-	-	(38,403)	
TOTAL DEVELOPER IMPROVEMENT COSTS	\$	(227,439,879)	\$ (1,676,673)	\$ (8,713,694)	\$ (1,205,749)	\$ (4,984,135)	\$ (1,372,795)	\$ (2,284,336)	\$ (2,243,290)	\$ (1,122,149)	\$ (6,374,509)	\$ (3,106,125)	\$ (3,654,919)	\$ (2,535,555)
FINANCING														
OE Loan		34,470,817	-	-	-	-	-	-	-	-	-	-	-	
Repayment of OE Loan		(34,470,817)	-	-	-	-	-	-	-	-	-	-	-	
CBT Loan		60,757,487	7,168,165	-	-	-	-	-	-	-	-	-	-	
Repayment of CBT Loan		(60,757,487)	(59,668,165)	-	-	-	-	-	-	-	-	-	-	
Lehman Loan Term		100,000,000	100,000,000	-	-	-	-	-	-	-	-	-	-	
Repayment of Lehman Loan Term		(100,000,000)	-	-	-	(3,481,490)	-	-	-	-	-	(4,311,028)	-	
78.0% Lehman Loan Revolver	25,000,000	63,906,518	7,507,634	-	1,804,902	2,700,406	612,868	-	3,610,904	-	2,131,598	2,381,505	1,749,257	
Lehman Loan Revolver-Interest Reservc		19,494,732	392,366	-	941,218	949,983	918,646	873,664	923,930	937,342	950,761	890,814	864,316	
Repayment of Lehman Loan Revolver		(83,401,253)	-	-	-	(14,296,508)	-	-	-	-	(8,861,643)	-	-	
Primary Investor Equity - Tranche 1		35,282,727	-	-	-	-	-	-	-	-	-	-	-	
Primary Investor Equity - Tranche 2		6,054,148	-	-	-	-	-	-	-	-	-	-	-	
Primary Investor Equity - Tranche 3		4,587,827	-	-	-	-	-	-	-	-	-	-	-	
Secondary Investor Equity - Tranche 1		12,359,226	-	-	-	-	-	-	-	-	-	-	-	
Secondary Investor Equity - Tranche 2		266,900	-	-	-	-	-	-	-	-	-	-	-	
Mezz Investor Equity		200,000	-	-	-	-	-	-	-	-	-	-	-	
FUTURE EQUITY NEED		22,018,833	-	-	-	-	-	-	-	-	-	-	-	
FUTURE EQUITY NEED		(22,018,833)	-	-	-	-	-	-	-	-	-	-	-	
Pref Paid on Future Equity		(3,241,150)	-	-	-	-	-	-	-	-	-	-	-	
Intercompany		-	-	-	-	-	-	-	-	-	6,000	-	55,177	
Improvement Cost Reserve - (Sourced)		(68,708,322)	(51,050,916)	-	(497,731)	(833,745)	-	(102,542)	(4,500,444)	-	(297,750)	(9,367)	(687,836)	
Improvement Cost Reserve - Used		68,708,323	231,317	51,136,804	1,192,270	-	62,654	-	5,435,784	190,711	382,299	543,063	-	
OE set aside/CBT Bend/Trimont Dev Acct - (Sourced)		(20,060,439)	(255,175)	(2,741,576)	-	(509,693)	(184,545)	(1,849,833)	-	(1,769)	-	-	-	
OE set aside/CBT Bend/Trimont Dev Acct - Used		20,060,439	7,103,390	-	2,736,523	-	-	1,462,316	1,076,755	-	-	449	26	
TOTAL FINANCING	\$	55,509,675	\$ (23,858)	\$ 59,847,702	\$ 1,192,270	\$ 4,475,218	\$ (15,145,900)	\$ (255,665)	\$ 2,233,438	\$ 1,111,145	\$ 6,371,357	\$ (10,191,351)	\$ 3,645,699	\$ 2,524,004
CASH AVAILABLE FOR DISTRIBUTION	\$	86,133,455	\$ (0)	\$ 51,133,648	\$ (0)	\$ 0	\$ -	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0
Total Cash Flow Distributed to Primary Investor (See attached Investment Summary)	\$	73,984,807	(0)	42,151,237	(0)	0	-	0	(0)	(0)	0	0	(0)	0
Total Cash Flow Distributed to SunCal and Mezz (See attached Investment Summary)	\$	12,148,646	-	8,982,410	-	-	-	-	-	-	-	-	-	-
TOTAL CASH DISTRIBUTION	\$	86,133,454	\$ (0)	\$ 51,133,648	\$ (0)	\$ 0	\$ -	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0

SunCal Companies

Pacificca San Juan
California

Cash Flow Summary

Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget
Month		January	February	March	April	May	June	July	August	September	October	November	December	
Year		2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007
Period	Total	115	116	117	118	119	120	121	122	123	124	125	126	
REVENUES														
Land Residual Total	\$	240,886,098	\$ -	\$ 9,319,011	\$ -	\$ -	\$ -	\$ 663,965	\$ 94,880	\$ 8,134,585	\$ (3,375,000)	\$ 2,217,789	\$ 5,953,367	\$ 350,000
Less: Commissions		(4,812,675)	-	(207,809)	-	-	-	-	(183,163)	-	(7,000)	(131,519)	(7,000)	
NET PROJECT REVENUE		236,073,422	-	9,111,203	-	-	663,965	94,880	7,951,422	(3,375,000)	2,210,789	5,821,848	343,000	
Add: Other Revenue		21,990,236	2,744	81,686	233,326	52,082	-	18,378	5,838	49,651	17,357	17,357	52,271	17,357
TOTAL PROJECT REVENUE	\$	258,063,658	\$ 2,744	\$ 9,192,888	\$ 233,326	\$ 52,082	\$ -	\$ 682,343	\$ 100,718	\$ 8,001,073	\$ (3,357,643)	\$ 2,228,146	\$ 5,874,119	\$ 360,357
IMPROVEMENT COSTS														
Land	\$	(20,790,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission @ Land Purchase		(414,500)	-	-	-	-	-	-	-	-	-	-	-	-
Site Prep and Grading		(41,809,250)	(48,835)	(437,108)	(846,605)	(2,364)	(110,401)	(21,091)	(7,287)	(1,714,439)	(361,118)	(361,118)	(361,118)	(361,118)
Street Improvements		(8,962,769)	-	(34,438)	(593,693)	(43,785)	(1,391,378)	(24,219)	(1,700)	(1,127,340)	(401,938)	(401,938)	(401,938)	(401,938)
Sanitary Sewer		(3,598,658)	-	(147,842)	(764,591)	9,833	(213,414)	-	-	(95,913)	(1,177,460)	-	-	-
Water Improvements		(6,616,556)	(190,431)	(879,799)	(204,872)	(257,714)	(369,164)	-	-	(199,725)	(253,795)	(253,795)	(253,795)	(253,795)
Storm Drain		(10,747,880)	-	(632,052)	(438,921)	18,000	(497,586)	(18,000)	-	(396,645)	(1,191,883)	(1,191,883)	(1,191,883)	(1,191,883)
Amenities & Special Construction		(10,219,163)	-	(612,208)	(682,423)	-	(763,757)	-	-	(1,401,442)	(1,109,052)	(1,109,052)	(1,109,052)	(1,109,052)
Utilities		(3,863,046)	(23,886)	(5,790)	(105,554)	(16,441)	(336,152)	(1,214)	-	(120,337)	(379,413)	(379,413)	(379,413)	(379,413)
Contingency @ 7.32%		(6,280,230)	-	-	-	-	-	-	-	-	-	-	-	(785,029)
Fees, Assessments & Bonds - Map		(12,190,160)	(16,670)	-	(18,291)	157	(60,382)	(149,791)	(17,600)	43,906	(85,871)	(85,871)	(85,871)	(85,871)
Fees, Assessments & Bonds - Other		-	-	-	-	-	-	-	-	-	-	-	-	-
Consultants and Engineering		(28,144,469)	(20,000)	(224,888)	(677,491)	(20,000)	(166,065)	(20,000)	(23,493)	(302,862)	(864,557)	(475,669)	(1,503,180)	(475,669)
Insurance		(1,348,029)	(6,286)	(6,286)	(6,286)	-	(6,286)	-	-	(193,196)	(10,545)	(10,545)	(10,545)	(10,545)
Construction Management		(1,434,115)	(32,586)	(1,242)	(3,585)	(2,755)	(45,850)	(7,477)	(2,385)	(4,136)	(14,625)	(14,625)	(14,625)	(14,625)
General & Administrative		(4,890,510)	(75,000)	(75,000)	(75,000)	-	(225,000)	-	-	-	(75,000)	(75,000)	(75,000)	(75,000)
Legal, Closing, etc. @ Land Purchase		(2,230,684)	-	(17,491)	(13,763)	207	(270,698)	2,250	-	(57,223)	(44,125)	-	-	-
Legal, Closing, etc. @ A&D Loan		(2,126,285)	55,177	(12,531)	(45,298)	(4,227)	(9,046)	(30)	(30)	(22,374)	-	-	-	-
Legal, Closing, etc. @ Lot Sales		(331,787)	-	(24,925)	(6,834)	-	(25,406)	-	-	(26,325)	-	-	(1,750)	-
Master Marketing Program		(4,510,411)	(47,416)	(170,303)	(109,494)	(4,309)	(73,101)	(10,201)	(10,218)	(90,359)	(74,612)	(173,832)	(173,832)	(1,781,052)
Miscellaneous		(2,090,897)	-	-	-	(22,633)	-	-	-	-	-	-	-	-
Property Taxes		(2,939,112)	-	(1,602)	-	(114,834)	-	-	-	(1,687)	-	-	-	(83,321)
OE Loan - Points		(4,613,279)	-	-	-	-	-	-	-	-	-	-	-	-
OE Loan - Interest Reservc		(13,371,849)	-	-	-	-	-	-	-	-	-	-	-	-
CBT Loan - Points		(1,857,713)	-	-	-	-	-	-	-	-	-	-	-	-
CBT Loan - Interest Reservc		(6,867,281)	-	-	-	-	-	-	-	-	-	-	-	-
Lehman Term - Points		(1,000,000)	-	-	-	-	-	-	-	-	-	-	-	-
Lehman Term - Interest Reservc		(22,090,272)	(876,415)	(863,827)	(779,859)	(859,118)	(831,404)	-	-	(831,404)	(831,404)	(831,404)	(831,404)	(831,404)
Lehman Revolv- Points		(924,841)	(26,066)	10,000	-	(314,511)	-	-	-	(293,019)	-	-	-	-
Lehman Revolv- Interest Reservc		(1,176,133)	(67,131)	(83,206)	(28,495)	(62,346)	(104,579)	-	-	(125,809)	(23,519)	(52,007)	(57,158)	-
TOTAL DEVELOPER IMPROVEMENT COSTS	\$	(227,439,879)	\$ (1,375,544)	\$ (4,220,538)	(5,401,056)	(1,696,839)	(5,499,670)	(249,773)	(62,713)	(5,690,349)	(7,316,601)	(5,387,664)	(6,445,414)	(7,896,873)
FINANCING														
OE Loan		34,470,817	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of OE Loan		(34,470,817)	-	-	-	-	-	-	-	-	-	-	-	-
CBT Loan		60,757,487	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of CBT Loan		(60,757,487)	-	-	-	-	-	-	-	-	-	-	-	-
Lehman Loan Term		100,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Lehman Loan Term		(100,000,000)	-	-	-	-	-	-	-	-	-	-	-	-
78.0% Lehman Loan Revolver	25,000,000	63,906,518	1,210,848	7,821,344	-	4,151,861	-	4,976,825	-	4,532,741	4,532,741	5,562,002	7,008,311	-
Lehman Loan Revolver-Interest Reservc		19,494,732	947,033	808,353	947,123	935,984	-	-	-	957,213	854,923	883,411	888,563	-
Repayment of Lehman Loan Revolver		(83,401,253)	(9,089,823)	-	-	-	-	(641,185)	-	(7,068,960)	(12,301,803)	(2,228,146)	(5,874,119)	(360,357)
Primary Investor Equity - Tranche 1		35,282,727	-	-	-	-	-	-	-	-	-	-	-	-
Primary Investor Equity - Tranche 2		6,054,148	-	-	-	-	-	-	-	-	-	-	-	-
Primary Investor Equity - Tranche 3		4,587,827	-	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 1		12,359,226	-	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 2		266,900	-	-	-	-	-	-	-	-	-	-	-	-
Mezz Investor Equity		200,000	-	-	-	-	-	-	-	-	-	-	-	-
FUTURE EQUITY NEED		22,018,833	-	-	-	-	-	-	-	22,018,833	-	-	-	-
FUTURE EQUITY NEED		(22,018,833)	-	-	-	-	-	-	-	-	-	-	-	-
Pref Paid on Future Equity		(3,241,150)	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany		-	(55,177)	-	-	(6,000)	-	-	-	-	-	-	-	-
Improvement Cost Reserve - (Sourced)		(68,708,322)	-	(3,462,077)	-	-	-	-	(38,032)	(277,334)	-	-	-	-
Improvement Cost Reserve - Used		68,708,323	458,366	1,959,592	-	703,578	411,826	208,592	-	58,745	-	-	-	-
OE set aside/CBT BEnd/Trimont Dev Acct - (Sourced)		(20,060,439)	-	-	-	-	-	-	-	-	-	-	-	-
OE set aside/CBT BEnd/Trimont Dev Acct - Used		20,060,439	-	110	57	-	23	27	-	-	-	-	-	-
TOTAL FINANCING	\$	55,509,675	\$ 1,372,801	(4,972,350)	\$ 5,167,730	\$ 1,644,757	\$ 5,499,670	(432,570)	(38,005)	(2,310,724)	\$ 10,674,244	\$ 3,159,518	\$ 571,295	\$ 7,536,516
CASH AVAILABLE FOR DISTRIBUTION														
Total Cash Flow Distributed to Primary Investor (See attached Investment Summary)	\$	73,984,807	(0)	(0)	(0)	0	-	-	-	0	-	-	-	-
Total Cash Flow Distributed to SunCal and Mezz (See attached Investment Summary)	\$	12,148,646	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH DISTRIBUTION	\$	86,133,454	\$ (0)	\$ -	(0)	\$ 0	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -

SunCal Companies

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California

Cash Flow Summary

Budget/Actual Month Year Period	Budget														
	January 2008	February 2008	March 2008	April 2008	May 2008	June 2008	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	Budget		
	Total	127	128	129	130	131	132	133	134	135	136	137	138		
REVENUES															
Land Residual Total	\$ 240,886,098	\$ 15,754,373	\$ 2,655,559	\$ 16,632,822	\$ 8,107,104	\$ 10,054,361	\$ 5,647,881	\$ 13,965,666	\$ 2,316,712	\$ 15,368,352	\$ 8,107,104	\$ 5,835,707	\$ 8,718,299		
Less: Commissions	(4,812,675)	(354,949)	(7,000)	(204,554)	(179,380)	(224,647)	(124,731)	(312,419)	(7,000)	(343,590)	(179,380)	(129,166)	(193,740)		
NET PROJECT REVENUE	236,073,422	15,399,424	2,648,559	16,428,268	7,927,723	9,829,714	5,523,150	13,653,247	2,309,712	15,024,761	7,927,723	5,706,541	8,524,559		
Add: Other Revenue	21,990,236	118,857	17,357	80,357	8,173,945	66,357	8,559,357	94,357	48,607	131,500	76,714	1,379,463	146,464		
TOTAL PROJECT REVENUE	\$ 258,063,658	\$ 15,518,281	\$ 2,665,916	\$ 16,508,625	\$ 16,101,669	\$ 9,896,071	\$ 14,082,507	\$ 13,747,604	\$ 2,358,320	\$ 15,156,261	\$ 8,004,438	\$ 7,086,004	\$ 8,671,023		
IMPROVEMENT COSTS															
Land	\$ (20,790,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Commission @ Land Purchase	(414,500)	-	-	-	-	-	-	-	-	-	-	-	-		
Site Prep and Grading	(41,809,250)	-	-	-	-	-	-	-	-	-	-	-	-		
Street Improvements	(8,962,769)	(401,938)	(401,938)	(401,938)	(401,938)	(401,938)	-	-	-	-	-	-	-		
Sanitary Sewer	(3,598,658)	-	-	-	-	-	-	-	-	-	-	-	-		
Water Improvements	(6,616,556)	-	-	-	-	-	-	-	-	-	-	-	-		
Storm Drain	(10,747,880)	-	-	-	-	-	-	-	-	-	-	-	-		
Amenities & Special Construction	(10,219,163)	(1,109,052)	-	-	-	-	-	-	-	-	-	-	-		
Utilities	(3,863,046)	-	-	-	-	-	-	-	-	-	-	-	-		
Contingency @ 7.32%	(6,280,230)	(785,029)	(785,029)	(785,029)	(785,029)	(785,029)	(785,029)	(785,029)	-	-	-	-	-		
Fees, Assessments & Bonds - Map	(12,190,160)	-	-	-	-	-	-	-	-	-	-	-	-		
Fees, Assessments & Bonds - Other	-	-	-	-	-	-	-	-	-	-	-	-	-		
Consultants and Engineering	(28,144,469)	(563,889)	-	(350,000)	(233,333)	(272,222)	(233,333)	(427,778)	-	(77,778)	-	-	-		
Insurance	(1,348,029)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)		
Construction Management	(1,434,115)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)		
General & Administrative	(4,890,510)	(168,160)	-	-	-	-	-	-	-	-	-	-	-		
Legal, Closing, etc. @ Land Purchase	(2,230,684)	-	-	-	-	-	-	-	-	-	-	-	-		
Legal, Closing, etc. @ A&D Loan	(2,126,285)	-	-	-	-	-	-	-	-	-	-	-	-		
Legal, Closing, etc. @ Lot Sales	(331,787)	(7,250)	-	(4,500)	(3,000)	(3,500)	(3,000)	(5,500)	-	(8,500)	(3,000)	(1,750)	(5,750)		
Master Marketing Program	(4,510,411)	(101,417)	(101,417)	(101,417)	(50,332)	(50,332)	(39,698)	(39,698)	(39,698)	(126,092)	(126,092)	(126,092)	(321,366)		
Miscellaneous	(2,090,897)	-	-	-	-	-	-	-	-	-	-	-	-		
Property Taxes	(2,939,112)	-	-	-	(65,889)	-	-	-	-	-	-	-	-		
OE Loan - Points	(4,613,279)	-	-	-	-	-	-	-	-	-	-	-	-		
OE Loan - Interest Reserve	(13,371,849)	-	-	-	-	-	-	-	-	-	-	-	-		
CBT Loan - Points	(1,857,713)	-	-	-	-	-	-	-	-	-	-	-	-		
CBT Loan - Interest Reserve	(6,867,281)	-	-	-	-	-	-	-	-	-	-	-	-		
Lehman Term - Points	(1,000,000)	-	-	-	-	-	-	-	-	-	-	-	-		
Lehman Term - Interest Reserve	(22,090,272)	(831,404)	(831,404)	(831,404)	(723,077)	(598,522)	(528,558)	(421,625)	(344,679)	(332,964)	(244,769)	(199,052)	(158,573)		
Lehman Revolv - Points	(924,841)	-	-	-	-	-	-	-	-	-	-	-	-		
Lehman Revolv - Interest Reserve	(1,176,133)	(125,113)	(22,324)	(17,828)	0	0	0	0	0	0	0	0	0		
TOTAL DEVELOPER IMPROVEMENT COSTS	\$ (227,439,879)	\$ (4,118,421)	\$ (2,167,282)	\$ (2,517,286)	\$ (2,287,768)	\$ (2,136,712)	\$ (1,625,422)	\$ (1,704,800)	\$ (409,547)	\$ (484,111)	\$ (399,031)	\$ (352,064)	\$ (540,110)		
FINANCING															
OE Loan	34,470,817	-	-	-	-	-	-	-	-	-	-	-	-		
Repayment of OE Loan	(34,470,817)	-	-	-	-	-	-	-	-	-	-	-	-		
CBT Loan	60,757,487	-	-	-	-	-	-	-	-	-	-	-	-		
Repayment of CBT Loan	(60,757,487)	-	-	-	-	-	-	-	-	-	-	-	-		
Lehman Loan Term	100,000,000	-	-	-	-	-	-	-	-	-	-	-	-		
Repayment of Lehman Loan Term	(100,000,000)	-	-	(12,014,113)	(13,813,901)	(7,759,359)	(11,859,496)	(8,533,766)	(1,299,181)	(9,781,434)	(5,070,271)	(4,489,293)	(5,420,609)		
78.0% Lehman Loan Revolver	63,906,518	3,161,905	1,313,554	1,668,054	-	-	-	-	-	-	-	-	-		
Lehman Loan Revolver-Interest Reserve	19,494,732	956,517	853,728	849,232	-	-	-	-	-	-	-	-	-		
Repayment of Lehman Loan Revolver	(83,401,253)	(15,518,281)	(2,665,916)	(4,494,512)	-	-	-	-	-	-	-	-	-		
Primary Investor Equity - Tranche 1	35,282,727	-	-	-	-	-	-	-	-	-	-	-	-		
Primary Investor Equity - Tranche 2	6,054,148	-	-	-	-	-	-	-	-	-	-	-	-		
Primary Investor Equity - Tranche 3	4,587,827	-	-	-	-	-	-	-	-	-	-	-	-		
Secondary Investor Equity - Tranche 1	12,359,226	-	-	-	-	-	-	-	-	-	-	-	-		
Secondary Investor Equity - Tranche 2	266,900	-	-	-	-	-	-	-	-	-	-	-	-		
Mezz Investor Equity	200,000	-	-	-	-	-	-	-	-	-	-	-	-		
FUTURE EQUITY NEED	22,018,833	-	-	-	-	-	-	-	-	-	-	-	-		
FUTURE EQUITY NEED	(22,018,833)	-	-	-	-	-	-	-	-	-	-	-	-		
Pref Paid on Future Equity	(3,241,150)	-	-	-	-	-	(597,589)	(1,807,467)	(649,591)	(4,542,791)	(2,535,135)	(2,012,982)	(2,710,304)		
Intercompany	-	-	-	-	-	-	-	-	-	-	-	-	-		
Improvement Cost Reserve - (Sourced)	(68,708,322)	-	-	-	-	-	-	-	-	-	-	-	-		
Improvement Cost Reserve - Used	68,708,323	-	-	-	-	-	-	-	-	-	-	-	-		
OE set aside/CBT BEnd/Trimont Dev Acct - (Sourced)	(20,060,439)	-	-	-	-	-	-	-	-	-	-	-	-		
OE set aside/CBT BEnd/Trimont Dev Acct - Used	20,060,439	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL FINANCING	\$ 55,509,675	\$ (11,399,859)	\$ (498,634)	\$ (13,991,339)	\$ (13,813,901)	\$ (7,759,359)	\$ (12,457,085)	\$ (12,042,804)	\$ (1,948,772)	\$ (14,672,151)	\$ (7,605,406)	\$ (6,733,940)	\$ (8,130,913)		
CASH AVAILABLE FOR DISTRIBUTION															
Total Cash Flow Distributed to Primary Investor (See attached Investment Summary)	\$ 73,984,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Total Cash Flow Distributed to SunCal and Mezz (See attached Investment Summary)	\$ 12,148,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
TOTAL CASH DISTRIBUTION	\$ 86,133,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

SunCal Companies

Pacific San Juan
California

Cash Flow Summary

Budget/Actual Month Year Period	Budget												
	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	
	Total	139	140	141	142	143	144	145	146	147	148	149	150
REVENUES													
Land Residual Total	\$ 240,886,098	\$ 7,757,104	\$ -	\$ 3,861,908	\$ 7,757,104	\$ -	\$ 3,861,908	\$ 7,757,104	\$ -	\$ 2,252,780	\$ 7,757,104	\$ -	\$ -
Less: Commissions	(4,812,675)	(172,380)	-	(85,820)	(172,380)	-	(85,820)	(172,380)	-	(50,062)	(172,380)	-	-
NET PROJECT REVENUE	236,073,422	7,584,723	-	3,776,088	7,584,723	-	3,776,088	7,584,723	-	2,202,718	7,584,723	-	-
Add: Other Revenue	21,990,236	125,328	102,771	105,193	121,857	61,107	134,357	153,107	87,500	112,000	135,750	50,000	758,417
TOTAL PROJECT REVENUE	\$ 258,063,658	\$ 7,710,052	\$ 102,771	\$ 3,881,281	\$ 7,706,580	\$ 61,107	\$ 3,910,445	\$ 7,737,830	\$ 87,500	\$ 2,314,718	\$ 7,720,473	\$ 50,000	\$ 758,417
IMPROVEMENT COSTS													
Land	\$ (20,790,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission @ Land Purchase	(414,500)	-	-	-	-	-	-	-	-	-	-	-	-
Site Prep and Grading	(41,809,250)	-	-	-	-	-	-	-	-	-	-	-	-
Street Improvements	(8,962,769)	-	-	-	-	-	-	-	-	-	-	-	-
Sanitary Sewer	(3,598,658)	-	-	-	-	-	-	-	-	-	-	-	-
Water Improvements	(6,616,556)	-	-	-	-	-	-	-	-	-	-	-	-
Storm Drain	(10,747,880)	-	-	-	-	-	-	-	-	-	-	-	-
Amenities & Special Construction	(10,219,163)	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	(3,863,046)	-	-	-	-	-	-	-	-	-	-	-	-
Contingency @ 7.32%	(6,280,230)	-	-	-	-	-	-	-	-	-	-	-	-
Fees, Assessments & Bonds - Map	(12,190,160)	-	-	-	-	-	-	-	-	-	-	-	-
Fees, Assessments & Bonds - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Consultants and Engineering	(28,144,469)	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	(1,348,029)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)	(10,545)
Construction Management	(1,434,115)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)	(14,625)
General & Administrative	(4,890,510)	-	-	-	-	-	-	-	-	-	-	-	-
Legal, Closing, etc. @ Land Purchase	(2,230,684)	-	-	-	-	-	-	-	-	-	-	-	-
Legal, Closing, etc. @ A&D Loan	(2,126,285)	-	-	-	-	-	-	-	-	-	-	-	-
Legal, Closing, etc. @ Lot Sales	(331,787)	(3,000)	-	(3,000)	(3,000)	-	(3,000)	(3,000)	-	(1,750)	(3,000)	-	-
Master Marketing Program	(4,510,411)	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	(2,090,897)	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	(2,939,112)	-	-	-	(18,614)	-	-	-	-	-	-	-	(5,909)
OE Loan - Points	(4,613,279)	-	-	-	-	-	-	-	-	-	-	-	-
OE Loan - Interest Reserve	(13,371,849)	-	-	-	-	-	-	-	-	-	-	-	-
CBT Loan - Points	(1,857,713)	-	-	-	-	-	-	-	-	-	-	-	-
CBT Loan - Interest Reserve	(6,867,281)	-	-	-	-	-	-	-	-	-	-	-	-
Lehman Term - Points	(1,000,000)	-	-	-	-	-	-	-	-	-	-	-	-
Lehman Term - Interest Reserve	(22,090,272)	(109,697)	(64,180)	(64,099)	(41,323)	0	0	0	0	0	0	0	0
Lehman Revolv- Points	(924,841)	-	-	-	-	-	-	-	-	-	-	-	-
Lehman Revolv- Interest Reserve	(1,176,133)	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEVELOPER IMPROVEMENT COSTS	\$ (227,439,879)	\$ (137,868)	\$ (89,350)	\$ (92,270)	\$ (88,108)	\$ (25,170)	\$ (28,170)	\$ (28,170)	\$ (25,170)	\$ (26,920)	\$ (28,170)	\$ (25,170)	\$ (31,080)
FINANCING													
OE Loan	34,470,817	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of OE Loan	(34,470,817)	-	-	-	-	-	-	-	-	-	-	-	-
CBT Loan	60,757,487	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of CBT Loan	(60,757,487)	-	-	-	-	-	-	-	-	-	-	-	-
Lehman Loan Term	100,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Lehman Loan Term	(100,000,000)	(5,048,123)	(8,947)	(2,526,007)	(4,582,982)	-	-	-	-	-	-	-	-
78.0% Lehman Loan Revolver	63,906,518	25,000,000	-	-	-	-	-	-	-	-	-	-	-
Lehman Loan Revolver-Interest Reserve	19,494,732	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Lehman Loan Revolver	(83,401,253)	-	-	-	-	-	-	-	-	-	-	-	-
Primary Investor Equity - Tranche 1	35,282,727	-	-	-	-	-	-	-	-	-	-	-	-
Primary Investor Equity - Tranche 2	6,054,148	-	-	-	-	-	-	-	-	-	-	-	-
Primary Investor Equity - Tranche 3	4,587,827	-	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 1	12,359,226	-	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 2	266,900	-	-	-	-	-	-	-	-	-	-	-	-
Mezz Investor Equity	200,000	-	-	-	-	-	-	-	-	-	-	-	-
FUTURE EQUITY NEED	22,018,833	-	-	-	-	-	-	-	-	-	-	-	-
FUTURE EQUITY NEED	(22,018,833)	(2,390,639)	(4,474)	(1,165,229)	(3,035,491)	(10,630)	(1,259,997)	-	-	-	-	-	-
Pref Paid on Future Equity	(3,241,150)	(133,423)	-	(97,775)	-	(25,306)	-	-	-	-	-	-	-
Intercompany	-	-	-	-	-	-	-	-	-	-	-	-	-
Improvement Cost Reserve - (Sourced)	(68,708,322)	-	-	-	-	-	-	-	-	-	-	-	-
Improvement Cost Reserve - Used	68,708,323	-	-	-	-	-	-	-	-	-	-	-	-
OE set aside/CBT BEnd/Trimont Dev Acct - (Sourced)	(20,060,439)	-	-	-	-	-	-	-	-	-	-	-	-
OE set aside/CBT BEnd/Trimont Dev Acct - Used	20,060,439	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FINANCING	\$ 55,509,675	\$ (7,572,184)	\$ (13,421)	\$ (3,789,011)	\$ (7,618,473)	\$ (35,937)	\$ (1,259,997)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH AVAILABLE FOR DISTRIBUTION													
\$ 86,133,455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,622,277	\$ 7,709,660	\$ 62,330	\$ 2,287,798	\$ 7,692,303	\$ 24,830	\$ 727,338
Total Cash Flow Distributed to Primary Investor (See attached Investment Summary)	\$ 73,984,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,622,277	\$ 7,709,660	\$ 62,330	\$ 2,287,798	\$ 7,692,303	\$ 24,830	\$ 727,338
Total Cash Flow Distributed to SunCal and Mezz (See attached Investment Summary)	\$ 12,148,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CASH DISTRIBUTION	\$ 86,133,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,622,277	\$ 7,709,660	\$ 62,330	\$ 2,287,798	\$ 7,692,303	\$ 24,830	\$ 727,338

Pacifica San Juan

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California

Financial Summary

Investor Summary	CF July-07	Current Cash Flow August-07	Variance	%
Equity Required:	\$ 62,438,826	\$ 62,438,826	\$ -	0%
Internal Rate of Return to Investor:	7.65%	7.34%	-0.31%	-4%
Cash Flow to Investor: (Net of Investment)				
Preferred Return	\$ 34,324,362	\$ 34,070,638	\$ (253,724)	-1%
Return of Capital	\$ 57,851,001	\$ 56,428,294	\$ (1,422,707)	
Profit	\$ -	\$ -	\$ -	0%
Total Cash to Investor (Net of Investment)	\$ 29,736,537	\$ 28,060,106	\$ (1,676,431)	-6%
SunCal & Mezz Summary				
Equity Required:	\$ 18,330,834	\$ 18,330,834	\$ -	0%
Internal Rate of Return to SunCal/Mezz:	-0.12%	-1.75%	-1.63%	1353%
Cash Flow to SunCal/Mezz: (Net of Investment)				
Preferred Return	\$ 2,216,662	\$ 2,087,989	\$ (128,673)	-6%
Return of Capital	\$ 16,063,936	\$ 15,565,365	\$ (498,570)	
Profit	\$ -	\$ -	\$ -	0%
Total Cash to SunCal/Mezz (Net of Investment)	\$ (50,236)	\$ (677,480)	\$ (627,243)	1249%
Project Summary				
Project Duration (Months):	122	122	-	0%
Number of Lots:	387	387	-	0%
Average Sales Price (including Premiums):	\$ 614,204	\$ 605,884	\$ (8,320)	-1%
Gross Sales Proceeds (Including Commercial/Institutional):	\$ 255,850,191	\$ 254,240,191	\$ (1,610,000)	-1%
Less: Intract Costs:				
Site Prep & Grading	(59,420)	(59,420)	-	0%
Street Improvements	(1,223,090)	(1,223,090)	-	0%
Sanitary Sewer	(391,279)	(391,279)	-	0%
Water Improvements	(516,857)	(516,857)	-	0%
Storm Drain & Retention	(551,542)	(551,542)	-	0%
Amenities & Special Const.	(475,351)	(475,351)	-	0%
Utilities	(561,102)	(561,102)	-	0%
Contingency	(188,932)	(188,932)	-	0%
Fees, Assessments & Bonds - Permit	(17,994,771)	(17,994,771)	-	0%
Consultants and Engineering	(433,574)	(433,574)	-	0%
Less: Fee Credit	10,707,090	10,707,090	-	0%
Less: Prepaid Fee by CFD	5,640,309	5,640,309	-	0%
Less: Reimbursement	704,950	704,950	-	0%
Less: Builder In-Tract Costs and Fees	(5,343,569)	(5,343,569)	-	0%
Add: Escalator	825,607	58,527	(767,080)	-93%
Add: Other Revenue	5,474,750	5,358,290	(116,459)	-2%
Add: Public Finance	8,131,945	8,131,945	-	0%
Add: Compounded Inflation	430,950	430,950	-	0%
Less: Builder Closing Costs	(4,859,242)	(4,812,675)	46,566	1%
Net Sales Proceeds (Including Escalator on Option Contracts):	\$ 260,510,633	\$ 258,063,660	\$ (2,446,973)	-1%
Costs:				
Land	(20,790,000)	(20,790,000)	-	0%
Commission @ Land Purchase	(414,500)	(414,500)	-	0%
<i>Directs</i> Site Prep and Grading	(41,809,250)	(41,809,250)	-	0%
Street Improvements	(8,962,769)	(8,962,769)	-	0%
Sanitary Sewer	(3,598,658)	(3,598,658)	-	0%
Water Improvements	(6,616,556)	(6,616,556)	-	0%
Storm Drain	(10,747,880)	(10,747,880)	-	0%
Amenities & Special Construction	(10,219,163)	(10,219,163)	-	0%
Utilities	(3,863,046)	(3,863,046)	-	0%
Contingency @	(6,280,230)	(6,280,230)	-	0%
Fees, Assessments & Bonds - Map	(12,190,160)	(12,190,160)	-	0%
Consultants and Engineering	(28,144,469)	(28,144,469)	-	0%
<i>Indirect</i> Insurance	(1,348,029)	(1,348,029)	-	0%
Construction Management	(1,434,115)	(1,434,115)	-	0%
General & Administrative	(4,927,913)	(4,890,510)	37,403	1%
Legal, Closing, etc. @ Land Purchase	(2,183,461)	(2,230,684)	(47,223)	-2%
Legal, Closing, etc. @ A&D Loan	(2,126,284)	(2,126,285)	(0)	0%
Legal, Closing, etc. @ Lot Sales	(310,463)	(331,787)	(21,325)	-7%
Master Marketing Program	(4,510,411)	(4,510,411)	-	0%
Miscellaneous	(2,090,897)	(2,090,897)	-	0%
Property Taxes	(2,930,629)	(2,939,112)	(8,482)	0%
<i>Indirect</i> OE Loan - Points	(4,613,279)	(4,613,279)	-	0%
<i>Financ</i> OE Loan - Interest Reserve	(13,371,849)	(13,371,849)	-	0%
CBT Loan - Points	(1,857,713)	(1,857,713)	-	0%
CBT Loan - Interest Reserve	(6,867,281)	(6,867,281)	-	0%
Lehman Terr - Points	(1,000,000)	(1,000,000)	-	0%
Lehman Terr - Interest Reserve	(22,330,859)	(22,090,272)	240,587	1%
Lehman Rev - Points	(924,841)	(924,841)	-	0%
Lehman Rev - Interest Reserve	(1,267,642)	(1,176,133)	91,509	7%
Total Cost	\$ (227,732,347)	\$ (227,439,879)	\$ 292,468	0%
Project Profit:	\$ 29,686,306	\$ 27,382,631	\$ (2,303,675)	-8%
Profit Margin on Cost:	13.04%	12.04%	-1.00%	-8%
Profit Margin on Revenue:	11.40%	10.61%	-0.78%	-7%

Pacifica San Juan

LTV Analysis: Unleverage Discounted NOI
Discount Rate: 15%

Financial Summary

Investor Summary	CF June-07	Current Cash Flow August-07	Variance	%
Equity Required:	\$ 62,438,826	\$ 62,438,826	\$ -	0%
Internal Rate of Return to Investor:	7.30%	7.34%	0.04%	1%
Cash Flow to Investor: (Net of Investment)				
Preferred Return	\$ 34,071,093	\$ 34,070,638	\$ (455)	0%
Return of Capital	\$ 56,213,632	\$ 56,428,294	\$ 214,661	
Profit	\$ -	\$ -	\$ -	0%
Total Cash to Investor (Net of Investment)	\$ 27,845,899	\$ 28,060,106	\$ 214,207	1%
SunCal & Mezz Summary				
Equity Required:	\$ 18,330,834	\$ 18,330,834	\$ -	0%
Internal Rate of Return to SunCal/Mezz:	-1.95%	-1.75%	0.20%	-10%
Cash Flow to SunCal/Mezz: (Net of Investment)				
Preferred Return	\$ 2,087,989	\$ 2,087,989	\$ 0	0%
Return of Capital	\$ 15,493,811	\$ 15,565,365	\$ 71,554	
Profit	\$ -	\$ -	\$ -	0%
Total Cash to SunCal/Mezz (Net of Investment)	\$ (749,034)	\$ (677,480)	\$ 71,554	-10%
Project Summary				
Project Duration (Months):	122	122	-	0%
Number of Lots:	387	387	-	0%
Average Sales Price (including Premiums):	\$ 614,204	\$ 605,884	\$ (8,320)	-1%
Gross Sales Proceeds (Including Commercial/Institutional):	\$ 255,850,191	\$ 252,630,191	\$ (3,220,000)	-1%
Less: Intract Costs:				
Site Prep & Grading	(59,420)	(59,420)	-	0%
Street Improvements	(1,223,090)	(1,223,090)	-	0%
Sanitary Sewer	(391,279)	(391,279)	-	0%
Water Improvements	(516,857)	(516,857)	-	0%
Storm Drain & Retention	(551,542)	(551,542)	-	0%
Amenities & Special Const.	(475,351)	(475,351)	-	0%
Utilities	(561,102)	(561,102)	-	0%
Contingency	(188,932)	(188,932)	-	0%
Fees, Assessments & Bonds - Permit	(17,994,771)	(17,994,771)	-	0%
Consultants and Engineering	(433,574)	(433,574)	-	0%
Less: Fee Credit	10,707,090	10,707,090	-	0%
Less: Prepaid Fee by CFD	5,640,309	5,640,309	-	0%
Less: Reimbursement	704,950	704,950	-	0%
Less: Builder In-Tract Costs and Fees	(5,343,569)	(5,343,569)	-	0%
Add: Escalator	825,607	58,527	(767,080)	-93%
Add: Other Revenue	5,377,763	5,358,290	(19,473)	0%
Add: Public Finance	8,131,945	8,131,945	-	0%
Less: SunCal Marketing Fee	430,950	430,950	-	0%
Less: Builder Closing Costs	(4,859,242)	(4,812,675)	46,566	1%
Net Sales Proceeds (Including Escalator on Option Contracts):	\$ 260,413,646	\$ 256,453,660	\$ (3,959,987)	-2%
Costs:				
Land	(20,790,000)	(20,790,000)	-	0%
Commission @ Land Purchase	(414,500)	(414,500)	-	0%
<i>Directs</i> Site Prep and Grading	(41,809,250)	(41,809,250)	-	0%
Street Improvements	(8,962,769)	(8,962,769)	-	0%
Sanitary Sewer	(3,598,658)	(3,598,658)	-	0%
Water Improvements	(6,616,556)	(6,616,556)	-	0%
Storm Drain	(10,747,880)	(10,747,880)	-	0%
Amenities & Special Construction	(10,219,163)	(10,219,163)	-	0%
Utilities	(3,863,046)	(3,863,046)	-	0%
Contingency @	(6,280,230)	(6,280,230)	-	0%
Fees, Assessments & Bonds - Map	(12,190,160)	(12,190,160)	-	0%
Consultants and Engineering	(28,144,469)	(28,144,469)	-	0%
<i>Indirect</i> Insurance	(1,348,029)	(1,348,029)	-	0%
Construction Management	(1,434,115)	(1,434,115)	-	0%
General & Administrative	(4,926,459)	(4,890,510)	35,948	1%
Legal, Closing, etc. @ Land Purchase	(2,183,461)	(2,230,684)	(47,223)	-2%
Legal, Closing, etc. @ A&D Loan	(2,126,254)	(2,126,285)	(30)	0%
Legal, Closing, etc. @ Lot Sales	(310,463)	(331,787)	(21,325)	-7%
Master Marketing Program	(4,510,411)	(4,510,411)	-	0%
Miscellaneous	(2,090,897)	(2,090,897)	-	0%
Property Taxes	(2,930,629)	(2,939,112)	(8,482)	0%
<i>Indirect</i> OE Loan - Points	(4,613,279)	(4,613,279)	-	0%
<i>Financ</i> OE Loan - Interest Reserve	(13,371,849)	(13,371,849)	-	0%
CBT Loan - Points	(1,857,713)	(1,857,713)	-	0%
CBT Loan - Interest Reserve	(6,867,281)	(6,867,281)	-	0%
Lehman Term - Points	(1,000,000)	(1,000,000)	-	0%
Lehman Term - Interest Reserve	(24,105,888)	(22,090,272)	2,015,615	8%
Lehman Revolver - Points	(934,110)	(924,841)	9,268	1%
Lehman Rev- Interest Reserve	(1,374,349)	(1,176,133)	198,216	14%
Total Cost	\$ (229,621,866)	\$ (227,439,879)	\$ 2,181,987	1%
Project Profit:	\$ 27,096,868	\$ 25,772,631	\$ (1,324,238)	-5%
Profit Margin on Cost:	11.80%	11.33%	-0.47%	-4%
Profit Margin on Revenue:	10.41%	10.05%	-0.36%	-3%

SunCal Companies

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Lehman Loans

Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Month		July	August	September	October	November	December	January	February	March	April	May	
Year		1997	1997	1997	1997	1997	1997	1998	1998	1998	1998	1998	
Period	Total	1	2	3	4	5	6	7	8	9	10	11	12

Lehman Term

BEGINNING BALANCE	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
DRAWS														
Improvement Costs	\$100,000,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Interest	12,439,326	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Draws	112,439,326	-	-	-	-	-	-	-	-	-	-	-	-	-
REPAYMENT	(20,231,844)	-	-	-	-	-	-	-	-	-	-	-	-	-
ENDING BALANCE	92,207,482	-	-	-	-	-	-	-	-	-	-	-	-	-

Interest Rate:
Base Rate (LIBOR)
Spread 5.50%
Total Interest Rate:

Lehman Revolver

BEGINNING BALANCE	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
DRAWS														
Improvement Costs	\$ 48,934,272	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Interest	752,376	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Draws	49,686,648	-	-	-	-	-	-	-	-	-	-	-	-	-
REPAYMENT	(33,641,535)	-	-	-	-	-	-	-	-	-	-	-	-	-
ENDING BALANCE	16,045,113	-	-	-	-	-	-	-	-	-	-	-	-	-

Interest Rate:
Base Rate (LIBOR)
Spread 5.50%
Total Interest Rate:

SunCal Companies

Pacifica San Juan
California

Lehman Loans

<i>Budget/Actual</i>		<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
<i>Month</i>		<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>
<i>Year</i>		<i>1998</i>	<i>1998</i>	<i>1998</i>	<i>1998</i>	<i>1998</i>	<i>1998</i>	<i>1999</i>	<i>1999</i>	<i>1999</i>	<i>1999</i>	<i>1999</i>
<i>Period</i>		<i>13</i>	<i>14</i>	<i>15</i>	<i>16</i>	<i>17</i>	<i>18</i>	<i>19</i>	<i>20</i>	<i>21</i>	<i>22</i>	<i>23</i>
	<i>Total</i>											<i>24</i>

Lehman Term

BEGINNING BALANCE	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
DRAWS														
Improvement Costs	\$100,000,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Interest	12,439,326	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Draws	112,439,326	-	-	-	-	-	-	-	-	-	-	-	-	-
REPAYMENT	(20,231,844)	-	-	-	-	-	-	-	-	-	-	-	-	-
ENDING BALANCE	92,207,482	-	-	-	-	-	-	-	-	-	-	-	-	-

Interest Rate:
Base Rate (LIBOR)
Spread 5.50%
Total Interest Rate:

Lehman Revolver

BEGINNING BALANCE	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
DRAWS														
Improvement Costs	\$ 48,934,272	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Interest	752,376	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Draws	49,686,648	-	-	-	-	-	-	-	-	-	-	-	-	-
REPAYMENT	(33,641,535)	-	-	-	-	-	-	-	-	-	-	-	-	-
ENDING BALANCE	16,045,113	-	-	-	-	-	-	-	-	-	-	-	-	-

Interest Rate:
Base Rate (LIBOR)
Spread 5.50%
Total Interest Rate:

SunCal Companies

Pacifica San Juan
California

Lehman Loans

Budget/Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Month	July	August	September	October	November	December	January	February	March	April	May	June	
Year	1999	1999	1999	1999	1999	1999	2000	2000	2000	2000	2000	2000	
Period	Total	25	26	27	28	29	30	31	32	33	34	35	36

Lehman Term

BEGINNING BALANCE	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
DRAWS														
Improvement Costs	\$100,000,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Interest	12,439,326	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Draws	112,439,326	-	-	-	-	-	-	-	-	-	-	-	-	-
REPAYMENT	(20,231,844)	-	-	-	-	-	-	-	-	-	-	-	-	-
ENDING BALANCE	92,207,482	-	-	-	-	-	-	-	-	-	-	-	-	-

Interest Rate:
Base Rate (LIBOR)
Spread 5.50%
Total Interest Rate:

Lehman Revolver

BEGINNING BALANCE	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
DRAWS														
Improvement Costs	\$ 48,934,272	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Interest	752,376	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Draws	49,686,648	-	-	-	-	-	-	-	-	-	-	-	-	-
REPAYMENT	(33,641,535)	-	-	-	-	-	-	-	-	-	-	-	-	-
ENDING BALANCE	16,045,113	-	-	-	-	-	-	-	-	-	-	-	-	-

Interest Rate:
Base Rate (LIBOR)
Spread 5.50%
Total Interest Rate:

SunCal Companies

Pacifica San Juan
California

Lehman Loans

<i>Budget/Actual</i>		<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
<i>Month</i>		<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>
<i>Year</i>		<i>2000</i>	<i>2000</i>	<i>2000</i>	<i>2000</i>	<i>2000</i>	<i>2000</i>	<i>2001</i>	<i>2001</i>	<i>2001</i>	<i>2001</i>	<i>2001</i>
<i>Period</i>		<i>Total</i>	<i>37</i>	<i>38</i>	<i>39</i>	<i>40</i>	<i>41</i>	<i>42</i>	<i>43</i>	<i>44</i>	<i>45</i>	<i>46</i>
												<i>47</i>
												<i>48</i>

Lehman Term

BEGINNING BALANCE	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
DRAWS																
Improvement Costs	\$100,000,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Interest	12,439,326	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Draws	112,439,326	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REPAYMENT	(20,231,844)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ENDING BALANCE	92,207,482	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Interest Rate:
Base Rate (LIBOR)
Spread 5.50%
Total Interest Rate:

Lehman Revolver

BEGINNING BALANCE	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
DRAWS																
Improvement Costs	\$ 48,934,272	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Interest	752,376	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Draws	49,686,648	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REPAYMENT	(33,641,535)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ENDING BALANCE	16,045,113	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Interest Rate:
Base Rate (LIBOR)
Spread 5.50%
Total Interest Rate:

SunCal Companies
Pacifica San Juan
California

Cash Distributions/Calculations

Budget/Actual Month Year Period	Actual												
	July 1997	August 1997	September 1997	October 1997	November 1997	December 1997	January 1998	February 1998	March 1998	April 1998	May 1998	June 1998	
	1	2	3	4	5	6	7	8	9	10	11	12	
CAPITAL INVESTED	\$ 58,750,827	\$ 22,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Investor Equity - Tranche 1	35,282,727	20,000,000	-	-	-	-	-	-	-	-	-	-	-
Primary Investor Equity - Tranche 2	6,054,148	-	-	-	-	-	-	-	-	-	-	-	-
Primary Investor Equity - Tranche 3	4,587,827	-	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 1	10,559,226	-	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 2	266,900	-	-	-	-	-	-	-	-	-	-	-	-
Mezz Investor Equity	2,000,000	2,000,000	-	-	-	-	-	-	-	-	-	-	-
PAID IN CAPITAL BALANCE	58,750,827	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000
Primary Investor Equity - Tranche 1	35,282,727	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Primary Investor Equity - Tranche 2	6,054,148	-	-	-	-	-	-	-	-	-	-	-	-
Primary Investor Equity - Tranche 3	4,587,827	-	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 1	10,559,226	-	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 2	266,900	-	-	-	-	-	-	-	-	-	-	-	-
Mezz Investor Equity	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
% OF TOTAL PAID IN CAPITAL													
Primary Investor Equity - Tranche 1	60.05%	90.91%	90.91%	90.91%	90.91%	90.91%	90.91%	90.91%	90.91%	90.91%	90.91%	90.91%	90.91%
Primary Investor Equity - Tranche 2	10.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Primary Investor Equity - Tranche 3	7.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Secondary Investor Equity - Tranche 1	17.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Secondary Investor Equity - Tranche 2	0.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mezz Investor Equity	3.40%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%
Cash Avail - Pref Ret Pmt to Primary-Tranche 1	1	86,133,454	-	-	-	-	(0)	-	-	-	-	-	-
Preferred Return Earned		29,365,312	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	12.00% ###	29,365,312	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Primary Cap Repmt-Tranche 1	2	56,768,142	-	-	-	-	(0)	-	-	-	-	-	-
Investor	100.00%	35,282,728	-	-	-	-	(0)	-	-	-	-	-	-
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Primary-Tranche 2	3	21,485,414	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		4,833,370	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	12.00% 75%	4,705,327	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Primary Cap Repmt-Tranche 2	5	14,688,942	-	-	-	-	-	-	-	-	-	-	-
Investor	75.00%	4,631,441	-	-	-	-	-	-	-	-	-	-	-
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Primary-Tranche 3	7	(3,157)	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		958,746	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	12.00% 75%	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Primary Cap Repmt-Tranche 3	9	-	-	-	-	-	-	-	-	-	-	-	-
Investor	97.64%	-	-	-	-	-	-	-	-	-	-	-	-
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Secondary-Tranche 1	4	16,780,088	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		2,136,017	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	12.00%	2,091,146	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Secondary Cap Repmt-Tranche 1	6	10,057,500	-	-	-	-	-	-	-	-	-	-	-
Developer Capital Repayment		10,060,657	-	-	-	-	-	-	-	-	-	-	-

SunCal Companies
Pacifica San Juan
California

Cash Distributions/Calculations

Budget/Actual Month Year Period		Actual											
		July	August	September	October	November	December	January	February	March	April	May	June
		1997	1997	1997	1997	1997	1997	1998	1998	1998	1998	1998	1998
	Total	1	2	3	4	5	6	7	8	9	10	11	12
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Secondary-Tranche 2	8	(3,157)	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		245,548	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	12.00%	(3,157)	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Secondary Cap Repmt-Tranche 2	10	-	-	-	-	-	-	-	-	-	-	-	-
Developer Capital Repayment		-	-	-	-	-	-	-	-	-	-	-	-
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref & Cap Pmt to Secondary-Mezz Equity	11	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		3,200,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Preferred Return Paid This Period	12.00%	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		20,000	40,000	60,000	80,000	100,000	120,000	140,000	160,000	180,000	200,000	220,000	240,000
Mezz Capital Repayment		-	-	-	-	-	-	-	-	-	-	-	-
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail For 50% G&A	12	-	-	-	-	-	-	-	-	-	-	-	-
Applicable Net Project Proceeds on and after 3/1/03:		-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenue	\$	257,842,632											
Less CFD Proceeds		(16,631,945)											
Total		241,210,687											
Half of 3% G&A due		3,618,160											
G&A Paid This Period		-											
Cash Avail For Final Distribution	13	-	-	-	-	-	-	-	-	-	-	-	-
Investor	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
Developer	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASHFLOW		\$ 28,060,106	\$(20,000,000)	\$ -	\$ -	\$ -	\$ -	\$(0)	\$ -	\$ -	\$ -	\$ -	\$ -
INVESTOR INTERNAL RATE OF RETURN		7.3%											

SunCal Companies
Pacifica San Juan
California

Cash Distributions/Calculations

Budget/Actual Month Year Period		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
		July	August	September	October	November	December	January	February	March	April	May	June
		1998	1998	1998	1998	1998	1998	1999	1999	1999	1999	1999	1999
	Total	13	14	15	16	17	18	19	20	21	22	23	24
CAPITAL INVESTED		\$ 58,750,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Investor Equity - Tranche 1		35,282,727	-	-	-	-	-	-	-	-	-	-	-
Primary Investor Equity - Tranche 2		6,054,148	-	-	-	-	-	-	-	-	-	-	-
Primary Investor Equity - Tranche 3		4,587,827	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 1		10,559,226	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 2		266,900	-	-	-	-	-	-	100,000	-	-	-	-
Mezz Investor Equity		2,000,000	-	-	-	-	-	-	-	-	-	-	-
PAID IN CAPITAL BALANCE		58,750,827	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000
Primary Investor Equity - Tranche 1		35,282,727	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Primary Investor Equity - Tranche 2		6,054,148	-	-	-	-	-	-	-	-	-	-	-
Primary Investor Equity - Tranche 3		4,587,827	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 1		10,559,226	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 2		266,900	-	-	-	-	-	-	100,000	100,000	100,000	100,000	100,000
Mezz Investor Equity		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
% OF TOTAL PAID IN CAPITAL													
Primary Investor Equity - Tranche 1		60.05%	90.91%	90.91%	90.91%	90.91%	90.91%	90.91%	90.91%	90.50%	90.50%	90.50%	90.50%
Primary Investor Equity - Tranche 2		10.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Primary Investor Equity - Tranche 3		7.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Secondary Investor Equity - Tranche 1		17.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Secondary Investor Equity - Tranche 2		0.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.45%	0.45%	0.45%	0.45%	0.45%
Mezz Investor Equity		3.40%	9.09%	9.09%	9.09%	9.09%	9.09%	9.09%	9.05%	9.05%	9.05%	9.05%	9.05%
Cash Avail - Pref Ret Pmt to Primary-Tranche 1	1	86,133,454	-	-	-	-	-	(0)	0	(0)	-	-	(0)
Preferred Return Earned		29,365,312	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	12.00% ###	29,365,312	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Primary Cap Repmt-Tranche 1	2	56,768,142	-	-	-	-	-	(0)	0	(0)	-	-	(0)
Investor	100.00%	35,282,728	-	-	-	-	-	(0)	0	(0)	-	-	(0)
% of Total Capital			0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Primary-Tranche 2	3	21,485,414	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		4,833,370	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	12.00% 75%	4,705,327	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Primary Cap Repmt-Tranche 2	5	14,688,942	-	-	-	-	-	-	-	-	-	-	-
Investor	75.00%	4,631,441	-	-	-	-	-	-	-	-	-	-	-
% of Total Capital			0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Primary-Tranche 3	7	(3,157)	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		958,746	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	12.00% 75%	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Primary Cap Repmt-Tranche 3	9	-	-	-	-	-	-	-	-	-	-	-	-
Investor	97.64%	-	-	-	-	-	-	-	-	-	-	-	-
% of Total Capital			0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Secondary-Tranche 1	4	16,780,088	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		2,136,017	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	12.00%	2,091,146	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Secondary Cap Repmt-Tranche 1	6	10,057,500	-	-	-	-	-	-	-	-	-	-	-
Developer Capital Repayment		10,060,657	-	-	-	-	-	-	-	-	-	-	-

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Cash Distributions/Calculations

Budget/Actual Month		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual		
		July 1998	August 1998	September 1998	October 1998	November 1998	December 1998	January 1999	February 1999	March 1999	April 1999	May 1999	June 1999	
Year Period		Total	13	14	15	16	17	18	19	20	21	22	23	24
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Secondary-Tranche 2	8	(3,157)	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		245,548	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	12.00%	(3,157)	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid PrefD Return		-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Secondary Cap Repmt-Tranche 2	10	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer Capital Repayment		-	-	-	-	-	-	-	-	-	-	-	-	-
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref & Cap Pmt to Secondary-Mezz Equity	11	-	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		3,200,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Preferred Return Paid This Period	12.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid PrefD Return		260,000	280,000	300,000	320,000	340,000	360,000	380,000	400,000	420,000	440,000	460,000	480,000	
Mezz Capital Repayment		-	-	-	-	-	-	-	-	-	-	-	-	-
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail For 50% G&A	12	-	-	-	-	-	-	-	-	-	-	-	-	-
Applicable Net Project Proceeds on and after 3/1/03:		-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Revenue	\$	257,842,632												
Less CFD Proceeds		(16,631,945)												
Total		241,210,687												
Half of 3% G&A due		3,618,160												
G&A Paid This Period		-												
Cash Avail For Final Distribution	13	-	-	-	-	-	-	-	-	-	-	-	-	-
Investor	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASHFLOW		\$ 28,060,106	\$ -	\$ -	\$ -	\$ -	\$ -	(0) \$	0 \$	(0) \$	- \$	- \$	- \$	(0)
INVESTOR INTERNAL RATE OF RETURN		7.3%												

SunCal Companies
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Cash Distributions/Calculations

Budget/Actual Month Year Period		Actual											
		July	August	September	October	November	December	January	February	March	April	May	June
		1999	1999	1999	1999	1999	1999	2000	2000	2000	2000	2000	2000
	Total	25	26	27	28	29	30	31	32	33	34	35	36
CAPITAL INVESTED													
Primary Investor Equity - Tranche 1	\$ 58,750,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Investor Equity - Tranche 2	35,282,727	-	-	-	-	-	-	-	-	-	-	-	-
Primary Investor Equity - Tranche 3	6,054,148	-	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 1	4,587,827	-	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 2	10,559,226	-	-	-	-	-	-	-	-	-	-	-	-
Mezz Investor Equity	266,900	-	-	-	-	-	-	-	-	6,400	-	-	-
Mezz Investor Equity	2,000,000	-	-	-	-	-	-	-	-	-	-	-	-
PAID IN CAPITAL BALANCE	58,750,827	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000	22,106,400	22,106,400	22,106,400	22,106,400
Primary Investor Equity - Tranche 1	35,282,727	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Primary Investor Equity - Tranche 2	6,054,148	-	-	-	-	-	-	-	-	-	-	-	-
Primary Investor Equity - Tranche 3	4,587,827	-	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 1	10,559,226	-	-	-	-	-	-	-	-	-	-	-	-
Secondary Investor Equity - Tranche 2	266,900	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	106,400	106,400	106,400	106,400
Mezz Investor Equity	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
% OF TOTAL PAID IN CAPITAL													
Primary Investor Equity - Tranche 1	60.05%	90.50%	90.50%	90.50%	90.50%	90.50%	90.50%	90.50%	90.50%	90.47%	90.47%	90.47%	90.47%
Primary Investor Equity - Tranche 2	10.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Primary Investor Equity - Tranche 3	7.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Secondary Investor Equity - Tranche 1	17.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Secondary Investor Equity - Tranche 2	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.48%	0.48%	0.48%	0.48%
Mezz Investor Equity	3.40%	9.05%	9.05%	9.05%	9.05%	9.05%	9.05%	9.05%	9.05%	9.05%	9.05%	9.05%	9.05%
Cash Avail - Pref Ret Pmt to Primary-Tranche 1													
Preferred Return Earned	1	86,133,454	0	-	0	0	(0)	0	0	-	(0)	-	(0)
Preferred Return Paid This Period	12.00% ###	29,365,312	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Primary Cap Repmt-Tranche 1													
Investor	2	56,768,142	0	-	0	0	(0)	0	0	-	(0)	-	(0)
% of Total Capital	100.00%	35,282,728	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Primary-Tranche 2													
Preferred Return Earned	3	21,485,414	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	12.00% 75%	4,833,370	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		4,705,327	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Primary Cap Repmt-Tranche 2													
Investor	5	14,688,942	-	-	-	-	-	-	-	-	-	-	-
% of Total Capital	75.00%	4,631,441	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Primary-Tranche 3													
Preferred Return Earned	7	(3,157)	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	12.00% 75%	958,746	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Primary Cap Repmt-Tranche 3													
Investor	9	-	-	-	-	-	-	-	-	-	-	-	-
% of Total Capital	97.64%	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Secondary-Tranche 1													
Preferred Return Earned	4	16,780,088	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	12.00%	2,136,017	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		2,091,146	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Secondary Cap Repmt-Tranche 1													
Developer Capital Repayment	6	10,057,500	-	-	-	-	-	-	-	-	-	-	-
Developer Capital Repayment		10,060,657	-	-	-	-	-	-	-	-	-	-	-

SunCal Companies
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Cash Distributions/Calculations

Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual		
Month		July	August	September	October	November	December	January	February	March	April	May	June	
Year		1999	1999	1999	1999	1999	1999	2000	2000	2000	2000	2000	2000	
Period		Total	25	26	27	28	29	30	31	32	33	34	35	36
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Cash Avail - Pref Ret Pmt to Secondary-Tranche 2	8	(3,157)	-	-	-	-	-	-	-	-	-	-	-	
Preferred Return Earned		245,548	-	-	-	-	-	-	-	-	-	-	-	
Preferred Return Paid This Period	12.00%	(3,157)	-	-	-	-	-	-	-	-	-	-	-	
Cumulative Unpaid Pref'D Return		-	-	-	-	-	-	-	-	-	-	-	-	
Cash Avail For Secondary Cap Repmt-Tranche 2	10	-	-	-	-	-	-	-	-	-	-	-	-	
Developer Capital Repayment		-	-	-	-	-	-	-	-	-	-	-	-	
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Cash Avail - Pref & Cap Pmt to Secondary-Mezz Equity	11	-	-	-	-	-	-	-	-	-	-	-	-	
Preferred Return Earned		3,200,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Preferred Return Paid This Period	12.00%	-	-	-	-	-	-	-	-	-	-	-	-	
Cumulative Unpaid Pref'D Return		500,000	520,000	540,000	560,000	580,000	600,000	620,000	640,000	660,000	680,000	700,000	720,000	
Mezz Capital Repayment		-	-	-	-	-	-	-	-	-	-	-	-	
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Cash Avail For 50% G&A	12	-	-	-	-	-	-	-	-	-	-	-	-	
Applicable Net Project Proceeds on and after 3/1/03:		-	-	-	-	-	-	-	-	-	-	-	-	
Gross Revenue	\$	257,842,632												
Less CFD Proceeds		(16,631,945)												
Total		241,210,687												
Half of 3% G&A due		3,618,160												
G&A Paid This Period		-	-	-	-	-	-	-	-	-	-	-	-	
Cash Avail For Final Distribution	13	-	-	-	-	-	-	-	-	-	-	-	-	
Investor	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	
Developer	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	
NET INVESTOR CASHFLOW		\$ 28,060,106	\$ 0	\$ -	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 0	\$ -	\$ (0)	\$ -	\$ (0)	
INVESTOR INTERNAL RATE OF RETURN		7.3%												

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Cash Distributions/Calculations

Budget/Actual Month Year Period		Actual											
		July 2000	August 2000	September 2000	October 2000	November 2000	December 2000	January 2001	February 2001	March 2001	April 2001	May 2001	June 2001
	Total	37	38	39	40	41	42	43	44	45	46	47	48
CAPITAL INVESTED													
	Primary Investor Equity - Tranche 1	\$ 58,750,827	\$ 1,905,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Primary Investor Equity - Tranche 2	35,282,727	1,905,000	-	-	-	-	-	-	-	-	-	-
	Primary Investor Equity - Tranche 3	6,054,148	-	-	-	-	-	-	-	-	-	-	-
	Secondary Investor Equity - Tranche 1	4,587,827	-	-	-	-	-	-	-	-	-	-	-
	Secondary Investor Equity - Tranche 2	10,559,226	-	-	-	-	-	-	-	-	-	-	-
	Mezz Investor Equity	266,900	-	-	-	-	-	-	-	-	-	-	-
	PAID IN CAPITAL BALANCE	2,000,000	-	-	-	-	-	-	-	-	-	-	-
	Primary Investor Equity - Tranche 1	58,750,827	24,011,400	24,011,400	24,011,400	24,011,400	24,011,400	24,011,400	24,011,400	24,011,400	24,011,400	24,011,400	24,011,400
	Primary Investor Equity - Tranche 2	35,282,727	21,905,000	21,905,000	21,905,000	21,905,000	21,905,000	21,905,000	21,905,000	21,905,000	21,905,000	21,905,000	21,905,000
	Primary Investor Equity - Tranche 3	6,054,148	-	-	-	-	-	-	-	-	-	-	-
	Secondary Investor Equity - Tranche 1	4,587,827	-	-	-	-	-	-	-	-	-	-	-
	Secondary Investor Equity - Tranche 2	10,559,226	-	-	-	-	-	-	-	-	-	-	-
	Mezz Investor Equity	266,900	106,400	106,400	106,400	106,400	106,400	106,400	106,400	106,400	106,400	106,400	106,400
	% OF TOTAL PAID IN CAPITAL	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
	Primary Investor Equity - Tranche 1	60.05%	91.23%	91.23%	91.23%	91.23%	91.23%	91.23%	91.23%	91.23%	91.23%	91.23%	91.23%
	Primary Investor Equity - Tranche 2	10.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Primary Investor Equity - Tranche 3	7.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Secondary Investor Equity - Tranche 1	17.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Secondary Investor Equity - Tranche 2	0.45%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%
	Mezz Investor Equity	3.40%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%
Cash Avail - Pref Ret Pmt to Primary-Tranche 1													
	1	86,133,454	0	0	(0)	0	0	0	0	0	(0)	0	(0)
	Preferred Return Earned	29,365,312	-	-	-	-	-	-	-	-	-	-	-
	Preferred Return Paid This Period	12.00% ### 29,365,312	-	-	-	-	-	-	-	-	-	-	-
	Cumulative Unpaid Pref'D Return	-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Primary Cap Repmt-Tranche 1													
	2	56,768,142	0	0	(0)	0	0	0	0	0	(0)	0	(0)
	Investor	100.00% 35,282,728	0	0	(0)	0	0	0	0	0	(0)	0	(0)
	% of Total Capital	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	% Remaining for Repayment	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Primary-Tranche 2													
	3	21,485,414	-	-	-	-	-	-	-	-	-	-	-
	Preferred Return Earned	4,833,370	-	-	-	-	-	-	-	-	-	-	-
	Preferred Return Paid This Period	12.00% 75% 4,705,327	-	-	-	-	-	-	-	-	-	-	-
	Cumulative Unpaid Pref'D Return	-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Primary Cap Repmt-Tranche 2													
	5	14,688,942	-	-	-	-	-	-	-	-	-	-	-
	Investor	75.00% 4,631,441	-	-	-	-	-	-	-	-	-	-	-
	% of Total Capital	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	% Remaining for Repayment	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Primary-Tranche 3													
	7	(3,157)	-	-	-	-	-	-	-	-	-	-	-
	Preferred Return Earned	958,746	-	-	-	-	-	-	-	-	-	-	-
	Preferred Return Paid This Period	12.00% 75% -	-	-	-	-	-	-	-	-	-	-	-
	Cumulative Unpaid Pref'D Return	-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Primary Cap Repmt-Tranche 3													
	9	-	-	-	-	-	-	-	-	-	-	-	-
	Investor	97.64% -	-	-	-	-	-	-	-	-	-	-	-
	% of Total Capital	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	% Remaining for Repayment	-	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Secondary-Tranche 1													
	4	16,780,088	-	-	-	-	-	-	-	-	-	-	-
	Preferred Return Earned	2,136,017	-	-	-	-	-	-	-	-	-	-	-
	Preferred Return Paid This Period	12.00% 2,091,146	-	-	-	-	-	-	-	-	-	-	-
	Cumulative Unpaid Pref'D Return	-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Secondary Cap Repmt-Tranche 1													
	6	10,057,500	-	-	-	-	-	-	-	-	-	-	-
	Developer Capital Repayment	10,060,657	-	-	-	-	-	-	-	-	-	-	-

SunCal Companies
Pacifica San Juan
California

Cash Distributions/Calculations

Budget/Actual Month		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
		July 2000	August 2000	September 2000	October 2000	November 2000	December 2000	January 2001	February 2001	March 2001	April 2001	May 2001
Year Period		Total										
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref Ret Pmt to Secondary-Tranche 2	8	(3,157)	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		245,548	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	12.00%	(3,157)	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Secondary Cap Repmt-Tranche 2	10	-	-	-	-	-	-	-	-	-	-	-
Developer Capital Repayment		-	-	-	-	-	-	-	-	-	-	-
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail - Pref & Cap Pmt to Secondary-Mezz Equity	11	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		3,200,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Preferred Return Paid This Period	12.00%	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid Pref'D Return		740,000	760,000	780,000	800,000	820,000	840,000	860,000	880,000	900,000	920,000	940,000
Mezz Capital Repayment		-	-	-	-	-	-	-	-	-	-	-
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail For 50% G&A	12	-	-	-	-	-	-	-	-	-	-	-
Applicable Net Project Proceeds on and after 3/1/03:		-	-	-	-	-	-	-	-	-	-	-
Gross Revenue	\$	257,842,632										
Less CFD Proceeds		(16,631,945)										
Total		241,210,687										
Half of 3% G&A due		3,618,160										
G&A Paid This Period		-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Final Distribution	13	-	-	-	-	-	-	-	-	-	-	-
Investor	50.00%	-	-	-	-	-	-	-	-	-	-	-
Developer	50.00%	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASHFLOW		\$ 28,060,106	\$ (1,905,000)	\$ 0	\$ (0)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (0)	\$ 0	\$ (0)
INVESTOR INTERNAL RATE OF RETURN		7.3%										

SunCal Companies

Pacifica San Juan
California

Investment Summaries

Budget/Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Month	July	August	September	October	November	December	January	February	March	April	May	June	
Year	1997	1997	1997	1997	1997	1997	1998	1998	1998	1998	1998	1998	
Period	Total	1	2	3	4	5	6	7	8	9	10	11	12

Primary Investor Summary

CASH INVESTED	\$ (45,924,701)	\$ (20,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tranche 1	(35,282,727)	(20,000,000)	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(6,054,148)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 3	(4,587,827)	-	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	29,365,312	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	35,282,728	-	-	-	-	(0)	-	-	-	-	-	-	-
Preferred Return-Tranche 2 @ 12%	4,705,327	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	4,631,441	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 3 @ 12%	-	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	73,984,807	-	-	-	-	(0)	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ 28,060,106	\$ (20,000,000)	\$ -	\$ -	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

7%

EQUITY MULTIPLE

1.61

SunCal & Mezz Investor Summary

CASH INVESTED	\$ (12,826,126)	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tranche 1	(12,559,226)	(2,000,000)	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(266,900)	-	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	2,091,146	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	10,060,657	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 2 @ 12%	(3,157)	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	-	-	-	-	-	-	-	-	-	-	-	-	-
50% of G&A	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	12,148,646	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (677,480)	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

-1.73%

EQUITY MULTIPLE

0.95

SunCal Companies

Pacifica San Juan
California

Investment Summaries

Budget/Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Month	July	August	September	October	November	December	January	February	March	April	May	June	
Year	1998	1998	1998	1998	1998	1998	1999	1999	1999	1999	1999	1999	
Period	Total	13	14	15	16	17	18	19	20	21	22	23	24

Primary Investor Summary

CASH INVESTED	\$ (45,924,701)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tranche 1	(35,282,727)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(6,054,148)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 3	(4,587,827)	-	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	29,365,312	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	35,282,728	-	-	-	-	(0)	0	(0)	-	-	-	-	(0)
Preferred Return-Tranche 2 @ 12%	4,705,327	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	4,631,441	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 3 @ 12%	-	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	73,984,807	-	-	-	-	(0)	0	(0)	-	-	-	-	(0)
NET INVESTOR CASH FLOW	\$ 28,060,106	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ 0	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ (0)

INTERNAL RATE OF RETURN

7%

EQUITY MULTIPLE

1.61

SunCal & Mezz Investor Summary

CASH INVESTED	\$ (12,826,126)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,000)	\$ -	\$ -	\$ -	\$ -
Tranche 1	(12,559,226)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(266,900)	-	-	-	-	-	-	(100,000)	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	2,091,146	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	10,060,657	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 2 @ 12%	(3,157)	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	-	-	-	-	-	-	-	-	-	-	-	-	-
50% of G&A	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	12,148,646	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (677,480)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,000)	\$ -	\$ -	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

-1.73%

EQUITY MULTIPLE

0.95

SunCal Companies

Pacifica San Juan
California

Investment Summaries

Budget/Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Month	July	August	September	October	November	December	January	February	March	April	May	June	
Year	1999	1999	1999	1999	1999	1999	2000	2000	2000	2000	2000	2000	
Period	Total	25	26	27	28	29	30	31	32	33	34	35	36

Primary Investor Summary

CASH INVESTED	\$ (45,924,701)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tranche 1	(35,282,727)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(6,054,148)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 3	(4,587,827)	-	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	29,365,312	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	35,282,728	0	-	0	0	(0)	0	0	-	(0)	-	-	(0)
Preferred Return-Tranche 2 @ 12%	4,705,327	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	4,631,441	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 3 @ 12%	-	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	73,984,807	0	-	0	0	(0)	0	0	-	(0)	-	-	(0)
NET INVESTOR CASH FLOW	\$ 28,060,106	\$ 0	\$ -	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 0	\$ -	\$ (0)	\$ -	\$ -	\$ (0)

INTERNAL RATE OF RETURN

7%

EQUITY MULTIPLE

1.61

SunCal & Mezz Investor Summary

CASH INVESTED	\$ (12,826,126)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,400)	\$ -	\$ -	\$ -
Tranche 1	(12,559,226)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(266,900)	-	-	-	-	-	-	-	-	(6,400)	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	2,091,146	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	10,060,657	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 2 @ 12%	(3,157)	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	-	-	-	-	-	-	-	-	-	-	-	-	-
50% of G&A	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	12,148,646	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (677,480)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,400)	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

-1.73%

EQUITY MULTIPLE

0.95

SunCal Companies

Pacifica San Juan
California

Investment Summaries

Budget/Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Month	July	August	September	October	November	December	January	February	March	April	May	June	
Year	2000	2000	2000	2000	2000	2000	2001	2001	2001	2001	2001	2001	
Period	Total	37	38	39	40	41	42	43	44	45	46	47	48

Primary Investor Summary

CASH INVESTED	\$ (45,924,701)	\$ (1,905,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tranche 1	(35,282,727)	(1,905,000)	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(6,054,148)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 3	(4,587,827)	-	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	29,365,312	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	35,282,728	0	0	(0)	0	0	0	0	0	(0)	0	0	(0)
Preferred Return-Tranche 2 @ 12%	4,705,327	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	4,631,441	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 3 @ 12%	-	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	73,984,807	0	0	(0)	0	0	0	0	0	(0)	0	0	(0)
NET INVESTOR CASH FLOW	\$ 28,060,106	\$ (1,905,000)	\$ 0	\$ (0)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 0	\$ (0)

INTERNAL RATE OF RETURN

7%

EQUITY MULTIPLE

1.61

SunCal & Mezz Investor Summary

CASH INVESTED	\$ (12,826,126)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tranche 1	(12,559,226)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(266,900)	-	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	2,091,146	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	10,060,657	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 2 @ 12%	(3,157)	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	-	-	-	-	-	-	-	-	-	-	-	-	-
50% of G&A	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	12,148,646	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (677,480)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

-1.73%

EQUITY MULTIPLE

0.95

SunCal Companies

Pacifica San Juan
California

Investment Summaries

Budget/Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Month	July	August	September	October	November	December	January	February	March	April	May	June
Year	2001	2001	2001	2001	2001	2001	2002	2002	2002	2002	2002	2002
Period	49	50	51	52	53	54	55	56	57	58	59	60

Primary Investor Summary

CASH INVESTED	\$ (45,924,701)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,760,000)	\$ -	\$ (1,571,148)	\$ -
Tranche 1	(35,282,727)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(6,054,148)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 3	(4,587,827)	-	-	-	-	-	-	-	(1,760,000)	-	(1,571,148)	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	29,365,312	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	35,282,728	0	(0)	0	(0)	(0)	(0)	0	(0)	0	-	0	0
Preferred Return-Tranche 2 @ 12%	4,705,327	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	4,631,441	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 3 @ 12%	-	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	73,984,807	0	(0)	0	(0)	(0)	(0)	0	(0)	0	-	0	0
NET INVESTOR CASH FLOW	\$ 28,060,106	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ 0	\$ (0)	\$ (1,760,000)	\$ -	\$ (1,571,147)	\$ 0

INTERNAL RATE OF RETURN

7%

EQUITY MULTIPLE

1.61

SunCal & Mezz Investor Summary

CASH INVESTED	\$ (12,826,126)	\$ -	\$ (50,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (500)	\$ -	\$ -
Tranche 1	(12,559,226)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(266,900)	-	(50,000)	-	-	-	-	-	-	-	(500)	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	2,091,146	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	10,060,657	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 2 @ 12%	(3,157)	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	-	-	-	-	-	-	-	-	-	-	-	-	-
50% of G&A	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	12,148,646	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (677,480)	\$ -	\$ (50,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (500)	\$ -	\$ -

INTERNAL RATE OF RETURN

-1.73%

EQUITY MULTIPLE

0.95

SunCal Companies

Pacifica San Juan
California

Investment Summaries

Budget/Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Month	July	August	September	October	November	December	January	February	March	April	May	June
Year	2002	2002	2002	2002	2002	2002	2003	2003	2003	2003	2003	2003
Period	Total	61	62	63	64	65	66	67	68	69	70	71

Primary Investor Summary

CASH INVESTED	\$ (45,924,701)	\$ -	\$ -	\$ -	\$ (301,770)	\$ (664,909)	\$ -	\$ (290,000)	\$ -	\$ (580,632)	\$ (809,612)	\$ (477,441)	\$ (344,585)
Tranche 1	(35,282,727)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(6,054,148)	-	-	-	-	-	-	-	-	(580,632)	(809,612)	(477,441)	(344,585)
Tranche 3	(4,587,827)	-	-	-	(301,770)	(664,909)	-	(290,000)	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	29,365,312	-	-	-	-	-	-	-	0	0	0	0	0
Return of Capital - Tranche 1	35,282,728	0	0	0	0	0	0	0	-	-	-	-	-
Preferred Return-Tranche 2 @ 12%	4,705,327	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	4,631,441	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 3 @ 12%	-	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	73,984,807	0	0	0	0	0	0	0	0	0	0	0	0
NET INVESTOR CASH FLOW	\$ 28,060,106	\$ 0	\$ 0	\$ 0	\$ (301,770)	\$ (664,909)	\$ 0	\$ (290,000)	\$ 0	\$ (580,632)	\$ (809,612)	\$ (477,441)	\$ (344,585)

INTERNAL RATE OF RETURN

7%

EQUITY MULTIPLE

1.61

SunCal & Mezz Investor Summary

CASH INVESTED	\$ (12,826,126)	\$ -	\$ -	\$ (100,000)	\$ (10,000)	\$ -	\$ -	\$ -	\$ -	\$ (10,300)	\$ (81,067)	\$ -	\$ (666,056)
Tranche 1	(12,559,226)	-	-	-	-	-	-	-	-	(10,300)	(81,067)	-	(666,056)
Tranche 2	(266,900)	-	-	(100,000)	(10,000)	-	-	-	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	2,091,146	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	10,060,657	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 2 @ 12%	(3,157)	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	-	-	-	-	-	-	-	-	-	-	-	-	-
50% of G&A	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	12,148,646	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (677,480)	\$ -	\$ -	\$ (100,000)	\$ (10,000)	\$ -	\$ -	\$ -	\$ -	\$ (10,300)	\$ (81,067)	\$ -	\$ (666,056)

INTERNAL RATE OF RETURN

-1.73%

EQUITY MULTIPLE

0.95

SunCal Companies

Pacifica San Juan
California

Investment Summaries

Budget/Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Month	July	August	September	October	November	December	January	February	March	April	May	June
Year	2003	2003	2003	2003	2003	2003	2004	2004	2004	2004	2004	2004
Period	Total	73	74	75	76	77	78	79	80	81	82	83

Primary Investor Summary

CASH INVESTED	\$ (45,924,701)	\$ (223,083)	\$ (203,250)	\$ (245,750)	\$ (902,570)	\$ (1,227,188)	\$ (755,545)	\$ (284,492)	\$ -	\$ -	\$ -	\$ -
Tranche 1	(35,282,727)	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(6,054,148)	(223,083)	(203,250)	(245,750)	(902,570)	(1,227,188)	(755,545)	(284,492)	-	-	-	-
Tranche 3	(4,587,827)	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED												
Preferred Return-Tranche 1 @ 12%	29,365,312	0	0	0	0	0	0	-	0	0	0	-
Return of Capital - Tranche 1	35,282,728	-	-	-	-	-	-	(0)	-	-	-	(0)
Preferred Return-Tranche 2 @ 12%	4,705,327	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	4,631,441	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 3 @ 12%	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 3	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	73,984,807	0	0	0	0	0	0	(0)	0	0	0	(0)
NET INVESTOR CASH FLOW	\$ 28,060,106	\$ (223,083)	\$ (203,250)	\$ (245,750)	\$ (902,570)	\$ (1,227,188)	\$ (755,545)	\$ (284,492)	\$ 0	\$ 0	\$ 0	\$ (0)

INTERNAL RATE OF RETURN

7%

EQUITY MULTIPLE

1.61

SunCal & Mezz Investor Summary

CASH INVESTED	\$ (12,826,126)	\$ (74,361)	\$ (67,750)	\$ (171,750)	\$ (210,857)	\$ (413,562)	\$ (251,848)	\$ (94,831)	\$ -	\$ -	\$ -	\$ -
Tranche 1	(12,559,226)	(74,361)	(67,750)	(171,750)	(210,857)	(413,562)	(251,848)	(94,831)	-	-	-	-
Tranche 2	(266,900)	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED												
Preferred Return-Tranche 1 @ 12%	2,091,146	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	10,060,657	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 2 @ 12%	(3,157)	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	-	-	-	-	-	-	-	-	-	-	-	-
50% of G&A	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	12,148,646	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (677,480)	\$ (74,361)	\$ (67,750)	\$ (171,750)	\$ (210,857)	\$ (413,562)	\$ (251,848)	\$ (94,831)	\$ -	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

-1.73%

EQUITY MULTIPLE

0.95

SunCal Companies

Pacifica San Juan
California

Investment Summaries

Budget/Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Month	July	August	September	October	November	December	January	February	March	April	May	June
Year	2004	2004	2004	2004	2004	2004	2005	2005	2005	2005	2005	2005
Period	Total	85	86	87	88	89	90	91	92	93	94	95

Primary Investor Summary

CASH INVESTED	\$ (45,924,701)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,590,061)	\$ (1,104,903)	\$ (1,904,498)	\$ -
Tranche 1	(35,282,727)	-	-	-	-	-	-	-	-	(2,590,061)	(1,104,903)	(1,904,498)	-
Tranche 2	(6,054,148)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 3	(4,587,827)	-	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	29,365,312	-	-	-	0	0	-	0	-	0	-	-	-
Return of Capital - Tranche 1	35,282,728	-	-	-	-	-	(0)	-	(0)	-	-	(0)	(0)
Preferred Return-Tranche 2 @ 12%	4,705,327	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	4,631,441	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 3 @ 12%	-	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	73,984,807	-	-	-	0	0	(0)	0	(0)	0	-	(0)	(0)
NET INVESTOR CASH FLOW	\$ 28,060,106	\$ -	\$ -	\$ -	\$ 0	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ (2,590,061)	\$ (1,104,903)	\$ (1,904,498)	\$ (0)

INTERNAL RATE OF RETURN

7%

EQUITY MULTIPLE

1.61

SunCal & Mezz Investor Summary

CASH INVESTED	\$ (12,826,126)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (863,353)	\$ (368,301)	\$ (884,833)	\$ -
Tranche 1	(12,559,226)	-	-	-	-	-	-	-	-	(863,353)	(368,301)	(884,833)	-
Tranche 2	(266,900)	-	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	2,091,146	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	10,060,657	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 2 @ 12%	(3,157)	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	-	-	-	-	-	-	-	-	-	-	-	-	-
50% of G&A	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	12,148,646	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (677,480)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (863,353)	\$ (368,301)	\$ (884,833)	\$ -

INTERNAL RATE OF RETURN

-1.73%

EQUITY MULTIPLE

0.95

SunCal Companies

Pacifica San Juan
California

Investment Summaries

Budget/Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Month	July	August	September	October	November	December	January	February	March	April	May	June	
Year	2005	2005	2005	2005	2005	2005	2006	2006	2006	2006	2006	2006	
Period	Total	97	98	99	100	101	102	103	104	105	106	107	108

Primary Investor Summary

CASH INVESTED	\$ (45,924,701)	\$ (1,959,635)	\$ (1,876,967)	\$ (1,796,068)	\$ (2,145,596)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tranche 1	(35,282,727)	(1,959,635)	(1,876,967)	(1,796,068)	(2,145,596)	-	-	-	-	-	-	-	-
Tranche 2	(6,054,148)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 3	(4,587,827)	-	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	29,365,312	0	-	-	-	-	-	22,030,578	-	0	-	-	0
Return of Capital - Tranche 1	35,282,728	-	-	(0)	(0)	-	(0)	20,120,659	(0)	-	-	-	-
Preferred Return-Tranche 2 @ 12%	4,705,327	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	4,631,441	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 3 @ 12%	-	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	73,984,807	0	-	(0)	(0)	-	(0)	42,151,237	(0)	0	-	-	0
NET INVESTOR CASH FLOW	\$ 28,060,106	\$ (1,959,634)	\$ (1,876,967)	\$ (1,796,068)	\$ (2,145,596)	\$ -	\$ (0)	\$ (0)	\$ 42,151,237	\$ (0)	\$ 0	\$ -	\$ 0

INTERNAL RATE OF RETURN

7%

EQUITY MULTIPLE

1.61

SunCal & Mezz Investor Summary

CASH INVESTED	\$ (12,826,126)	\$ (403,212)	\$ (625,656)	\$ (598,689)	\$ (715,199)	\$ (1,136,025)	\$ (2,921,577)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tranche 1	(12,559,226)	(403,212)	(625,656)	(598,689)	(715,199)	(1,136,025)	(2,921,577)	-	-	-	-	-	-
Tranche 2	(266,900)	-	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	2,091,146	-	-	-	-	-	-	468,724	-	-	-	-	-
Return of Capital - Tranche 1	10,060,657	-	-	-	-	-	-	8,516,843	-	-	-	-	-
Preferred Return-Tranche 2 @ 12%	(3,157)	-	-	-	-	-	-	(3,157)	-	-	-	-	-
Return of Capital - Tranche 2	-	-	-	-	-	-	-	-	-	-	-	-	-
50% of G&A	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	12,148,646	-	-	-	-	-	-	8,982,410	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (677,480)	\$ (403,212)	\$ (625,656)	\$ (598,689)	\$ (715,199)	\$ (1,136,025)	\$ (2,921,577)	\$ 8,982,410	\$ -	\$ -	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

-1.73%

EQUITY MULTIPLE

0.95

SunCal Companies

Pacifica San Juan
California

Investment Summaries

Budget/Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Month	July	August	September	October	November	December	January	February	March	April	May	June	
Year	2006	2006	2006	2006	2006	2006	2007	2007	2007	2007	2007	2007	
Period	Total	109	110	111	112	113	114	115	116	117	118	119	120

Primary Investor Summary

CASH INVESTED	\$ (45,924,701)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tranche 1	(35,282,727)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(6,054,148)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 3	(4,587,827)	-	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	29,365,312	-	-	0	0	-	0	-	-	-	0	-	-
Return of Capital - Tranche 1	35,282,728	(0)	(0)	-	-	(0)	-	(0)	-	(0)	-	-	-
Preferred Return-Tranche 2 @ 12%	4,705,327	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	4,631,441	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 3 @ 12%	-	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	73,984,807	(0)	(0)	0	0	(0)	0	(0)	-	(0)	0	-	-
NET INVESTOR CASH FLOW	\$ 28,060,106	\$ (0)	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ -	\$ (0)	\$ 0	\$ -	\$ -

INTERNAL RATE OF RETURN

7%

EQUITY MULTIPLE

1.61

SunCal & Mezz Investor Summary

CASH INVESTED	\$ (12,826,126)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tranche 1	(12,559,226)	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(266,900)	-	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED													
Preferred Return-Tranche 1 @ 12%	2,091,146	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	10,060,657	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 2 @ 12%	(3,157)	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	-	-	-	-	-	-	-	-	-	-	-	-	-
50% of G&A	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	12,148,646	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (677,480)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

-1.73%

EQUITY MULTIPLE

0.95

SunCal Companies

Pacifica San Juan
California

Investment Summaries

Budget/Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Month	July	August	September	October	November	December	January	February	March	April	May	June
Year	2007	2007	2007	2007	2007	2007	2008	2008	2008	2008	2008	2008
Period	Total	121	122	123	124	125	126	127	128	129	130	131

Primary Investor Summary

CASH INVESTED	\$ (45,924,701)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tranche 1	(35,282,727)	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(6,054,148)	-	-	-	-	-	-	-	-	-	-	-
Tranche 3	(4,587,827)	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED												
Preferred Return-Tranche 1 @ 12%	29,365,312	-	-	0	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	35,282,728	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 2 @ 12%	4,705,327	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	4,631,441	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 3 @ 12%	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 3	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	73,984,807	-	-	0	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ 28,060,106	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

7%

EQUITY MULTIPLE

1.61

SunCal & Mezz Investor Summary

CASH INVESTED	\$ (12,826,126)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tranche 1	(12,559,226)	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	(266,900)	-	-	-	-	-	-	-	-	-	-	-
CASH RECEIVED												
Preferred Return-Tranche 1 @ 12%	2,091,146	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 1	10,060,657	-	-	-	-	-	-	-	-	-	-	-
Preferred Return-Tranche 2 @ 12%	(3,157)	-	-	-	-	-	-	-	-	-	-	-
Return of Capital - Tranche 2	-	-	-	-	-	-	-	-	-	-	-	-
50% of G&A	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	12,148,646	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (677,480)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

-1.73%

EQUITY MULTIPLE

0.95

SunCal Companies

Pacifica San Juan

California

SunCal and Mezz Distribution

Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Month		July	August	September	October	November	December	January	February	March	April	May	June
Year		1997	1997	1997	1997	1997	1997	1998	1998	1998	1998	1998	1998
Period	Total	1	2	3	4	5	6	7	8	9	10	11	12
CAPITAL INVESTED	\$ 12,826,126	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SunCal (GP New Capital-post 3/1/03)	10,559,226	-	-	-	-	-	-	-	-	-	-	-	-
SunCal (GP Old Capital-prior to 3/1/03)	2,066,900	-	-	-	-	-	-	-	-	-	-	-	-
Mezz (LP - Laing)	200,000	2,000,000	-	-	-	-	-	-	-	-	-	-	-
PAID IN CAPITAL BALANCE	12,826,126	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
SunCal (GP New Capital-post 3/1/03)	10,559,226	-	-	-	-	-	-	-	-	-	-	-	-
SunCal (GP Old Capital-prior to 3/1/03)	2,066,900	-	-	-	-	-	-	-	-	-	-	-	-
Mezz (LP - Laing)	200,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
% OF TOTAL PAID IN CAPITAL													
SunCal (GP New Capital-post 3/1/03)	82.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SunCal (GP Old Capital-prior to 3/1/03)	16.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mezz (LP - Laing)	1.56%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cash Avail For Cap Rptmt to GP New Capital	1	12,148,646	-	-	-	-	-	-	-	-	-	-	-
Investor		100.00%	10,559,227	-	-	-	-	-	-	-	-	-	-
% of Total Capital			0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail For GP Pref on "New Capital"	2	1,589,419	-	-	-	-	-	-	-	-	-	-	-
Interest Bearing Capital Balance			-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		19,939,171	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period		35.00%	1,589,419	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid PrePD Return			-	-	-	-	-	-	-	-	-	-	-
Cash Avail- Return of "Old Capital" (Parri Pasu)	3	-	-	-	-	-	-	-	-	-	-	-	-
SunCal (GP Old Capital-prior to 3/1/03)		91.18%	-	-	-	-	-	-	-	-	-	-	-
Mezz (LP - Laing)		8.82%	-	-	-	-	-	-	-	-	-	-	-
Cash Avail - Pref Return on "Old Capital" (Parri Pasu)	4	-	-	-	-	-	-	-	-	-	-	-	-
<i>SunCal (GP Old Capital-prior to 3/1/03)</i>													
Interest Bearing Capital Balance			-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		3,350,277	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period		12.00%	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid PrePD Return			-	-	-	-	-	-	-	-	-	-	-
<i>Mezz (LP - Laing)</i>													
Interest Bearing Capital Balance		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Preferred Return Earned		4,282,447	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Preferred Return Paid This Period		12.00%	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid PrePD Return			20,000	40,000	60,000	80,000	100,000	120,000	140,000	160,000	180,000	200,000	240,000
Cash Avail For Deferred Management Fee	5	-	-	-	-	-	-	-	-	-	-	-	-
Applicable Net Project Proceeds on and after 3/1/03:													
Gross Revenue		\$ 257,842,632											
Less CFD Proceeds		(16,631,945)											
Total		241,210,687											
Half of 3% G&A due		3,618,160											
G&A Paid This Period		-											
Cash Avail For "Excess" to Mezz (LP - Laing)	6	0	-	-	-	-	-	-	-	-	-	-	-
LP Pref Return		1,400,000											
LP Addl Pref Return		25.00%											
LP Cumulative Pref Return		3,354,167											

SunCal Companies

Pacifica San Juan

California

SunCal and Mezz Distribution

Budget/Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Month	July	August	September	October	November	December	January	February	March	April	May	June
Year	1997	1997	1997	1997	1997	1997	1998	1998	1998	1998	1998	1998
Period	1	2	3	4	5	6	7	8	9	10	11	12
Less: Cumulative Distribution received in Level 4	0											
Cumulative Excess Earned	3,354,167											
Excess Paid This Period	0											
Cumulative Excess Paid												
Cash Avail - "Deferred Purchase Price Shortfall" to SunCa	7	0	-									
Vista Lots Closed	70	-	-	-	-	-	-	-	-	-	-	-
Assume Homes Closed 8 months after @ Min. Home Price to achieve Max Def Purch. Prices Obtainable? If No. Est. Home Price	70	-	-	-	-	-	-	-	-	-	-	-
Plan 1	954,000	1,170,320	Y	1,100,000								
Plan 2	964,000	1,181,120	Y	1,120,000								
Plan 3	989,000	1,208,120	Y	1,150,000								
Avg	969,000	1,186,520	n	1,123,333								
Deferred Purchase Price received with home closings	2,688,467	-	-	-	-	-	-	-	-	-	-	-
Shortfall based on Max Deferred Purchase Prid	70,000	2,211,533	-	-	-	-	-	-	-	-	-	-
90% of Shortfall Earned	90%	-	-	-	-	-	-	-	-	-	-	-
Cumulative Shortfall Earned	4,900,000	-	-	-	-	-	-	-	-	-	-	-
90% of Shortfall Paid This Period to GP	0%	0	-	-	-	-	-	-	-	-	-	-
10% of Shortfall Paid This Period to LP	0	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Final Distribution	8	0	-									
SunCal (GP)	90%	-	-	-	-	-	-	-	-	-	-	-
Laing (LP)	10%	-	-	-	-	-	-	-	-	-	-	-
NET SUNCAL (GP) CASHFLOW	\$ (477,480)	\$ -										
INVESTOR INTERNAL RATE OF RETURN	-1.7%											

SunCal Companies

Pacifica San Juan

California

SunCal and Mezz Distribution

Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Month		July	August	September	October	November	December	January	February	March	April	May	June
Year		1998	1998	1998	1998	1998	1998	1999	1999	1999	1999	1999	1999
Period	Total	13	14	15	16	17	18	19	20	21	22	23	24
CAPITAL INVESTED	\$ 12,826,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -
SunCal (GP New Capital-post 3/1/03)	10,559,226	-	-	-	-	-	-	-	-	-	-	-	-
SunCal (GP Old Capital-prior to 3/1/03)	2,066,900	-	-	-	-	-	-	-	100,000	-	-	-	-
Mezz (LP - Laing)	200,000	-	-	-	-	-	-	-	-	-	-	-	-
PAID IN CAPITAL BALANCE	12,826,126	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
SunCal (GP New Capital-post 3/1/03)	10,559,226	-	-	-	-	-	-	-	-	-	-	-	-
SunCal (GP Old Capital-prior to 3/1/03)	2,066,900	-	-	-	-	-	-	-	100,000	100,000	100,000	100,000	100,000
Mezz (LP - Laing)	200,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
% OF TOTAL PAID IN CAPITAL													
SunCal (GP New Capital-post 3/1/03)	82.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SunCal (GP Old Capital-prior to 3/1/03)	16.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.76%	4.76%	4.76%	4.76%	4.76%
Mezz (LP - Laing)	1.56%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	95.24%	95.24%	95.24%	95.24%	95.24%
Cash Avail For Cap Rptmt to GP New Capital	1 12,148,646	-	-	-	-	-	-	-	-	-	-	-	-
Investor	100.00%	10,559,227	-	-	-	-	-	-	-	-	-	-	-
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail For GP Pref on "New Capital"	2 1,589,419	-	-	-	-	-	-	-	-	-	-	-	-
Interest Bearing Capital Balance		-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned	19,939,171	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	35.00% 1,589,419	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid PrePD Return		-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail- Return of "Old Capital" (Parri Pasu)	3	-	-	-	-	-	-	-	-	-	-	-	-
SunCal (GP Old Capital-prior to 3/1/03)	91.18%	-	-	-	-	-	-	-	-	-	-	-	-
Mezz (LP - Laing)	8.82%	-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail - Pref Return on "Old Capital" (Parri Pasu)	4	-	-	-	-	-	-	-	-	-	-	-	-
<i>SunCal (GP Old Capital-prior to 3/1/03)</i>													
Interest Bearing Capital Balance		-	-	-	-	-	-	-	100,000	100,000	100,000	100,000	100,000
Preferred Return Earned	3,350,277	-	-	-	-	-	-	-	1,000	1,000	1,000	1,000	1,000
Preferred Return Paid This Period	12.00%	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid PrePD Return		-	-	-	-	-	-	-	1,000	2,000	3,000	4,000	5,000
<i>Mezz (LP - Laing)</i>													
Interest Bearing Capital Balance		2,240,000	2,240,000	2,240,000	2,240,000	2,240,000	2,240,000	2,240,000	2,240,000	2,240,000	2,240,000	2,240,000	2,240,000
Preferred Return Earned	4,282,447	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400
Preferred Return Paid This Period	12.00%	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid PrePD Return		262,400	284,800	307,200	329,600	352,000	374,400	396,800	419,200	441,600	464,000	486,400	508,800
Cash Avail For Deferred Management Fee	5	-	-	-	-	-	-	-	-	-	-	-	-
Applicable Net Project Proceeds on and after 3/1/03:													
Gross Revenue	\$ 257,842,632												
Less CFD Proceeds	(16,631,945)												
Total	241,210,687												
Half of 3% G&A due	3,618,160												
G&A Paid This Period	-												
Cash Avail For "Excess" to Mezz (LP - Laing)	6 0	-	-	-	-	-	-	-	-	-	-	-	-
LP Pref Return	1,400,000												
LP Addl Pref Return	25.00%												
LP Cumulative Pref Return	3,354,167												

SunCal Companies

Pacifica San Juan

California

SunCal and Mezz Distribution

Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Month		July	August	September	October	November	December	January	February	March	April	May	June
Year		1998	1998	1998	1998	1998	1998	1999	1999	1999	1999	1999	1999
Period	Total	13	14	15	16	17	18	19	20	21	22	23	24
Less: Cumulative Distribution received in Level 4		0											
Cumulative Excess Earned		3,354,167											
Excess Paid This Period		0											
Cumulative Excess Paid													
Cash Avail - "Deferred Purchase Price Shortfall" to SunCa	7	0											
Vista Lots Closed		70											
Assume Homes Closed 8 months after @ Min. Home Price to achieve Max Def Purch. Prices Obtainable? If No. Est. Home Price	<input type="text" value="5"/>	70											
Plan 1	Threshold 954,000	Price 1,170,320	(Y/N) Y	If No. Est. Home Price 1,100,000									
Plan 2	964,000	1,181,120	Y	1,120,000									
Plan 3	989,000	1,208,120	Y	1,150,000									
Avg	969,000	1,186,520	n	1,123,333									
Deferred Purchase Price received with home closings		2,688,467											
Shortfall based on Max Deferred Purchase Pric	<input type="text" value="70,000"/>	2,211,533											
90% of Shortfall Earned	<input type="text" value="90%"/>												
Cumulative Shortfall Earned		4,900,000											
90% of Shortfall Paid This Period to GP		0											
10% of Shortfall Paid This Period to LP		0											
Cash Avail For Final Distribution	8	0											
SunCal (GP)	90%												
Laing (LP)	10%												
NET SUNCAL (GP) CASHFLOW		\$ (477,480)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,000)	\$ -	\$ -	\$ -
INVESTOR INTERNAL RATE OF RETURN		-1.7%											

SunCal Companies

Pacifica San Juan

California

SunCal and Mezz Distribution

Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Month		July	August	September	October	November	December	January	February	March	April	May	June
Year		1999	1999	1999	1999	1999	1999	2000	2000	2000	2000	2000	2000
Period	Total	25	26	27	28	29	30	31	32	33	34	35	36
CAPITAL INVESTED	\$ 12,826,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,400	\$ -	\$ -	\$ -
SunCal (GP New Capital-post 3/1/03)	10,559,226	-	-	-	-	-	-	-	-	-	-	-	-
SunCal (GP Old Capital-prior to 3/1/03)	2,066,900	-	-	-	-	-	-	-	-	6,400	-	-	-
Mezz (LP - Laing)	200,000	-	-	-	-	-	-	-	-	-	-	-	-
PAID IN CAPITAL BALANCE	12,826,126	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,106,400	2,106,400	2,106,400	2,106,400
SunCal (GP New Capital-post 3/1/03)	10,559,226	-	-	-	-	-	-	-	-	-	-	-	-
SunCal (GP Old Capital-prior to 3/1/03)	2,066,900	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	106,400	106,400	106,400	106,400
Mezz (LP - Laing)	200,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
% OF TOTAL PAID IN CAPITAL													
SunCal (GP New Capital-post 3/1/03)	82.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SunCal (GP Old Capital-prior to 3/1/03)	16.11%	4.76%	4.76%	4.76%	4.76%	4.76%	4.76%	4.76%	4.76%	5.05%	5.05%	5.05%	5.05%
Mezz (LP - Laing)	1.56%	95.24%	95.24%	95.24%	95.24%	95.24%	95.24%	95.24%	95.24%	94.95%	94.95%	94.95%	94.95%
Cash Avail For Cap Rptmt to GP New Capital	1	12,148,646	-	-	-	-	-	-	-	-	-	-	-
Investor	100.00%	10,559,227	-	-	-	-	-	-	-	-	-	-	-
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail For GP Pref on "New Capital"	2	1,589,419	-	-	-	-	-	-	-	-	-	-	-
Interest Bearing Capital Balance		-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		19,939,171	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	35.00%	1,589,419	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid PrePD Return		-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail- Return of "Old Capital" (Parri Pasu)	3	-	-	-	-	-	-	-	-	-	-	-	-
SunCal (GP Old Capital-prior to 3/1/03)	91.18%	-	-	-	-	-	-	-	-	-	-	-	-
Mezz (LP - Laing)	8.82%	-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail - Pref Return on "Old Capital" (Parri Pasu)	4	-	-	-	-	-	-	-	-	-	-	-	-
<i>SunCal (GP Old Capital-prior to 3/1/03)</i>													
Interest Bearing Capital Balance		105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	111,400	111,400	111,400	111,400
Preferred Return Earned	3,350,277	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,114	1,114	1,114	1,114
Preferred Return Paid This Period	12.00%	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid PrePD Return		6,050	7,100	8,150	9,200	10,250	11,300	12,350	13,400	14,514	15,628	16,742	17,856
<i>Mezz (LP - Laing)</i>													
Interest Bearing Capital Balance		2,508,800	2,508,800	2,508,800	2,508,800	2,508,800	2,508,800	2,508,800	2,508,800	2,508,800	2,508,800	2,508,800	2,508,800
Preferred Return Earned	4,282,447	25,088	25,088	25,088	25,088	25,088	25,088	25,088	25,088	25,088	25,088	25,088	25,088
Preferred Return Paid This Period	12.00%	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid PrePD Return		533,888	558,976	584,064	609,152	634,240	659,328	684,416	709,504	734,592	759,680	784,768	809,856
Cash Avail For Deferred Management Fee	5	-	-	-	-	-	-	-	-	-	-	-	-
Applicable Net Project Proceeds on and after 3/1/03:													
Gross Revenue	\$	257,842,632											
Less CFD Proceeds		(16,631,945)											
Total		241,210,687											
Half of 3% G&A due	3,618,160												
G&A Paid This Period		-											
Cash Avail For "Excess" to Mezz (LP - Laing)	6	0	-	-	-	-	-	-	-	-	-	-	-
LP Pref Return	1,400,000												
LP Addl Pref Return	25.00%	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667
LP Cumulative Pref Return		3,354,167	1,441,667	1,483,333	1,525,000	1,566,667	1,608,333	1,650,000	1,691,667	1,733,333	1,775,000	1,816,667	1,858,333

SunCal Companies

Pacifica San Juan

California

SunCal and Mezz Distribution

Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Month		July	August	September	October	November	December	January	February	March	April	May	June
Year		1999	1999	1999	1999	1999	1999	2000	2000	2000	2000	2000	2000
Period	Total	25	26	27	28	29	30	31	32	33	34	35	36
Less: Cumulative Distribution received in Level 4	0	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Excess Earned	3,354,167	1,441,667	1,483,333	1,525,000	1,566,667	1,608,333	1,650,000	1,691,667	1,733,333	1,775,000	1,816,667	1,858,333	1,900,000
Excess Paid This Period	0	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Excess Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail - "Deferred Purchase Price Shortfall" to SunCa	7	0	-	-	-	-	-	-	-	-	-	-	-
Vista Lots Closed	70	-	-	-	-	-	-	-	-	-	-	-	-
Assume Homes Closed 8 months after @	70	-	-	-	-	-	-	-	-	-	-	-	-
Min. Home Price to achieve Max Def Purch. Prices Obtainable?													
If No. Est. Home Price													
Threshold	Price	(Y/N)											
Plan 1	954,000	1,170,320	Y	1,100,000									
Plan 2	964,000	1,181,120	Y	1,120,000									
Plan 3	989,000	1,208,120	Y	1,150,000									
Avg	969,000	1,186,520	n	1,123,333									
Deferred Purchase Price received with home closings	2,688,467	-	-	-	-	-	-	-	-	-	-	-	-
Shortfall based on Max Deferred Purchase Prid	70,000	2,211,533	-	-	-	-	-	-	-	-	-	-	-
90% of Shortfall Earned	90%	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Shortfall Earned	4,900,000	-	-	-	-	-	-	-	-	-	-	-	-
90% of Shortfall Paid This Period to GP	0%	0	-	-	-	-	-	-	-	-	-	-	-
10% of Shortfall Paid This Period to LP	0	-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Final Distribution	8	0	-	-	-	-	-	-	-	-	-	-	-
SunCal (GP)	90%	-	-	-	-	-	-	-	-	-	-	-	-
Laing (LP)	10%	-	-	-	-	-	-	-	-	-	-	-	-
NET SUNCAL (GP) CASHFLOW		\$ (477,480)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,400)	\$ -	\$ -
INVESTOR INTERNAL RATE OF RETURN		-1.7%											

SunCal Companies

Pacifica San Juan

California

SunCal and Mezz Distribution

<i>Budget/Actual</i>		<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
<i>Month</i>		<i>July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>
<i>Year</i>		<i>2000</i>	<i>2000</i>	<i>2000</i>	<i>2000</i>	<i>2000</i>	<i>2000</i>	<i>2001</i>	<i>2001</i>	<i>2001</i>	<i>2001</i>	<i>2001</i>	<i>2001</i>
<i>Period</i>	<i>Total</i>	<i>37</i>	<i>38</i>	<i>39</i>	<i>40</i>	<i>41</i>	<i>42</i>	<i>43</i>	<i>44</i>	<i>45</i>	<i>46</i>	<i>47</i>	<i>48</i>
CAPITAL INVESTED	\$ 12,826,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SunCal (GP New Capital-post 3/1/03)	10,559,226	-	-	-	-	-	-	-	-	-	-	-	-
SunCal (GP Old Capital-prior to 3/1/03)	2,066,900	-	-	-	-	-	-	-	-	-	-	-	-
Mezz (LP - Laing)	200,000	-	-	-	-	-	-	-	-	-	-	-	-
PAID IN CAPITAL BALANCE	12,826,126	2,106,400	2,106,400	2,106,400	2,106,400	2,106,400	2,106,400	2,106,400	2,106,400	2,106,400	2,106,400	2,106,400	2,106,400
SunCal (GP New Capital-post 3/1/03)	10,559,226	-	-	-	-	-	-	-	-	-	-	-	-
SunCal (GP Old Capital-prior to 3/1/03)	2,066,900	106,400	106,400	106,400	106,400	106,400	106,400	106,400	106,400	106,400	106,400	106,400	106,400
Mezz (LP - Laing)	200,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
% OF TOTAL PAID IN CAPITAL													
SunCal (GP New Capital-post 3/1/03)	82.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SunCal (GP Old Capital-prior to 3/1/03)	16.11%	5.05%	5.05%	5.05%	5.05%	5.05%	5.05%	5.05%	5.05%	5.05%	5.05%	5.05%	5.05%
Mezz (LP - Laing)	1.56%	94.95%	94.95%	94.95%	94.95%	94.95%	94.95%	94.95%	94.95%	94.95%	94.95%	94.95%	94.95%
Cash Avail For Cap Rptmt to GP New Capital	1	12,148,646	-	-	-	-	-	-	-	-	-	-	-
Investor	100.00%	10,559,227	-	-	-	-	-	-	-	-	-	-	-
% of Total Capital		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
% Remaining for Repayment		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cash Avail For GP Pref on "New Capital"	2	1,589,419	-	-	-	-	-	-	-	-	-	-	-
Interest Bearing Capital Balance		-	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Earned		19,939,171	-	-	-	-	-	-	-	-	-	-	-
Preferred Return Paid This Period	35.00%	1,589,419	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid PrePD Return		-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail- Return of "Old Capital" (Parri Pasu)	3	-	-	-	-	-	-	-	-	-	-	-	-
SunCal (GP Old Capital-prior to 3/1/03)	91.18%	-	-	-	-	-	-	-	-	-	-	-	-
Mezz (LP - Laing)	8.82%	-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail - Pref Return on "Old Capital" (Parri Pasu)	4	-	-	-	-	-	-	-	-	-	-	-	-
<i>SunCal (GP Old Capital-prior to 3/1/03)</i>													
Interest Bearing Capital Balance		124,256	124,256	124,256	124,256	124,256	124,256	124,256	124,256	124,256	124,256	124,256	124,256
Preferred Return Earned	3,350,277	1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243	1,243
Preferred Return Paid This Period	12.00%	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid PrePD Return		19,099	20,341	21,584	22,826	24,069	25,311	26,554	27,796	29,039	30,282	31,524	32,767
<i>Mezz (LP - Laing)</i>													
Interest Bearing Capital Balance		2,809,856	2,809,856	2,809,856	2,809,856	2,809,856	2,809,856	2,809,856	2,809,856	2,809,856	2,809,856	2,809,856	2,809,856
Preferred Return Earned	4,282,447	28,099	28,099	28,099	28,099	28,099	28,099	28,099	28,099	28,099	28,099	28,099	28,099
Preferred Return Paid This Period	12.00%	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Unpaid PrePD Return		837,955	866,053	894,152	922,250	950,349	978,447	1,006,546	1,034,644	1,062,743	1,090,842	1,118,940	1,147,039
Cash Avail For Deferred Management Fee	5	-	-	-	-	-	-	-	-	-	-	-	-
Applicable Net Project Proceeds on and after 3/1/03:													
Gross Revenue	\$ 257,842,632												
Less CFD Proceeds	(16,631,945)												
Total	241,210,687												
Half of 3% G&A due	3,618,160												
G&A Paid This Period	-												
Cash Avail For "Excess" to Mezz (LP - Laing)	6	0	-	-	-	-	-	-	-	-	-	-	-
LP Pref Return	1,400,000												
LP Addl Pref Return	25.00%	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667
LP Cumulative Pref Return		3,354,167	1,941,667	1,983,333	2,025,000	2,066,667	2,108,333	2,150,000	2,191,667	2,233,333	2,275,000	2,316,667	2,358,333

SunCal Companies

Pacifica San Juan

California

SunCal and Mezz Distribution

Budget/Actual		Actual											
Month		July	August	September	October	November	December	January	February	March	April	May	June
Year		2000	2000	2000	2000	2000	2000	2001	2001	2001	2001	2001	2001
Period	Total	37	38	39	40	41	42	43	44	45	46	47	48
Less: Cumulative Distribution received in Level 4	0	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Excess Earned	3,354,167	1,941,667	1,983,333	2,025,000	2,066,667	2,108,333	2,150,000	2,191,667	2,233,333	2,275,000	2,316,667	2,358,333	2,400,000
Excess Paid This Period	0	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Excess Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail - "Deferred Purchase Price Shortfall" to SunCa	7	0	-										
Vista Lots Closed	70	-	-	-	-	-	-	-	-	-	-	-	-
Assume Homes Closed 8 months after @	70	-	-	-	-	-	-	-	-	-	-	-	-
Min. Home Price to achieve Max Def Purch. Prices Obtainable?													
If No. Est. Home Price													
Threshold	Price	(Y/N)											
Plan 1	954,000	1,170,320	Y	1,100,000									
Plan 2	964,000	1,181,120	Y	1,120,000									
Plan 3	989,000	1,208,120	Y	1,150,000									
Avg	969,000	1,186,520	n	1,123,333									
Deferred Purchase Price received with home closings	2,688,467	-	-	-	-	-	-	-	-	-	-	-	-
Shortfall based on Max Deferred Purchase Price	70,000	2,211,533	-	-	-	-	-	-	-	-	-	-	-
90% of Shortfall Earned	90%	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Shortfall Earned	4,900,000	-	-	-	-	-	-	-	-	-	-	-	-
90% of Shortfall Paid This Period to GP	0%	0	-	-	-	-	-	-	-	-	-	-	-
10% of Shortfall Paid This Period to LP	0	-	-	-	-	-	-	-	-	-	-	-	-
Cash Avail For Final Distribution	8	0	-										
SunCal (GP)	90%	-	-	-	-	-	-	-	-	-	-	-	-
Laing (LP)	10%	-	-	-	-	-	-	-	-	-	-	-	-
NET SUNCAL (GP) CASHFLOW	\$ (477,480)	\$ -											
INVESTOR INTERNAL RATE OF RETURN	-1.7%												

SunCal Companies

Pacifica San Juan
California

SunCal and Mezz Investment Summaries

Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Month		July	August	September	October	November	December	January	February	March	April	May	June
Year		1997	1997	1997	1997	1997	1997	1998	1998	1998	1998	1998	1998
Period	Total	1	2	3	4	5	6	7	8	9	10	11	12

SunCal (GP) Investment Summary

CASH INVESTED	\$ (12,626,126)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH RECEIVED													
Preferred Return	1,589,419	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital	10,559,227	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Purchase Price Shortfall	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	12,148,646	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (477,480)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

-1.65%

EQUITY MULTIPLE

1.15

Laing (LP) Investment Summary

CASH INVESTED	\$ (200,000)	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH RECEIVED													
Preferred Return	-	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess Preferred Return	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Purchase Price Shortfall	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (200,000)	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

-2.05%

EQUITY MULTIPLE

#DIV/0!

SunCal Companies

Pacifica San Juan
California

SunCal and Mezz Investment Summaries

Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Month		July	August	September	October	November	December	January	February	March	April	May	June
Year		1998	1998	1998	1998	1998	1998	1999	1999	1999	1999	1999	1999
Period	Total	13	14	15	16	17	18	19	20	21	22	23	24

SunCal (GP) Investment Summary

CASH INVESTED	\$ (12,626,126)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,000)	\$ -	\$ -	\$ -	\$ -
CASH RECEIVED													
Preferred Return	1,589,419	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital	10,559,227	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Purchase Price Shortfall	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	12,148,646	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (477,480)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,000)	\$ -	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

-1.65%

EQUITY MULTIPLE

1.15

Laing (LP) Investment Summary

CASH INVESTED	\$ (200,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH RECEIVED													
Preferred Return	-	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess Preferred Return	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Purchase Price Shortfall	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (200,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

-2.05%

EQUITY MULTIPLE

#DIV/0!

SunCal Companies

**Pacifica San Juan
California**

SunCal and Mezz Investment Summaries

Budget/Actual		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Month		July	August	September	October	November	December	January	February	March	April	May	June
Year		1999	1999	1999	1999	1999	1999	2000	2000	2000	2000	2000	2000
Period	Total	25	26	27	28	29	30	31	32	33	34	35	36

SunCal (GP) Investment Summary

CASH INVESTED	\$ (12,626,126)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,400)	\$ -	\$ -	\$ -
CASH RECEIVED													
Preferred Return	1,589,419	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital	10,559,227	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Purchase Price Shortfall	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	12,148,646	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (477,480)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,400)	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

-1.65%

EQUITY MULTIPLE

1.15

Laing (LP) Investment Summary

CASH INVESTED	\$ (200,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH RECEIVED													
Preferred Return	-	-	-	-	-	-	-	-	-	-	-	-	-
Return of Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess Preferred Return	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Purchase Price Shortfall	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH RECEIVED	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INVESTOR CASH FLOW	\$ (200,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

INTERNAL RATE OF RETURN

-2.05%

EQUITY MULTIPLE

#DIV/0!

Pacifica San Juan

Pacifica San Juan
California

Financial Summary

Investor Summary	CF 3/31/06 before remodel	Current Cash Flow 3/31/2006 after remodel	Variance	%
Equity Required:	\$ 46,350,269	\$ 45,924,701	\$ 425,567	1%
Internal Rate of Return to Investor:	14.71%	7.34%	-7.37%	-50%
Cash Flow to Investor: (Net of Investment)				
Preferred Return	\$ 30,205,081	\$ 34,070,638	\$ 3,865,557	13%
Profit	\$ 33,265,370	\$ -	\$ (33,265,370)	-100%
Total Cash to Investor (Net of Investment)	\$ 63,470,451	\$ 34,070,638	\$ (29,399,813)	-46%
SunCal & Mezz Summary				
Equity Required:	\$ -	\$ 12,826,126	\$ (12,826,126)	0%
Internal Rate of Return to SunCal/Mezz:	0.00%	-1.75%	-1.75%	0%
Cash Flow to SunCal/Mezz: (Net of Investment)				
Preferred Return	\$ -	\$ 2,087,989	\$ 2,087,989	0%
Profit	\$ -	\$ -	\$ -	0%
Total Cash to SunCal/Mezz (Net of Investment)	\$ -	\$ 2,087,989	\$ 2,087,989	0%
Project Summary				
Project Duration (Months):	-	122	122	0%
Number of Lots:	387	387	-	0%
Average Sales Price (including Premiums):	\$ 684,766	\$ 605,884	\$ (78,882)	-12%
Gross Sales Proceeds (Including Commercial/Institutional):	\$ 274,364,446	\$ 252,630,191	\$ (21,734,255)	-8%
Less: Intract Costs:				
Site Prep & Grading	(719,326)	(59,420)	659,905	92%
Street Improvements	(3,219,550)	(1,223,090)	1,996,460	62%
Sanitary Sewer	(1,335,391)	(391,279)	944,112	71%
Water Improvements	(1,772,730)	(516,857)	1,255,873	71%
Storm Drain & Retention	(997,677)	(551,542)	446,135	45%
Amenities & Special Const.	(2,483,225)	(475,351)	2,007,874	81%
Utilities	(1,744,919)	(561,102)	1,183,817	68%
Contingency	(591,465)	(188,932)	402,533	68%
Fees, Assessments & Bonds - Permit	(16,623,987)	(17,994,771)	(1,370,784)	-8%
Fees, Assessments & Bonds - School Fees	(2,100,001)	-	2,100,001	100%
Consultants and Engineering	-	(433,574)	(433,574)	0%
Less: Fee Credit	8,259,531	10,707,090	2,447,559	-30%
Less: Prepaid Fee by CFD	10,379,130	5,640,309	(4,738,820)	46%
Less: Reimbursement	704,950	704,950	-	0%
Less: Builder In-Tract Costs and Fees	(13,683,951)	(5,343,569)	8,340,382	61%
Add: Escalator	608,711	58,527	(550,184)	-90%
Add: Other Revenue	23,275,136	5,358,290	(17,916,845)	-77%
Add: Public Finance	-	8,131,945	8,131,945	0%
Less: SunCal Marketing Fee	-	-	-	0%
Less: Builder Closing Costs	(5,284,396)	(4,812,675)	471,721	9%
Net Sales Proceeds (Including Escalator on Option Contracts):	\$ 279,279,947	\$ 258,063,658	\$ (21,216,288)	-8%
Costs:				
Land	(20,790,000)	(20,790,000)	-	0%
Commission @ Land Purchase	(414,500)	(414,500)	1	0%
Directs Site Prep and Grading	(37,407,273)	(41,809,250)	(4,401,977)	-12%
Street Improvements	(5,175,776)	(8,962,769)	(3,786,993)	-73%
Sanitary Sewer	(1,574,222)	(3,598,658)	(2,024,436)	-129%
Water Improvements	(9,560,607)	(6,616,556)	2,944,050	31%
Storm Drain	(6,437,359)	(10,747,880)	(4,310,521)	-67%
Amenities & Special Construction	(7,111,041)	(10,219,163)	(3,108,122)	-44%
Utilities	(1,686,343)	(3,863,046)	(2,176,703)	-129%
Contingency @	(1,793,511)	(6,280,230)	(4,486,719)	-250%
Fees, Assessments & Bonds - Map	(10,610,750)	(12,190,160)	(1,579,410)	-15%
Fees, Assessments & Bonds - Other	-	-	-	0%
Consultants and Engineering	(21,931,288)	(28,144,469)	(6,213,182)	-28%
Indirects Insurance	(1,850,000)	(1,348,029)	501,971	27%
Construction Management	(932,144)	(1,434,115)	(501,971)	-54%
General & Administrative	(6,545,984)	(4,890,510)	1,655,473	25%
Legal, Closing, etc. @ Land Purchase	(715,789)	(2,230,684)	(1,514,895)	-212%
Legal, Closing, etc. @ A&D Loan	(2,400,551)	(2,126,285)	274,266	11%
Legal, Closing, etc. @ Lot Sales	(589,199)	(331,787)	257,411	44%
Master Marketing Program	(363,405)	(4,510,411)	(4,147,006)	-1141%
Working Capital	-	-	-	0%
Miscellaneous	(2,090,196)	(2,090,897)	(701)	0%
Origination Fee	-	-	-	0%
OE Admin Fee	(147,709)	(0)	147,709	100%
Property Taxes	(2,696,332)	(2,939,112)	(242,779)	-9%
Indirects OE Loan - Points	(4,712,870)	(4,613,279)	99,591	2%
Financ OE Loan - Interest Reserve	(13,176,264)	(13,371,849)	(195,584)	-1%
CBT Loan - Points	(1,703,750)	(1,857,713)	(153,963)	-9%
CBT Loan - Interest Reserve	(7,062,867)	(6,867,281)	195,586	3%
Lehman Tern- Points	(1,000,000)	(1,000,000)	-	0%
Lehman Tern- Interest Reserve	(7,586,564)	(22,090,272)	(14,503,708)	-191%
Lehman Rev- Points	(374,772)	(924,841)	(550,070)	-147%
Lehman Rev- Interest Reserve	(329,129)	(1,176,133)	(847,005)	-257%
Acquisition & Development Loan	-	-	-	0%
Acquisition & Development Loan	-	-	-	0%
Total Cost	\$ (178,770,193)	\$ (227,439,879)	\$ (48,669,686)	-27%
Project Profit:	\$ 100,509,754	\$ 30,623,780	\$ (69,885,974)	-70%
Profit Margin on Cost:	56.19%	13.46%	-42.72%	-76%
Profit Margin on Revenue:	35.97%	11.87%	-24.11%	-67%

Sheet Name Base Assumptions Base Assumptions Base Assumptions Base Assumptions

Data Point Size (Acres) Lots <<Field 3>> <<Field 4>>

10/4/2007 13:48

Pacifica San Juan - 387

1

2

3

4

5

Base Assumptions

CFD

CFD

CFD

CFD

<<Field 5>>

Total Capacity

Total Credits

<<Field 3>>

<<Field 4>>

26,913,278

10,281,333

6

7

8

9

10

CFD	Revenue Assumptions					
<<Field 5>>	Finished Lot Price					
	PA1	PA2	PA3	PA4	PA5	PA6
	\$ 545,000	\$ 697,898	\$ 358,586	\$ 630,000	\$ 720,254	\$ 495,563

11

12

13

14

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16

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| Revenue Assumptions |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Finished Lot Price |
| PA7 | PA8 | PA9 | PA10 | PA11 | PA12 | PA13 |
| \$ 891,400 | | | | | | |

18 19 20 21 22 23 24

| Revenue Assumptions |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Finished Lot Price |
| PA14 | PA15 | PA16 | PA17 | PA18 | PA19 | PA20 |

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| Revenue Assumptions |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Finished Lot Price |
| PA21 | PA22 | PA23 | PA24 | PA25 | PA26 | PA27 |

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| Revenue Assumptions |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Finished Lot Price |
| PA28 | PA29 | PA30 | PA31 | PA32 | PA33 | PA34 |

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Revenue Assumptions	InTractCst Assmp					
Finished Lot Price	In-Tracts per Lot					
PA35	PA36	PA37	PA38	PA39	PA40	PA1 17,092

46 47 48 49 50 51 52

InTractCst Assmp	InTractCst Assmp	InTractCst Assmp	InTractCst Assmp	InTractCst Assmp	InTractCst Assmp
In-Tracts per Lot					
PA2	PA3	PA4	PA5	PA6	PA7
32,701	1,001	47,118	2,004	5,018	1,977

53

54

55

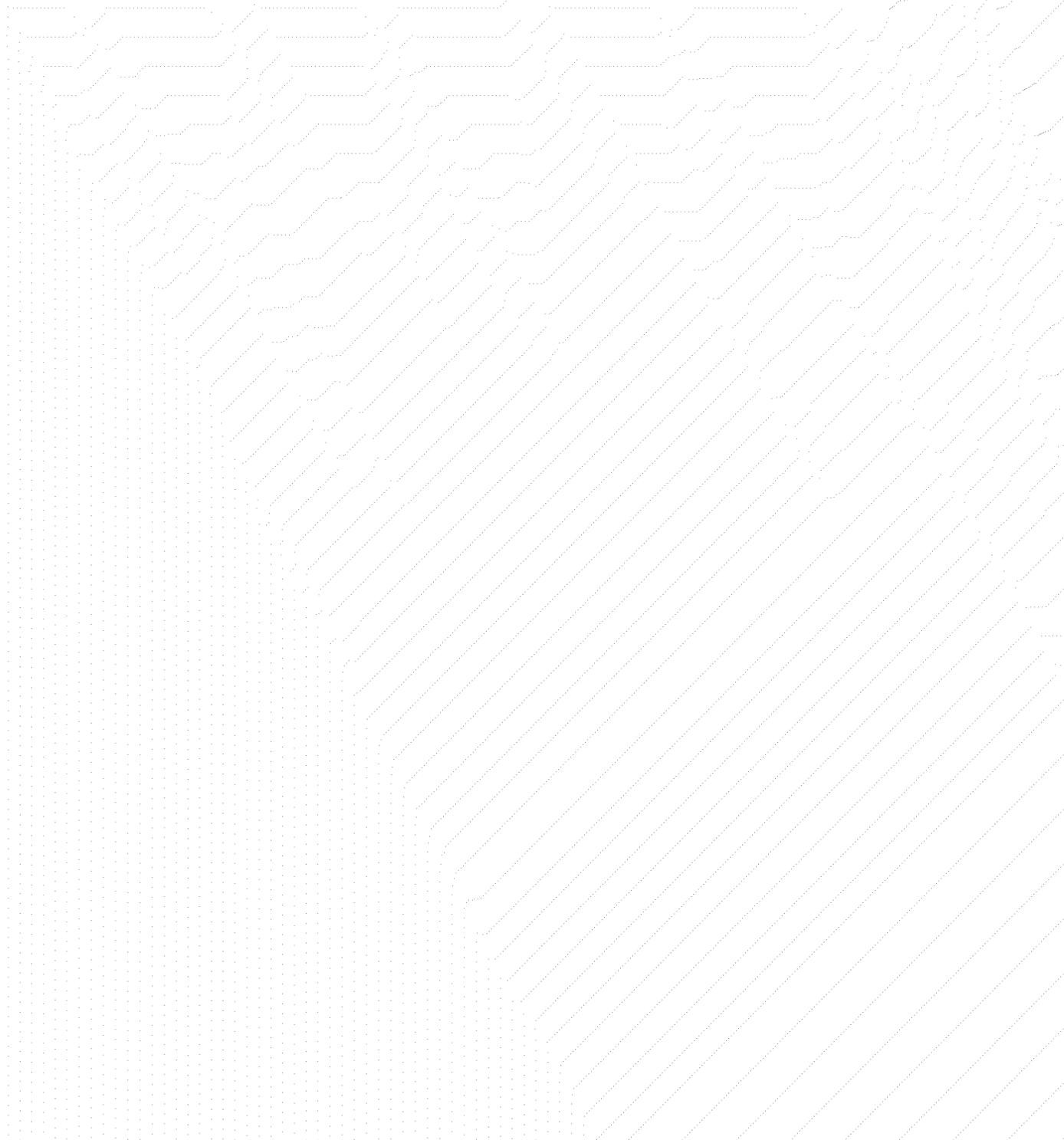
56

57

58

| InTractCst Assmp |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| In-Tracts per Lot |
| PA8 | PA9 | PA10 | PA11 | PA12 | PA13 |

59 60 61 62 63 64



| InTractCst Assmp |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| In-Tracts per Lot |
| PA14 | PA15 | PA16 | PA17 | PA18 | PA19 |

65 66 67 68 69 70



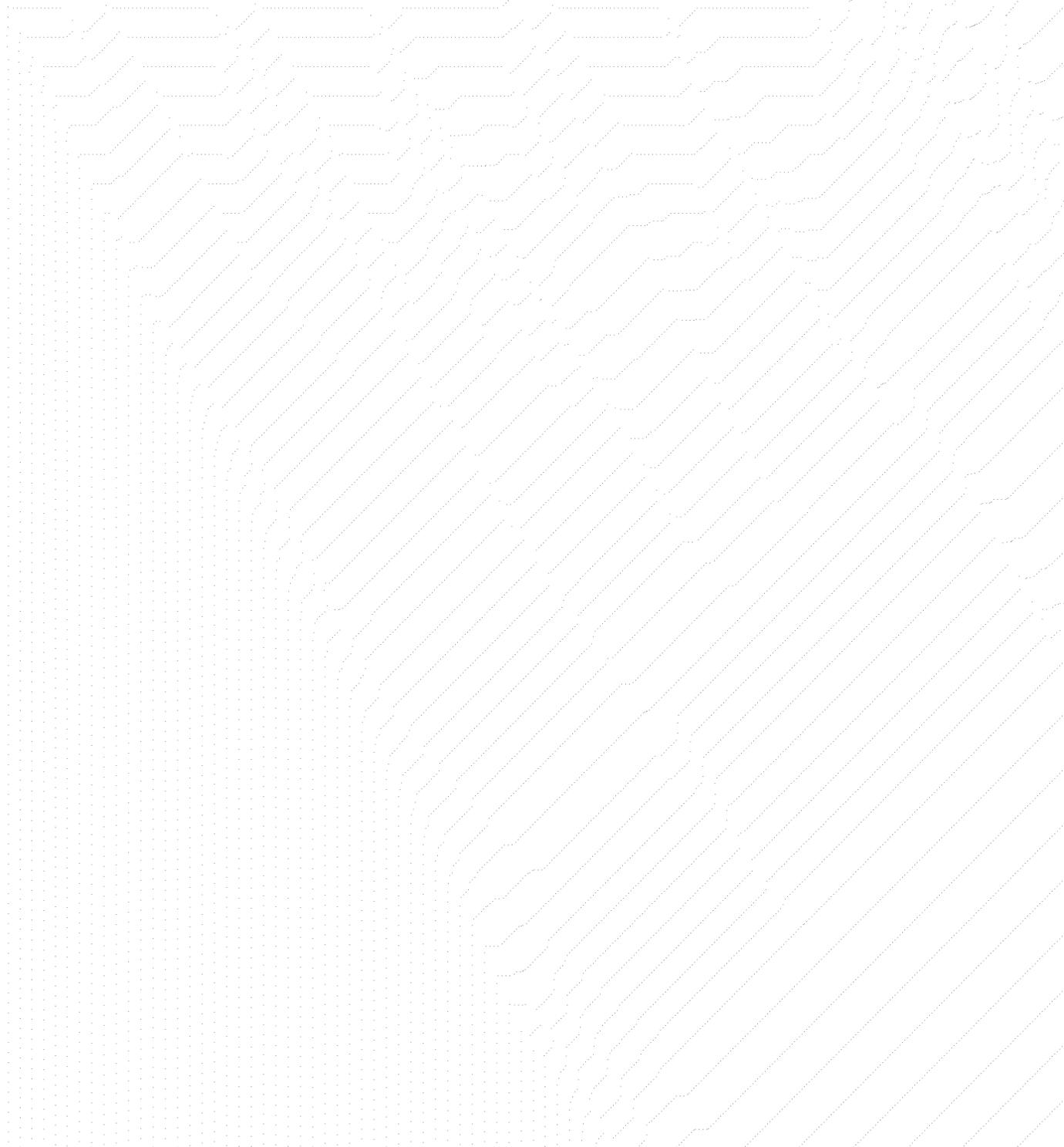
| InTractCst Assmp |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| In-Tracts per Lot |
| PA20 | PA21 | PA22 | PA23 | PA24 | PA25 |

71 72 73 74 75 76



| InTractCst Assmp |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| In-Tracts per Lot |
| PA26 | PA27 | PA28 | PA29 | PA30 | PA31 |

77 78 79 80 81 82



| InTractCst Assmp |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| In-Tracts per Lot |
| PA32 | PA33 | PA34 | PA35 | PA36 | PA37 |

83 84 85 86 87 88

InTractCst Assmp	InTractCst Assmp	InTractCst Assmp	InTractCst Assmp	InTractCst Assmp	InTractCst Assmp
In-Tracts per Lot	In-Tracts per Lot	In-Tracts per Lot	Total Costs	Total Credits	<Field 43>
PA38	PA39	PA40	22,395,918	(17,052,349)	

89 90 91 92 93 94

InTractCst Assmp	InTractCst Assmp	Lot Takedowns	Lot Takedowns	Lot Takedowns	Lot Takedowns	Lot Takedowns
<Field 44>	<Field 45>	# of Lots				
		PA1	PA2	PA3	PA4	PA5
		70	44	55	46	104

95 96 97 98 99 100 101

| Lot Takedowns |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| # of Lots |
| PA6 | PA7 | PA8 | PA9 | PA10 | PA11 | PA12 | PA13 | |
| 47 | 21 | | | | | | | |

102 103 104 105 106 107 108 109

| Lot Takedowns |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| # of Lots |
| PA14 | PA15 | PA16 | PA17 | PA18 | PA19 | PA20 | PA21 |

110

111

112

113

114

115

116

117

| Lot Takedowns |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| # of Lots |
| PA22 | PA23 | PA24 | PA25 | PA26 | PA27 | PA28 | PA29 | |

118

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121

122

123

124

125

| Lot Takedowns |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| # of Lots |
| PA30 | PA31 | PA32 | PA33 | PA34 | PA35 | PA36 |

126

127

128

129

130

131

132

Lot Takedowns	Lot Takedowns	Lot Takedowns	Lot Takedowns				
# of Lots	# of Lots	# of Lots	# of Lots	Remaining Lots	Next 3 Mos. Lot Sales	Total Release Price	Remaining Release Price
PA37	PA38	PA39	PA40	289	122	-	-

133

134

135

136

137

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139

140

Lot Takedowns	Lot Takedowns	Lot Takedowns	Lot Takedowns	Lot Takedowns	Lot Takedowns	Lot Takedowns	Lot Takedowns
Remaining Deposit	CFD Revenue	CFD Received	CFD - Next 6 Months	CFD - Next 12 Months	<Field 50>	<Field 51>	<Field 52>

(7,986,325)	#####	-	-	#####			
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141	142	143	144	145	146	147	148
-----	-----	-----	-----	-----	-----	-----	-----

Lot Takedowns	Lot Takedowns	Lot Takedowns	Cash Flow Summary	Cash Flow Summary	Cash Flow Summary	Cash Flow Summary
<Field 53>	<Field 54>	<Field 55>	Revenue 1	Revenue 2	Revenue 3	Revenue 4
			(3,357,643)	2,228,146	5,874,119	360,357

149 150 151 152 153 154 155

| Cash Flow Summary |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue 5 | Revenue 6 | ImpvCost 1 | ImpvCost 2 | ImpvCost 3 | ImpvCost 4 | ImpvCost 5 |
| 15,518,281 | 2,665,916 | (7,316,601) | (5,387,664) | (6,445,414) | (7,896,873) | (4,118,421) |

156

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158

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162

Cash Flow
Summary
ImpvCost 6

Cash Flow
Summary
Primary
Distributions
Next Qtr

Cash Flow
Summary
Primary
Distributions
Next 6

Cash Flow
Summary
Primary
Distributions
Next 12

Cash Flow
Summary
Secondary
Distributions
Next Qtr

Cash Flow
Summary
Secondary
Distributions
Next 6

(2,167,282)

0

0

0

-

-

163

164

165

166

167

168

Cash Flow Summary Secondary Distributions Next 12	Cash Flow Summary Land Residual	Cash Flow Summary Other Revenue	Cash Flow Summary Total Revenue	Cash Flow Summary Total Direct Costs	Cash Flow Summary Total Indirect Costs
-	240,886,098	21,990,236	258,063,658	(132,432,181)	(21,901,830)

169

170

171

172

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174

Cash Flow
Summary
Total
Financing
Costs

Cash Flow
Summary
Land

Cash Flow
Summary
Commission
@ Land
Purchase

Cash Flow
Summary
Site Prep and
Grading

Cash Flow
Summary
Street
Improvement
s

Cash Flow
Summary
Sanitary Sewer

Cash Flow
Summary
Water
Improvements

(51,901,368)

(20,790,000)

(414,500)

(41,809,250)

(8,962,769)

(3,598,658)

(6,616,556)

175

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177

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Cash Flow Summary Storm Drain	Cash Flow Summary Amenities & Special Construction	Cash Flow Summary Utilities	Cash Flow Summary Contingency @	Cash Flow Summary Assessments & Bonds - Map	Cash Flow Summary Fees, Assessments & Bonds - Other	Cash Flow Summary Consultants and Engineering
----------------------------------	--	--------------------------------	------------------------------------	---	---	---

(10,747,880)	(10,219,163)	(3,863,046)	(6,280,230)	(12,190,160)	-	(28,144,469)
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Cash Flow Summary Insurance	Cash Flow Summary Construction Management	Cash Flow Summary General & Administrative	Cash Flow Summary Closing, etc. @ Land Purchase	Cash Flow Summary Closing, etc. @ A&D Loan	Cash Flow Summary Legal, Closing, etc. @ Lot Sales	Cash Flow Summary Master Marketing Program
--------------------------------	--	---	---	--	---	---

(1,348,029)	(1,434,115)	(4,890,510)	(2,230,684)	(2,126,285)	(331,787)	(4,510,411)
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Cash Flow Summary	Cash Flow Summary	Cash Flow Summary	Cash Flow Summary	Cash Flow Summary	Cash Flow Summary	Cash Flow Summary
Property Taxes	Financing Costs (Other)	Financing Costs (A&D Loan)	Total Dev. Costs	Land Loan	A&D Loan	NOI
(2,939,112)	-	(51,901,368)	(227,439,879)	-	278,629,554	30,623,780

196 197 198 199 200 201 202

Cash Flow Summary	Cash Flow Summary	Cash Flow Summary	Cash Flow Summary	Cash Flow Summary	Cash Flow Summary
Total Financing	Remaining Land Residual	Remaining Other Revenue	Remaining Total Revenue	Remaining Land Purchase	Remaining Costs
55,509,675	172,674,562	21,140,066	190,201,410	-	(46,444,895)

203

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Cash Flow Summary Remaining A&D Loan	Cash Flow Summary Remaining Primary Equity	Cash Flow Summary Remaining Secondary Equity	Cash Flow Summary Next 3 mos. Prim. Equity	Cash Flow Summary Next 6 mos. Prim. Equity	Cash Flow Summary Next 12 mos. Prim. Equity	Cash Flow Summary Next 3 mos. Sec. Equity
--------------------------------------	--	--	--	--	---	---

29,490,154	-	-	122	-	-	122
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209	210	211	212	213	214	215
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Primary Equity

Tranche 1	0
Tranche 2	0
Tranche 3	0
	<u>0</u>

Cash Flow Summary	Cash Flow Summary	Cash Flow Summary	Cash Flow Summary	Cash Flow Summary	Cash Flow Summary	Cash Flow Summary	Cash Flow Summary
Next 6 mos. Sec. Equity	Next 12 mos. Sec. Equity	Prim. Equity 1	Prim. Equity 2	Prim. Equity 3	Prim. Equity 4	Prim. Equity 5	Prim. Equity 6

-	-	-	-	-	-	-	-
216	217	218	219	220	221	222	223

Cash Flow Summary	Cash Flow Summary						
Sec. Equity 1	Sec. Equity 2	Sec. Equity 3	Sec. Equity 4	Sec. Equity 5	Sec. Equity 6	Past 3 mos. Prim. Equity	Funded Prim. Equity

-	-	-	-	-	-	-	#####
224	225	226	227	228	229	230	231

Cash Flow Summary	Cash Flow Summary	Flow Summary	Flow Summary	Flow Summary	Investor Summary
Past 3 mos. Sec. Equity	Funded Sec. Equity	Remaining Direct Costs	Remaining Indirect Costs	<Field 3>	Total Primary Equity
-	#####	(31,186,117)	(4,891,055)		45,924,701

232

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237

Investor Summary Investor Summary Investor Summary Investor Summary Investor Summary

Primary Remaining Equity Total Primary Distributions Primary Remaining Distributions Primary IRR Primary Equity Multiple

- 73,984,807 31,833,566 7.34% 1.61

238 239 240 241 242

Investor Summary	Investor Summary	Investor Summary	Investor Summary	Investor Summary
Total Secondary Equity	Secondary Remaining Equity	Total Secondary Distributions	Secondary Remaining Distributions	Secondary IRR

12,826,126

-

12,148,646

3,166,236

-1.75%

243

244

245

246

247

Investor Summary Investor Summary Investor Summary Investor Summary Investor Summary

Secondary Equity Multiple Total Mez. Equity Mez. Remaining Equity Total Mez. Distributions Mez. Remaining Distributions

0.95

248

249

250

251

252

Investor Summary Investor Summary Investor Summary

Cash Flow
Summary

Mez. Equity
Multiple

Total Project IRR

Total Project
Equity Multiple

GL Cash Balance

0.9

-

253

254

255

256

ADDENDUM B: SUNCAL BUILDER RESIDUAL MODEL

ADDENDUM C: C&W BUILDER RESIDUAL CASHFLOWS BY PRODUCT TYPE

DEVELOPMENT APPROACH ASSUMPTIONS

Retail Revenue Assumptions (Static)				Annual Trending Assumptions (By Month)					Yield	Percent
Average Price	Per	Total	1-12	13-24	25-36	37-48	49-60	Total	Difference	
Production Homes	\$688,302	prod unit	\$35,791,695	---	---	---	---	---	---	
Model Homes	\$779,802	model	\$2,339,405	---	---	---	---	---	---	
Total Homes	\$693,293	unit	\$38,131,100	0.00%	0.00%	0.00%	0.00%	\$38,131,100	0.00%	
Product Assumptions				Finance Assumptions		Financing	Pts & Fees	Proceeds	LTV	
Total Home Square Footage			72,930	Land Draw		74.99%	1.25%	\$14,176,856	37.18%	
Average Home Square Footage			1,326	Development Draw		100.00%	1.25%	\$0	0.00%	
Production Homes			52	Construction Draw		100.00%	1.25%	\$12,468,447	32.70%	
Model Homes			3	Interest Rate		9.00%	---	\$1,953,022	5.12%	
Total Homes			55	Max. Loan / Retail Value (Static)		75.00%	---	\$28,598,325	---	
Option / Upgrade Retail Markup			40%	Indicated Loan Proceeds		---	---	\$28,598,325	75.00%	
Construction Period Per Phase (Months)			8	Release Price		110.00%	---	---	---	
Absorption Assumptions				Rate Assumptions		Profit / Rate	Hybrid Rate Assumptions		Profit / Rate	
Number of Product Lines			1.00	Profit (Static Model)		12.00%	Profit in Cash Flow		0.00%	
Sustained Monthly Sales Rate			3.00	Leveraged IRR (Yield Model)		61.29%	Leveraged IRR (Yield Model)		---	
Effective Monthly Sales Rate			2.50	Non-Leveraged IRR (Yield Model)		20.63%	Non-Leveraged IRR (Yield Model)		---	
Cost Assumptions (Static)				Annual Trending Assumptions (By Month)					Yield	Percent
Cost	Per	Total	1-12	13-24	25-36	37-48	49-60	Total	Difference	
Predevelopment / Arch / Acquisition	\$2,500	unit	\$137,500	0.00%	0.00%	0.00%	0.00%	\$137,500	0.00%	
Engineering / Offsites / Intracts	\$0	unit	\$0	0.00%	0.00%	0.00%	0.00%	\$0	0.00%	
Fees Before Permit	\$0	unit	\$0	0.00%	0.00%	0.00%	0.00%	\$0	0.00%	
Fees @ Permit	\$41,854	unit	\$2,301,970	0.00%	0.00%	0.00%	0.00%	\$2,301,970	0.00%	
Building Permit / Plan Check @ Permit	\$1,989	unit	\$109,395	0.00%	0.00%	0.00%	0.00%	\$109,395	0.00%	
Reimbursements (CFD)	(\$40,853)	unit	(\$2,246,916)	0.00%	0.00%	0.00%	0.00%	(\$2,246,916)	0.00%	
Reimbursements (Utility)	\$0	unit	\$0	0.00%	0.00%	0.00%	0.00%	\$0	0.00%	
Direct Construction	\$90.00	sf	\$6,563,700	0.00%	0.00%	0.00%	0.00%	\$6,563,700	0.00%	
Option / Upgrade Costs	\$13,071	prod unit	\$679,714	0.00%	0.00%	0.00%	0.00%	\$679,714	0.00%	
Indirect Construction / Insurance	\$5.00	sf	\$364,650	0.00%	0.00%	0.00%	0.00%	\$364,650	0.00%	
Common Areas / Rec. Complex	\$0	unit	\$0	0.00%	0.00%	0.00%	0.00%	\$0	0.00%	
Landscaping / Fencing	\$0	prod unit	\$0	0.00%	0.00%	0.00%	0.00%	\$0	0.00%	
Model Complex	\$244,000	model	\$732,000	0.00%	0.00%	0.00%	0.00%	\$732,000	0.00%	
Model Conversion	\$5,000	model	\$15,000	0.00%	0.00%	0.00%	0.00%	\$15,000	0.00%	
General & Administrative	3.00%	sales	\$1,143,933	0.00%	0.00%	0.00%	0.00%	\$1,143,933	0.00%	
Sales & Closing Costs / Warranty	3.00%	sales	\$1,143,933	0.00%	0.00%	0.00%	0.00%	\$1,143,933	0.00%	
Advertising / Marketing	2.00%	sales	\$762,622	0.00%	0.00%	0.00%	0.00%	\$762,622	0.00%	
Misc. / Contingency	1.00%	sales	\$381,311	0.00%	0.00%	0.00%	0.00%	\$381,311	0.00%	
Homeowners' Fees	\$.425	unit/month	\$97,325	---	---	---	---	\$97,325	0.00%	
Property Taxes / Assessments	1.50%	per schedule	\$416,629	---	---	---	---	\$416,629	0.00%	
Profit Participation		per schedule	\$0	---	---	---	---	\$0	0.00%	
Interest Reserve		per schedule	\$1,953,022	---	---	---	---	\$1,953,022	---	
Loan Points & Fees		per schedule	\$328,954	---	---	---	---	\$328,954	---	

DEVELOPMENT & SALES SCHEDULE

Item		Month	Absorption Assumptions						
Start Builder Intracts:		1		Number Units:	55		HIDE	HIDE	
Start Models:		2		Sales Rate (Sustained):	3.00		HIDE	HIDE	
Start Production:		2		Sales Period (# months):	22		HIDE	HIDE	
Initial Release:		5		Sales Rate (Effective):	2.50		HIDE	HIDE	
Initial Delivery:		10		Number Phases:	6		HIDE	HIDE	
Closeout:		26		Number Models:	3				

Mo	Date		Monthly Sales	Cumulative Sales	Monthly Closings	Cumulative Closings	Phase Closings	Prod. Permits	Model Permits	Phase Permits
0	Aug-07		0.00	0.00	0.00	0.00		0	0	
1	Sep-07	Start Builder Intracts	0.00	0.00	0.00	0.00		0	0	
2	Oct-07	Start Models & Start Production	0.00	0.00	0.00	0.00		10	3	13
3	Nov-07		0.00	0.00	0.00	0.00		0	0	
4	Dec-07		0.00	0.00	0.00	0.00		10	0	10
5	Jan-08	Initial Release	3.00	3.00	0.00	0.00		0	0	
6	Feb-08		3.00	6.00	0.00	0.00		0	0	
7	Mar-08		3.00	9.00	0.00	0.00		10	0	10
8	Apr-08		3.00	12.00	0.00	0.00		0	0	
9	May-08		3.00	15.00	0.00	0.00		0	0	
10	Jun-08	Initial Delivery	3.00	18.00	6.00	6.00	1	0	0	
11	Jul-08		3.00	21.00	3.00	9.00		10	0	10
12	Aug-08		3.00	24.00	3.00	12.00	2	0	0	
13	Sep-08		3.00	27.00	3.00	15.00		0	0	
14	Oct-08		3.00	30.00	3.00	18.00		10	0	10
15	Nov-08		3.00	33.00	3.00	21.00	3	0	0	
16	Dec-08		3.00	36.00	3.00	24.00		0	0	
17	Jan-09		3.00	39.00	3.00	27.00		5	0	5
18	Feb-09		3.00	42.00	3.00	30.00		0	0	
19	Mar-09		3.00	45.00	3.00	33.00	4	0	0	
20	Apr-09		3.00	48.00	3.00	36.00		0	0	
21	May-09		3.00	51.00	3.00	39.00		0	0	
22	Jun-09		3.00	54.00	3.00	42.00	5	0	0	
23	Jul-09		1.00	55.00	3.00	45.00		0	0	
24	Aug-09		0.00	55.00	3.00	48.00		0	0	
25	Sep-09		0.00	55.00	3.00	51.00	6	0	0	
26	Oct-09	Closeout	0.00	55.00	3.00	54.00	Model	0	0	
27	Nov-09		0.00	55.00	1.00	55.00		0	0	
28	Dec-09		0.00	55.00	0.00	55.00		0	0	
29	Jan-10		0.00	55.00	0.00	55.00		0	0	
30	Feb-10		0.00	55.00	0.00	55.00		0	0	
31	Mar-10		0.00	55.00	0.00	55.00		0	0	
32	Apr-10		0.00	55.00	0.00	55.00		0	0	
33	May-10		0.00	55.00	0.00	55.00		0	0	
34	Jun-10		0.00	55.00	0.00	55.00		0	0	
35	Jul-10		0.00	55.00	0.00	55.00		0	0	
36	Aug-10		0.00	55.00	0.00	55.00		0	0	
37	Sep-10		0.00	55.00	0.00	55.00		0	0	
38	Oct-10		0.00	55.00	0.00	55.00		0	0	
39	Nov-10		0.00	55.00	0.00	55.00		0	0	
40	Dec-10		0.00	55.00	0.00	55.00		0	0	
41	Jan-11		0.00	55.00	0.00	55.00		0	0	
42	Feb-11		0.00	55.00	0.00	55.00		0	0	
43	Mar-11		0.00	55.00	0.00	55.00		0	0	
44	Apr-11		0.00	55.00	0.00	55.00		0	0	
45	May-11		0.00	55.00	0.00	55.00		0	0	
46	Jun-11		0.00	55.00	0.00	55.00		0	0	
47	Jul-11		0.00	55.00	0.00	55.00		0	0	
48	Aug-11		0.00	55.00	0.00	55.00		0	0	
49	Sep-11		0.00	55.00	0.00	55.00		0	0	
50	Oct-11		0.00	55.00	0.00	55.00		0	0	
51	Nov-11		0.00	55.00	0.00	55.00		0	0	
52	Dec-11		0.00	55.00	0.00	55.00		0	0	
53	Jan-12		0.00	55.00	0.00	55.00		0	0	
54	Feb-12		0.00	55.00	0.00	55.00		0	0	
55	Mar-12		0.00	55.00	0.00	55.00		0	0	
56	Apr-12		0.00	55.00	0.00	55.00		0	0	
57	May-12		0.00	55.00	0.00	55.00		0	0	
58	Jun-12		0.00	55.00	0.00	55.00		0	0	
59	Jul-12		0.00	55.00	0.00	55.00		0	0	
60	Aug-12		0.00	55.00	0.00	55.00		0	0	
			55.00		55.00			55	3	58

DEVELOPMENT METHOD STATIC MODEL

	Subtotal	Total	psf	% Sales
RETAIL REVENUES:				
Base Revenues	\$33,550,000		\$460.03	87.99%
Unit Premiums	\$3,355,000		46.00	8.80%
Options / Upgrades	\$951,600		13.05	2.50%
Model Premiums	\$274,500		3.76	0.72%
		\$38,131,100	\$522.85	100.00%
LESS COSTS:				
Predevelopment / Arch / Acquisition	\$137,500		\$1.89	0.36%
Engineering / Offsites / Intracts	\$0		\$0.00	0.00%
Fees Before Permit	\$0		\$0.00	0.00%
Fees @ Permit	\$2,301,970		\$31.56	6.04%
Building Permit / Plan Check @ Permit	\$109,395		\$1.50	0.29%
Reimbursements (CFD)	(\$2,246,916)		(\$30.81)	-5.89%
Reimbursements (Utility)	\$0		\$0.00	0.00%
Direct Construction	\$6,563,700		\$90.00	17.21%
Option / Upgrade Costs	\$679,714		\$9.32	1.78%
Indirect Construction / Insurance	\$364,650		\$5.00	0.96%
Common Areas / Rec. Complex	\$0		\$0.00	0.00%
Landscaping / Fencing	\$0		\$0.00	0.00%
Model Complex	\$732,000		\$10.04	1.92%
Model Conversion	\$15,000		\$0.21	0.04%
General & Administrative	\$1,143,933		\$15.69	3.00%
Sales & Closing Costs / Warranty	\$1,143,933		\$15.69	3.00%
Advertising / Marketing	\$762,622		\$10.46	2.00%
Misc. / Contingency	\$381,311		\$5.23	1.00%
Homeowners' Fees	\$97,325		\$1.33	0.26%
Property Taxes / Assessments	\$416,629		\$5.71	1.09%
Profit Participation	\$0		\$0.00	0.00%
Interest Reserve	\$1,953,022		\$26.78	5.12%
Loan Points & Fees	\$328,954		\$4.51	0.86%
		(\$14,884,742)	(\$204.10)	-39.04%
LESS BUILDER'S PROFIT*:		(\$4,575,732)	(\$62.74)	12.00%
RESIDUAL TO LAND:		\$18,670,626	\$256.01	48.96%
Number Residential Units		55		

PER UNIT BASIS:

\$339,466

***Indicated Rates of Return**

Profit as Percentage of Retail Sale Revenues:	12.00%
Profit as Cash-On-Cash Return Per Financing Assumptions (Leveraged):	95.20%
Implied Leveraged Internal Rate of Return (See DCF):	61.29%
Implied Non-Leveraged Internal Rate of Return (See DCF):	20.63%

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 0	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
SALES DATA:															
Cumulative Closings	55	---	0	0	0	0	0	0	0	0	0	0	6	9	12
Monthly Closings	55	---	0	0	0	0	0	0	0	0	0	0	6	3	3
Average Price	\$693,293	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$688,302	\$688,302	\$688,302
TOTAL PROCEEDS	\$38,131,100	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,129,811	\$2,064,905	\$2,064,905
LESS COSTS:															
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisition	\$137,500	0.00%	68,750	68,750	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intracts	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$2,301,970	0.00%	0	0	515,959	0	396,891	0	0	396,891	0	0	0	396,891	0
Building Permit / Plan Check @ Permit	\$109,395	0.00%	0	0	24,520	0	18,861	0	0	18,861	0	0	0	18,861	0
Reimbursements (CFD)	(\$2,246,916)	0.00%	0	(337,037)	(224,892)	(224,892)	(224,892)	(224,892)	(202,222)	(202,222)	(202,222)	(202,222)	(202,222)	0	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Direct Construction	\$6,563,700	0.00%	0	0	183,897	183,897	325,356	325,356	325,356	466,815	466,815	466,815	282,918	424,377	282,918
Option / Upgrade Costs	\$679,714	0.00%	0	0	0	0	0	0	0	0	61,792	61,792	61,792	61,792	0
Indirect Construction / Insurance	\$364,650	0.00%	0	0	14,550	14,550	14,550	14,550	14,550	14,550	14,550	14,550	14,550	14,550	14,550
Common Areas / Rec. Complex	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Model Complex	\$732,000	0.00%	0	0	0	0	0	0	0	0	366,000	366,000	0	0	0
Model Conversion	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrative	\$1,143,933	0.00%	0	43,997	43,997	43,997	43,997	43,997	43,997	43,997	43,997	43,997	43,997	43,997	43,997
Sales & Closing Costs / Warranty	\$1,143,933	0.00%	0	0	0	0	0	0	0	0	0	0	123,894	61,947	61,947
Advertising / Marketing	\$762,622	0.00%	0	0	0	0	38,131	38,131	34,318	34,318	34,318	34,318	34,318	34,318	34,318
Misc. / Contingency	\$381,311	0.00%	0	14,666	14,666	14,666	14,666	14,666	14,666	14,666	14,666	14,666	14,666	14,666	14,666
Homeowners' Fees	\$97,325	---	0	0	0	0	0	0	0	0	0	0	4,250	1,700	4,675
Property Taxes / Assessments	\$416,629	---	0	0	0	0	93,353	0	0	0	93,353	0	0	0	0
Profit Participation	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$12,602,766	---	\$68,750	(\$209,624)	\$572,897	\$32,418	\$721,114	\$212,009	\$230,665	\$787,876	\$893,269	\$799,916	\$378,163	\$1,073,100	\$457,071
NET MONTHLY PROCEEDS	---	---	(\$68,750)	\$209,624	(\$572,897)	(\$32,418)	(\$721,114)	(\$212,009)	(\$230,665)	(\$787,876)	(\$893,269)	(\$799,916)	\$3,751,647	\$991,805	\$1,607,834
NON-LEVERAGED NET PRESENT VALUE	Total	IRR													
	\$18,670,626	20.63%													
LOAN DATA:															
	Totals	Financing													
Land Draw	\$14,001,833	74.99%	0	14,001,833	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$175,023	1.25%	0	175,023	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$12,314,516	100.00%	0	0	572,897	32,418	721,114	212,009	230,665	787,876	893,269	799,916	378,163	1,073,100	457,071
Construction Draw Points & Fees	\$153,931	1.25%	0	0	34,502	0	26,540	0	0	26,540	0	0	0	26,540	0
Interest Reserve (forward)	\$1,953,022	9.00%	0	0	105,014	109,310	109,554	114,962	116,552	118,282	124,191	130,891	136,890	114,173	109,445
Loan Proceeds	\$28,598,325	---	\$0	\$14,176,856	\$712,412	\$141,729	\$857,208	\$326,971	\$347,217	\$932,698	\$1,017,460	\$930,806	\$515,053	\$1,213,813	\$566,516
Interest Reserve	(\$1,953,022)	---	0	0	(105,014)	(109,310)	(109,554)	(114,962)	(116,552)	(118,282)	(124,191)	(130,891)	(136,890)	(114,173)	(109,445)
Loan Points & Fees	(\$328,954)	---	0	(175,023)	(34,502)	0	(26,540)	0	0	(26,540)	0	0	0	(26,540)	0
Release Price Paydown	(\$29,316,349)	---	0	0	0	0	0	0	0	0	0	0	(3,407,094)	(1,703,547)	(1,703,547)
Monthly Loan Balance	\$0	---	\$0	\$14,001,833	\$572,897	\$32,418	\$721,114	\$212,009	\$230,665	\$787,876	\$893,269	\$799,916	(\$3,028,931)	(\$630,447)	(\$1,246,476)
Cumulative Loan Balance	\$0	---	\$0	\$14,001,833	\$14,574,730	\$14,607,148	\$15,328,262	\$15,540,271	\$15,770,936	\$16,558,812	\$17,452,081	\$18,251,997	\$15,223,066	\$14,592,619	\$13,346,144
NET MONTHLY PROCEEDS	\$25,528,334	---	(\$68,750)	\$14,211,457	\$0	\$722,717	\$361,358	\$361,358							
LEVERAGED NET PRESENT VALUE	Total	IRR													
	\$18,670,626	61.29%													

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
SALES DATA:														
Cumulative Closings	55	---	15	18	21	24	27	30	33	36	39	42	45	48
Monthly Closing	55	---	3	3	3	3	3	3	3	3	3	3	3	3
Average Price	\$693,293	0.00%	\$688,302	\$688,302	\$688,302	\$688,302	\$688,302	\$688,302	\$688,302	\$688,302	\$688,302	\$688,302	\$688,302	\$688,302
TOTAL PROCEEDS	\$38,131,100	0.00%	\$2,064,905	\$2,064,905	\$2,064,905	\$2,064,905	\$2,064,905	\$2,064,905	\$2,064,905	\$2,064,905	\$2,064,905	\$2,064,905	\$2,064,905	\$2,064,905
LESS COSTS:														
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisitio	\$137,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intract	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$2,301,970	0.00%	0	396,891	0	0	198,446	0	0	0	0	0	0	0
Building Permit / Plan Check @ Perm	\$109,395	0.00%	0	18,861	0	0	9,431	0	0	0	0	0	0	0
Reimbursements (CFD)	(\$2,246,916)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Direct Constructor	\$6,563,700	0.00%	282,918	424,377	282,918	282,918	353,648	353,648	212,189	212,189	212,189	70,730	70,730	70,730
Option / Upgrade Costs	\$679,714	0.00%	61,792	61,792	0	0	61,792	61,792	0	61,792	61,792	0	30,896	30,896
Indirect Construction / Insuranc	\$364,650	0.00%	14,550	14,550	14,550	14,550	14,550	14,550	14,550	14,550	14,550	14,550	14,550	14,550
Common Areas / Rec. Comple	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Comple	\$732,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Converter	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrativ	\$1,143,933	0.00%	43,997	43,997	43,997	43,997	43,997	43,997	43,997	43,997	43,997	43,997	43,997	43,997
Sales & Closing Costs / Warrant	\$1,143,933	0.00%	61,947	61,947	61,947	61,947	61,947	61,947	61,947	61,947	61,947	61,947	61,947	61,947
Advertising / Marketin	\$762,622	0.00%	34,318	34,318	34,318	34,318	34,318	34,318	34,318	34,318	34,318	34,318	34,318	34,318
Misc. / Contingenc	\$381,311	0.00%	14,666	14,666	14,666	14,666	14,666	14,666	14,666	14,666	14,666	14,666	14,666	14,666
Homeowners' Fees	\$97,325	---	3,400	2,125	5,100	3,825	2,550	1,275	4,250	2,975	1,700	4,675	3,400	2,125
Property Taxes / Assessments	\$416,629	---	0	0	0	153,642	0	0	0	45,879	0	0	0	0
Profit Participant	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$12,602,766	---	\$517,589	\$1,073,525	\$457,496	\$609,864	\$795,345	\$586,193	\$385,917	\$492,313	\$445,159	\$244,883	\$274,504	\$273,229
NET MONTHLY PROCEEDS	---	---	\$1,547,317	\$991,380	\$1,607,409	\$1,455,042	\$1,269,561	\$1,478,712	\$1,678,988	\$1,572,592	\$1,619,746	\$1,820,023	\$1,790,401	\$1,791,676
NON-LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$18,670,626	20.63%												
LOAN DATA:														
	Totals	Financing												
Land Draw	\$14,001,833	74.99%	0	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$175,023	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$12,314,516	100.00%	517,589	1,073,525	457,496	609,864	795,345	586,193	385,917	492,313	445,159	244,883	274,504	273,229
Construction Draw Points & Fees	\$153,931	1.25%	0	26,540	0	0	13,270	0	0	0	0	0	0	0
Interest Reserve (forward)	\$1,953,022	9.00%	100,096	91,201	86,476	77,131	68,928	62,117	53,737	43,854	34,770	25,332	14,392	3,674
Loan Proceeds	\$28,598,325	---	\$617,685	\$1,191,267	\$543,973	\$686,995	\$877,543	\$648,310	\$439,654	\$536,167	\$479,929	\$270,215	\$288,896	\$276,903
Interest Reserve	(\$1,953,022)	---	(100,096)	(91,201)	(86,476)	(77,131)	(68,928)	(62,117)	(53,737)	(43,854)	(34,770)	(25,332)	(14,392)	(3,674)
Loan Points & Fees	(\$328,954)	---	0	(26,540)	0	0	(13,270)	0	0	0	0	0	0	0
Release Price Paydown	(\$26,316,349)	---	(1,703,547)	(1,703,547)	(1,703,547)	(1,703,547)	(1,703,547)	(1,703,547)	(1,703,547)	(1,703,547)	(1,703,547)	(1,703,547)	(1,703,547)	(489,915)
Monthly Loan Balanc	\$0	---	(\$1,185,958)	(\$630,022)	(\$1,246,051)	(\$1,093,683)	(\$908,202)	(\$1,117,354)	(\$1,317,630)	(\$1,211,234)	(\$1,258,388)	(\$1,458,664)	(\$1,429,043)	(\$216,686)
Cumulative Loan Balanc	\$0	---	\$12,160,186	\$11,530,164	\$10,284,113	\$9,190,430	\$8,282,228	\$7,164,874	\$5,847,244	\$4,636,010	\$3,377,622	\$1,918,958	\$489,915	\$273,229
NET MONTHLY PROCEEDS	\$25,528,334	---	\$361,358	\$361,358	\$361,358	\$361,358	\$361,358	\$361,358	\$361,358	\$361,358	\$361,358	\$361,358	\$361,358	\$1,574,990
LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$18,670,626	61.29%												

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
SALES DATA:														
Cumulative Closings	55	—	51	54	55	55	55	55	55	55	55	55	55	55
Monthly Closings	55	—	3	3	1	0	0	0	0	0	0	0	0	0
Average Price	\$693,293	0.00%	\$688,302	\$749,302	\$779,802	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROCEEDS	\$38,131,100	0.00%	\$2,064,905	\$2,247,905	\$779,802	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LESS COSTS:														
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisition	\$137,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intracts	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$2,301,970	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Building Permit / Plan Check @ Permit	\$109,395	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (CFD)	(\$2,246,916)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Direct Construction	\$6,563,700	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Option / Upgrade Costs	\$679,714	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Indirect Construction / Insurance	\$364,650	0.00%	10,000	10,000	10,000	0	0	0	0	0	0	0	0	0
Common Areas / Rec. Complex	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Complex	\$732,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Conversion	\$15,000	0.00%	10,000	5,000	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrative	\$1,143,933	0.00%	43,997	43,997	0	0	0	0	0	0	0	0	0	0
Sales & Closing Costs / Warranty	\$1,143,933	0.00%	61,947	67,437	23,394	0	0	0	0	0	0	0	0	0
Advertising / Marketing	\$762,622	0.00%	34,318	0	0	0	0	0	0	0	0	0	0	0
Misc. / Contingency	\$381,311	0.00%	14,666	14,666	0	0	0	0	0	0	0	0	0	0
Homeowners' Fees	\$97,325	—	2,975	2,550	1,700	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275
Property Taxes / Assessments	\$416,629	—	0	0	0	30,401	0	0	0	0	0	0	0	0
Profit Participation	\$0	—	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$12,602,766	—	\$177,903	\$143,650	\$35,094	\$31,676	\$1,275							
NET MONTHLY PROCEEDS	—	—	\$1,887,002	\$2,104,255	\$744,708	(\$31,676)	(\$1,275)							
NON-LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$18,670,626	20.63%												
LOAN DATA:														
	Totals	Financing												
Land Draw	\$14,001,833	74.99%	0	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$175,023	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$12,314,516	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draw Points & Fees	\$153,931	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Interest Reserve (forward)	\$1,953,022	9.00%	2,049	0	0	0	0	0	0	0	0	0	0	0
Loan Proceeds	\$28,598,325	—	\$2,049	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Reserve	(\$1,953,022)	—	(2,049)	0	0	0	0	0	0	0	0	0	0	0
Loan Points & Fees	(\$328,954)	—	0	0	0	0	0	0	0	0	0	0	0	0
Release Price Paydown	(\$26,316,349)	—	(273,229)	0	0	0	0	0	0	0	0	0	0	0
Monthly Loan Balance	\$0	—	(\$273,229)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Loan Balance	\$0	—	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET MONTHLY PROCEEDS	\$25,528,334	—	\$1,613,773	\$2,104,255	\$744,708	(\$31,676)	(\$1,275)							
LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$18,670,626	61.29%												

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48
SALES DATA:														
Cumulative Closings	55	---	55	55	55	55	55	55	55	55	55	55	55	55
Monthly Closing:	55	---	0	0	0	0	0	0	0	0	0	0	0	0
Average Price	\$693,293	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROCEEDS	\$38,131,100	0.00%	\$0											
LESS COSTS:														
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisitio	\$137,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intract	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$2,301,970	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Building Permit / Plan Check @ Perm	\$109,395	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (CFD)	(\$2,246,916)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Direct Constructor	\$6,563,700	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Option / Upgrade Costs	\$679,714	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Indirect Construction / Insuranc	\$364,650	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Common Areas / Rec. Comple	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Comple	\$732,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Converter	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrativ	\$1,143,933	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Sales & Closing Costs / Warrant	\$1,143,933	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Advertising / Marketin	\$762,622	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Misc. / Contingenc	\$381,311	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Homeowners' Fees	\$97,325	---	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275
Property Taxes / Assessments	\$416,629	---	0	0	0	0	0	0	0	0	0	0	0	0
Profit Participator	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$12,602,766	---	\$1,275											
NET MONTHLY PROCEEDS	---	---	(\$1,275)											
NON-LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$18,670,626	20.63%												
LOAN DATA:														
	Totals	Financing												
Land Draw	\$14,001,833	74.99%	0	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$175,023	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$12,314,516	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draw Points & Fees	\$153,931	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Interest Reserve (forward)	\$1,953,022	9.00%	0	0	0	0	0	0	0	0	0	0	0	0
Loan Proceeds	\$28,598,325	---	\$0											
Interest Reserve	(\$1,953,022)	---	0	0	0	0	0	0	0	0	0	0	0	0
Loan Points & Fees	(\$328,954)	---	0	0	0	0	0	0	0	0	0	0	0	0
Release Price Paydown	(\$26,316,349)	---	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Loan Balance	\$0	---	\$0											
Cumulative Loan Balance	\$0	---	\$0											
NET MONTHLY PROCEEDS	\$25,528,334	---	(\$1,275)											
LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$18,670,626	61.29%												

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 49	Month 50	Month 51	Month 52	Month 53	Month 54	Month 55	Month 56	Month 57	Month 58	Month 59	Month 60	Totals	% of Sales
SALES DATA:																
Cumulative Closings	55	---	55	55	55	55	55	55	55	55	55	55	55	55	55	---
Monthly Closings	55	---	0	0	0	0	0	0	0	0	0	0	0	0	555	---
Average Price	\$693,293	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$693,293	---
TOTAL PROCEEDS	\$38,131,100	0.00%	\$0	\$38,131,100	---											
LESS COSTS:																
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Predevelopment / Arch / Acquisition	\$137,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$137,500	0.36%
Engineering / Offsites / Intracts	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Fees @ Permit	\$2,301,970	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$2,301,970	6.04%
Building Permit / Plan Check @ Permit	\$109,395	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$109,395	0.29%
Reimbursements (CFD)	(\$2,246,916)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	(\$2,246,916)	-5.89%
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Direct Construction	\$6,563,700	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$6,563,700	17.21%
Option / Upgrade Costs	\$679,714	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$679,714	1.78%
Indirect Construction / Insurance	\$364,650	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$364,650	0.96%
Common Areas / Rec. Complex	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Landscaping / Fencing	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Model Complex	\$732,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$732,000	1.92%
Model Conversion	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$15,000	0.04%
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
General & Administrative	\$1,143,933	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$1,143,933	3.00%
Sales & Closing Costs / Warranty	\$1,143,933	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$1,143,933	3.00%
Advertising / Marketing	\$762,622	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$762,622	2.00%
Misc. / Contingency	\$381,311	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$381,311	1.00%
Homeowners' Fees	\$97,325	---	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	\$97,325	0.26%
Property Taxes / Assessments	\$416,629	---	0	0	0	0	0	0	0	0	0	0	0	0	\$416,629	1.09%
Profit Participation	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
TOTAL COSTS	\$12,602,766	---	\$1,275	\$12,602,766	33.05%											
NET MONTHLY PROCEEDS	---	---	(\$1,275)	\$25,528,334	66.95%											
NON-LEVERAGED NET PRESENT VALUE	Total	IRR													Total	IRR
	\$18,670,626	20.63%													\$18,670,626	20.63%
LOAN DATA:																
	Totals	Financing													Totals	LTV
Land Draw	\$14,001,833	74.99%	0	0	0	0	0	0	0	0	0	0	0	0	\$14,001,833	36.72%
Land Draw Points & Fees	\$175,023	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	\$175,023	0.46%
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Construction Draws	\$12,314,516	100.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$12,314,516	32.30%
Construction Draw Points & Fees	\$153,931	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	\$153,931	0.40%
Interest Reserve (forward)	\$1,953,022	9.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$1,953,022	5.12%
Loan Proceeds	\$28,598,325	---	\$0	\$28,598,325	75.00%											
Interest Reserve	(\$1,953,022)	---	0	0	0	0	0	0	0	0	0	0	0	0	(\$1,953,022)	-5.12%
Loan Points & Fees	(\$328,954)	---	0	0	0	0	0	0	0	0	0	0	0	0	(\$328,954)	-0.86%
Release Price Paydown	(\$26,316,349)	---	0	0	0	0	0	0	0	0	0	0	0	0	(\$26,316,349)	-69.02%
Monthly Loan Balance	\$0	---	\$0	0.00%												
Cumulative Loan Balance	\$0	---	\$0	0.00%												
NET MONTHLY PROCEEDS	\$25,528,334	---	(\$1,275)	\$25,528,334	66.95%											
LEVERAGED NET PRESENT VALUE	Total	IRR													Total	IRR
	\$18,670,626	61.29%													\$18,670,626	61.29%

DEVELOPMENT APPROACH ASSUMPTIONS

Retail Revenue Assumptions (Static)				Annual Trending Assumptions (By Month)					Yield	Percent
Average Price	Per	Total	1-12	13-24	25-36	37-48	49-60	Total	Difference	
Production Homes	\$908,324	prod unit	\$39,966,277	---	---	---	---	---	---	
Model Homes	\$1,039,574	model	\$3,118,723	---	---	---	---	---	---	
Total Homes	\$916,702	unit	\$43,085,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$43,085,000	0.00%
Product Assumptions				Finance Assumptions		Financing	Pts & Fees	Proceeds	LTV	
Total Home Square Footage			105,750	Land Draw		71.79%	1.25%	\$13,644,605	31.67%	
Average Home Square Footage			2,250	Development Draw		100.00%	1.25%	\$0	0.00%	
Production Homes			44	Construction Draw		100.00%	1.25%	\$16,656,156	38.66%	
Model Homes			3	Interest Rate		9.00%	---	\$2,012,989	4.67%	
Total Homes			47	Max. Loan / Retail Value (Static)		75.00%	---	\$32,313,750	---	
Option / Upgrade Retail Markup			40%	Indicated Loan Proceeds		---	---	\$32,313,750	75.00%	
Construction Period Per Phase (Months)			8	Release Price		110.00%	---	---	---	
Absorption Assumptions				Rate Assumptions		Profit / Rate	Hybrid Rate Assumptions		Profit / Rate	
Number of Product Lines			1.00	Profit (Static Model)		12.00%	Profit in Cash Flow		0.00%	
Sustained Monthly Sales Rate			3.00	Leveraged IRR (Yield Model)		68.58%	Leveraged IRR (Yield Model)		---	
Effective Monthly Sales Rate			2.35	Non-Leveraged IRR (Yield Model)		22.53%	Non-Leveraged IRR (Yield Model)		---	
Cost Assumptions (Static)				Annual Trending Assumptions (By Month)					Yield	Percent
Cost	Per	Total	1-12	13-24	25-36	37-48	49-60	Total	Difference	
Predevelopment / Arch / Acquisition	\$2,500	unit	\$117,500	0.00%	0.00%	0.00%	0.00%	0.00%	\$117,500	0.00%
Engineering / Offsites / Intracts	\$0	unit	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	\$0	0.00%
Fees Before Permit	\$0	unit	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	\$0	0.00%
Fees @ Permit	\$72,908	unit	\$3,426,676	0.00%	0.00%	0.00%	0.00%	0.00%	\$3,426,676	0.00%
Building Permit / Plan Check @ Permit	\$3,375	unit	\$158,625	0.00%	0.00%	0.00%	0.00%	0.00%	\$158,625	0.00%
Reimbursements (CFD)	(\$67,890)	unit	(\$3,190,827)	0.00%	0.00%	0.00%	0.00%	0.00%	(\$3,190,827)	0.00%
Reimbursements (Utility)	\$0	unit	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	\$0	0.00%
Direct Construction	\$90.00	sf	\$9,517,500	0.00%	0.00%	0.00%	0.00%	0.00%	\$9,517,500	0.00%
Option / Upgrade Costs	\$18,750	prod unit	\$825,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$825,000	0.00%
Indirect Construction / Insurance	\$5.00	sf	\$528,750	0.00%	0.00%	0.00%	0.00%	0.00%	\$528,750	0.00%
Common Areas / Rec. Complex	\$0	unit	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	\$0	0.00%
Landscaping / Fencing	\$0	prod unit	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	\$0	0.00%
Model Complex	\$350,000	model	\$1,050,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,050,000	0.00%
Model Conversion	\$5,000	model	\$15,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$15,000	0.00%
General & Administrative	3.00%	sales	\$1,292,550	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,292,550	0.00%
Sales & Closing Costs / Warranty	3.00%	sales	\$1,292,550	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,292,550	0.00%
Advertising / Marketing	2.00%	sales	\$861,700	0.00%	0.00%	0.00%	0.00%	0.00%	\$861,700	0.00%
Misc. / Contingency	1.00%	sales	\$430,850	0.00%	0.00%	0.00%	0.00%	0.00%	\$430,850	0.00%
Homeowners' Fees	-\$425	unit/month	\$42,075	---	---	---	---	---	\$42,075	0.00%
Property Taxes / Assessments	1.50%	per schedule	\$387,155	---	---	---	---	---	\$387,155	0.00%
Profit Participation		per schedule	\$0	---	---	---	---	---	\$0	0.00%
Interest Reserve		per schedule	\$2,012,989	---	---	---	---	---	\$2,012,989	---
Loan Points & Fees		per schedule	\$374,083	---	---	---	---	---	\$374,083	---

DEVELOPMENT & SALES SCHEDULE

Item	Month	Absorption Assumptions	
Start Builder Intracts:	1	Number Units:	47
Start Models:	2	Sales Rate (Sustained):	3.00
Start Production:	2	Sales Period (# months):	20
Initial Release:	5	Sales Rate (Effective):	2.35
Initial Delivery:	10	Number Phases:	5
Closeout:	24	Number Models:	3

Mo	Date	Monthly Sales	Cumulative Sales	Monthly Closings	Cumulative Closings	Phase Closings	Phase Permits
0	Aug-07	0.00	0.00	0.00	0.00		
1	Sep-07	0.00	0.00	0.00	0.00		
2	Oct-07	0.00	0.00	0.00	0.00		13
3	Nov-07	0.00	0.00	0.00	0.00		
4	Dec-07	0.00	0.00	0.00	0.00		10
5	Jan-08	3.00	3.00	0.00	0.00		
6	Feb-08	3.00	6.00	0.00	0.00		
7	Mar-08	3.00	9.00	0.00	0.00		10
8	Apr-08	3.00	12.00	0.00	0.00		
9	May-08	3.00	15.00	0.00	0.00		
10	Jun-08	3.00	18.00	6.00	6.00	1	
11	Jul-08	3.00	21.00	3.00	9.00		10
12	Aug-08	3.00	24.00	3.00	12.00	2	
13	Sep-08	3.00	27.00	3.00	15.00		
14	Oct-08	3.00	30.00	3.00	18.00		4
15	Nov-08	3.00	33.00	3.00	21.00	3	
16	Dec-08	3.00	36.00	3.00	24.00		
17	Jan-09	3.00	39.00	3.00	27.00		
18	Feb-09	3.00	42.00	3.00	30.00		
19	Mar-09	3.00	45.00	3.00	33.00	4	
20	Apr-09	2.00	47.00	3.00	36.00		
21	May-09	0.00	47.00	3.00	39.00		
22	Jun-09	0.00	47.00	3.00	42.00	5	
23	Jul-09	0.00	47.00	3.00	45.00	Model	
24	Aug-09	0.00	47.00	2.00	47.00		
25	Sep-09	0.00	47.00	0.00	47.00		
26	Oct-09	0.00	47.00	0.00	47.00		
27	Nov-09	0.00	47.00	0.00	47.00		
28	Dec-09	0.00	47.00	0.00	47.00		
29	Jan-10	0.00	47.00	0.00	47.00		
30	Feb-10	0.00	47.00	0.00	47.00		
31	Mar-10	0.00	47.00	0.00	47.00		
32	Apr-10	0.00	47.00	0.00	47.00		
33	May-10	0.00	47.00	0.00	47.00		
34	Jun-10	0.00	47.00	0.00	47.00		
35	Jul-10	0.00	47.00	0.00	47.00		
36	Aug-10	0.00	47.00	0.00	47.00		
37	Sep-10	0.00	47.00	0.00	47.00		
38	Oct-10	0.00	47.00	0.00	47.00		
39	Nov-10	0.00	47.00	0.00	47.00		
40	Dec-10	0.00	47.00	0.00	47.00		
41	Jan-11	0.00	47.00	0.00	47.00		
42	Feb-11	0.00	47.00	0.00	47.00		
43	Mar-11	0.00	47.00	0.00	47.00		
44	Apr-11	0.00	47.00	0.00	47.00		
45	May-11	0.00	47.00	0.00	47.00		
46	Jun-11	0.00	47.00	0.00	47.00		
47	Jul-11	0.00	47.00	0.00	47.00		
48	Aug-11	0.00	47.00	0.00	47.00		
49	Sep-11	0.00	47.00	0.00	47.00		
50	Oct-11	0.00	47.00	0.00	47.00		
51	Nov-11	0.00	47.00	0.00	47.00		
52	Dec-11	0.00	47.00	0.00	47.00		
53	Jan-12	0.00	47.00	0.00	47.00		
54	Feb-12	0.00	47.00	0.00	47.00		
55	Mar-12	0.00	47.00	0.00	47.00		
56	Apr-12	0.00	47.00	0.00	47.00		
57	May-12	0.00	47.00	0.00	47.00		
58	Jun-12	0.00	47.00	0.00	47.00		
59	Jul-12	0.00	47.00	0.00	47.00		
60	Aug-12	0.00	47.00	0.00	47.00		
		47.00		47.00			47

DEVELOPMENT METHOD STATIC MODEL

	Subtotal	Total	psf	% Sales
RETAIL REVENUES:				
Base Revenues	\$41,125,000		\$388.89	95.45%
Unit Premiums	\$411,250		3.89	0.95%
Options / Upgrades	\$1,155,000		10.92	2.68%
Model Premiums	\$393,750		3.72	0.91%
		\$43,085,000	\$407.42	100.00%
LESS COSTS:				
Predevelopment / Arch / Acquisition	\$117,500		\$1.11	0.27%
Engineering / Offsites / Intracts	\$0		\$0.00	0.00%
Fees Before Permit	\$0		\$0.00	0.00%
Fees @ Permit	\$3,426,676		\$32.40	7.95%
Building Permit / Plan Check @ Permit	\$158,625		\$1.50	0.37%
Reimbursements (CFD)	(\$3,190,827)		(\$30.17)	-7.41%
Reimbursements (Utility)	\$0		\$0.00	0.00%
Direct Construction	\$9,517,500		\$90.00	22.09%
Option / Upgrade Costs	\$825,000		\$7.80	1.91%
Indirect Construction / Insurance	\$528,750		\$5.00	1.23%
Common Areas / Rec. Complex	\$0		\$0.00	0.00%
Landscaping / Fencing	\$0		\$0.00	0.00%
Model Complex	\$1,050,000		\$9.93	2.44%
Model Conversion	\$15,000		\$0.14	0.03%
General & Administrative	\$1,292,550		\$12.22	3.00%
Sales & Closing Costs / Warranty	\$1,292,550		\$12.22	3.00%
Advertising / Marketing	\$861,700		\$8.15	2.00%
Misc. / Contingency	\$430,850		\$4.07	1.00%
Homeowners' Fees	\$42,075		\$0.40	0.10%
Property Taxes / Assessments	\$387,155		\$3.66	0.90%
Profit Participation	\$0		\$0.00	0.00%
Interest Reserve	\$2,012,989		\$19.04	4.67%
Loan Points & Fees	\$374,083		\$3.54	0.87%
		(\$19,142,177)	(\$181.01)	-44.43%
LESS BUILDER'S PROFIT*:		(\$5,170,200)	(\$48.89)	12.00%
RESIDUAL TO LAND:		\$18,772,623	\$177.52	43.57%
Number Residential Units		47		
PER UNIT BASIS:		\$399,418		

***Indicated Rates of Return**

Profit as Percentage of Retail Sale Revenues:	12.00%
Profit as Cash-On-Cash Return Per Financing Assumptions (Leveraged):	95.50%
Implied Leveraged Internal Rate of Return (See DCF):	68.58%
Implied Non-Leveraged Internal Rate of Return (See DCF):	22.53%

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 0	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
SALES DATA:															
Cumulative Closings	47	---	0	0	0	0	0	0	0	0	0	0	6	9	12
Monthly Closings	47	---	0	0	0	0	0	0	0	0	0	0	6	3	5
Average Price	\$916,702	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$908,324	\$908,324	\$908,324
TOTAL PROCEEDS	\$43,085,000	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,449,947	\$2,724,973	\$2,724,973
LESS COSTS:															
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisition	\$117,500	0.00%	58,750	58,750	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intracts	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$3,426,676	0.00%	0	0	947,804	0	729,080	0	0	729,080	0	0	0	729,080	0
Building Permit / Plan Check @ Permit	\$158,625	0.00%	0	0	43,875	0	33,750	0	0	33,750	0	0	0	33,750	0
Reimbursements (CFD)	(\$3,190,827)	0.00%	0	(478,624)	(319,083)	(319,083)	(319,083)	(319,083)	(287,174)	(287,174)	(287,174)	(287,174)	(287,174)	0	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Direct Construction	\$9,517,500	0.00%	0	0	329,063	329,063	582,188	582,188	582,188	835,313	835,313	835,313	506,250	759,375	506,250
Option / Upgrade Costs	\$825,000	0.00%	0	0	0	0	0	0	0	0	93,750	93,750	93,750	93,750	0
Indirect Construction / Insurance	\$528,750	0.00%	0	0	24,938	24,938	24,938	24,938	24,938	24,938	24,938	24,938	24,938	24,938	24,938
Common Areas / Rec. Complex	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Model Complex	\$1,050,000	0.00%	0	0	0	0	0	0	0	0	525,000	525,000	0	0	0
Model Conversion	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrative	\$1,292,550	0.00%	0	53,856	53,856	53,856	53,856	53,856	53,856	53,856	53,856	53,856	53,856	53,856	53,856
Sales & Closing Costs / Warranty	\$1,292,550	0.00%	0	0	0	0	0	0	0	0	0	0	163,498	81,749	81,749
Advertising / Marketing	\$861,700	0.00%	0	0	0	0	43,085	43,085	43,085	43,085	43,085	43,085	43,085	43,085	43,085
Misc. / Contingency	\$430,850	0.00%	0	17,952	17,952	17,952	17,952	17,952	17,952	17,952	17,952	17,952	17,952	17,952	17,952
Homeowners' Fees	\$42,075	---	0	0	0	0	0	0	0	0	0	0	4,250	1,700	4,675
Property Taxes / Assessments	\$387,155	---	0	0	0	0	93,863	0	0	0	93,863	0	0	0	0
Profit Participation	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$16,755,104	---	\$58,750	(\$348,066)	\$1,098,405	\$106,726	\$1,259,629	\$402,936	\$434,844	\$1,450,799	\$1,400,582	\$1,306,719	\$620,405	\$1,839,235	\$732,505
NET MONTHLY PROCEEDS	---	---	(\$58,750)	\$348,066	(\$1,098,405)	(\$106,726)	(\$1,259,629)	(\$402,936)	(\$434,844)	(\$1,450,799)	(\$1,400,582)	(\$1,306,719)	\$4,829,542	\$885,738	\$1,992,468
NON-LEVERAGED NET PRESENT VALUE	Total	IRR													
	\$18,772,623	22.53%													
LOAN DATA:															
	Totals	Financing													
Land Draw	\$13,476,153	71.79%	0	13,476,153	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$168,452	1.25%	0	168,452	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$16,450,524	100.00%	0	0	1,098,405	106,726	1,259,629	402,936	434,844	1,450,799	1,400,582	1,306,719	620,405	1,839,235	732,505
Construction Draw Points & Fees	\$205,632	1.25%	0	0	56,877	0	43,751	0	0	43,751	0	0	0	43,751	0
Interest Reserve (forward)	\$2,012,989	9.00%	0	0	101,071	109,309	110,110	119,557	122,579	125,840	136,721	147,226	157,026	127,957	124,891
Loan Proceeds	\$32,313,750	---	\$0	\$13,644,605	\$1,256,353	\$216,035	\$1,413,490	\$522,492	\$557,423	\$1,620,390	\$1,537,303	\$1,453,944	\$777,431	\$2,010,944	\$857,396
Interest Reserve	(\$2,012,989)	---	0	0	(101,071)	(109,309)	(110,110)	(119,557)	(122,579)	(125,840)	(136,721)	(147,226)	(157,026)	(127,957)	(124,891)
Loan Points & Fees	(\$374,083)	---	0	(168,452)	(56,877)	0	(43,751)	0	0	(43,751)	0	0	0	(43,751)	0
Release Price Paydown	(\$29,926,677)	---	0	0	0	0	0	0	0	0	0	0	(4,496,206)	(2,248,103)	(2,248,103)
Monthly Loan Balance	\$0	---	\$0	\$13,476,153	\$1,098,405	\$106,726	\$1,259,629	\$402,936	\$434,844	\$1,450,799	\$1,400,582	\$1,306,719	(\$3,875,801)	(\$408,868)	(\$1,515,598)
Cumulative Loan Balance	\$0	---	\$0	\$13,476,153	\$14,574,558	\$14,681,283	\$15,940,912	\$16,343,848	\$16,778,692	\$18,229,490	\$19,630,072	\$20,936,791	\$17,060,990	\$16,652,122	\$15,136,524
NET MONTHLY PROCEEDS	\$26,329,896	---	(\$58,750)	\$13,824,219	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$953,741	\$476,870	\$476,870
LEVERAGED NET PRESENT VALUE	Total	IRR													
	\$18,772,623	68.58%													

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
SALES DATA:														
Cumulative Closings	47	---	15	18	21	24	27	30	33	36	39	42	45	47
Monthly Closing	47	---	3	3	3	3	3	3	3	3	3	3	3	2
Average Price	\$916,702	0.00%	\$908,324	\$908,324	\$908,324	\$908,324	\$908,324	\$908,324	\$908,324	\$908,324	\$908,324	\$908,324	\$952,074	\$1,039,574
TOTAL PROCEEDS	\$43,085,000	0.00%	\$2,724,973	\$2,724,973	\$2,856,223	\$2,079,149								
LESS COSTS:														
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisitio	\$117,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intract	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$3,426,676	0.00%	0	291,632	0	0	0	0	0	0	0	0	0	0
Building Permit / Plan Check @ Perm	\$158,625	0.00%	0	13,500	0	0	0	0	0	0	0	0	0	0
Reimbursements (CFD)	(\$3,190,827)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Direct Constructor	\$9,517,500	0.00%	506,250	607,500	354,375	354,375	354,375	354,375	101,250	101,250	101,250	0	0	0
Option / Upgrade Costs	\$825,000	0.00%	93,750	93,750	0	0	93,750	93,750	0	37,500	37,500	0	0	0
Indirect Construction / Insuranc	\$528,750	0.00%	24,938	24,938	24,938	24,938	24,938	24,938	24,938	24,938	24,938	10,000	10,000	10,000
Common Areas / Rec. Comple	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Comple	\$1,050,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Converter	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	5,000	10,000	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrativ	\$1,292,550	0.00%	53,856	53,856	53,856	53,856	53,856	53,856	53,856	53,856	53,856	53,856	53,856	53,856
Sales & Closing Costs / Warrant	\$1,292,550	0.00%	81,749	81,749	81,749	81,749	81,749	81,749	81,749	81,749	81,749	81,749	85,687	62,374
Advertising / Marketin	\$861,700	0.00%	43,085	43,085	43,085	43,085	43,085	43,085	43,085	43,085	43,085	43,085	43,085	0
Misc. / Contingenc	\$430,850	0.00%	17,952	17,952	17,952	17,952	17,952	17,952	17,952	17,952	17,952	17,952	17,952	17,952
Homeowners' Fees	\$42,075	---	3,400	2,125	5,100	3,825	2,550	1,275	4,250	2,975	1,700	2,125	1,275	850
Property Taxes / Assessments	\$387,155	---	0	0	0	148,503	0	0	0	37,685	0	0	0	0
Profit Participant	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$16,755,104	---	\$824,980	\$1,230,087	\$581,055	\$728,283	\$672,255	\$670,980	\$327,080	\$400,990	\$362,030	\$213,768	\$221,855	\$145,033
NET MONTHLY PROCEEDS	---	---	\$1,899,993	\$1,494,886	\$2,143,918	\$1,996,690	\$2,052,718	\$2,053,993	\$2,397,893	\$2,323,983	\$2,362,943	\$2,511,206	\$2,634,368	\$1,934,116
NON-LEVERAGED NET PRESENT VALUE	\$18,772,623	IRR 22.53%												
LOAN DATA:														
	Totals	Financing												
Land Draw	\$13,476,153	71.79%	0	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$168,452	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$16,450,524	100.00%	824,980	1,230,087	581,055	728,283	672,255	670,980	327,080	400,990	362,030	0	0	0
Construction Draw Points & Fees	\$205,632	1.25%	0	17,501	0	0	0	0	0	0	0	0	0	0
Interest Reserve (forward)	\$2,012,989	9.00%	113,524	102,851	95,215	82,713	71,314	59,495	47,667	33,259	19,406	5,260	0	0
Loan Proceeds	\$32,313,750	---	\$938,504	\$1,350,438	\$676,270	\$810,996	\$743,569	\$730,475	\$374,747	\$434,249	\$381,436	\$5,260	\$0	\$0
Interest Reserve	(\$2,012,989)	---	(113,524)	(102,851)	(95,215)	(82,713)	(71,314)	(59,495)	(47,667)	(33,259)	(19,406)	(5,260)	0	0
Loan Points & Fees	(\$374,083)	---	0	(17,501)	0	0	0	0	0	0	0	0	0	0
Release Price Paydown	(\$29,926,677)	---	(2,248,103)	(2,248,103)	(2,248,103)	(2,248,103)	(2,248,103)	(2,248,103)	(2,248,103)	(2,248,103)	(2,248,103)	(701,337)	0	0
Monthly Loan Balance	\$0	---	(\$1,423,123)	(\$1,018,016)	(\$1,667,048)	(\$1,519,820)	(\$1,575,848)	(\$1,577,123)	(\$1,921,023)	(\$1,847,113)	(\$1,886,073)	(\$701,337)	\$0	\$0
Cumulative Loan Balance	\$0	---	\$13,713,401	\$12,695,385	\$11,028,337	\$9,508,517	\$7,932,669	\$6,355,546	\$4,434,523	\$2,587,410	\$701,337	\$0	\$0	\$0
NET MONTHLY PROCEEDS	\$26,329,896	---	\$476,870	\$1,809,869	\$2,634,368	\$1,934,116								
LEVERAGED NET PRESENT VALUE	\$18,772,623	IRR 68.58%												

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
SALES DATA:														
Cumulative Closings	47	—	47	47	47	47	47	47	47	47	47	47	47	47
Monthly Closings	47	—	0	0	0	0	0	0	0	0	0	0	0	0
Average Price	\$916,702	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROCEEDS	\$43,085,000	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LESS COSTS:														
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisition	\$117,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intracts	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$3,426,676	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Building Permit / Plan Check @ Permit	\$158,625	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (CFD)	(\$3,190,827)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Direct Construction	\$9,517,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Option / Upgrade Costs	\$825,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Indirect Construction / Insurance	\$528,750	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Common Areas / Rec. Complex	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Complex	\$1,050,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Conversion	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrative	\$1,292,550	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Sales & Closing Costs / Warranty	\$1,292,550	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Advertising / Marketing	\$861,700	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Misc. / Contingency	\$430,850	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Homeowners' Fees	\$42,075	—	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes / Assessments	\$387,155	—	0	0	0	13,241	0	0	0	0	0	0	0	0
Profit Participation	\$0	—	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$16,755,104	—	\$0	\$0	\$0	\$13,241	\$0							
NET MONTHLY PROCEEDS	—	—	\$0	\$0	\$0	(\$13,241)	\$0							
NON-LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$18,772,623	22.53%												
LOAN DATA:														
	Totals	Financing												
Land Draw	\$13,476,153	71.79%	0	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$168,452	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$16,450,524	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draw Points & Fees	\$205,632	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Interest Reserve (forward)	\$2,012,989	9.00%	0	0	0	0	0	0	0	0	0	0	0	0
Loan Proceeds	\$32,313,750	—	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Reserve	(\$2,012,989)	—	0	0	0	0	0	0	0	0	0	0	0	0
Loan Points & Fees	(\$374,083)	—	0	0	0	0	0	0	0	0	0	0	0	0
Release Price Paydown	(\$29,926,677)	—	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Loan Balance	\$0	—	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Loan Balance	\$0	—	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET MONTHLY PROCEEDS	\$26,329,896	—	\$0	\$0	\$0	(\$13,241)	\$0							
LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$18,772,623	68.58%												

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48
SALES DATA:														
Cumulative Closings	47	---	47	47	47	47	47	47	47	47	47	47	47	47
Monthly Closing:	47	---	0	0	0	0	0	0	0	0	0	0	0	0
Average Price	\$916,702	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROCEEDS	\$43,085,000	0.00%	\$0											
LESS COSTS:														
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisitio	\$117,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intract	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$3,426,676	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Building Permit / Plan Check @ Perm	\$158,625	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (CFD)	(\$3,190,827)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Direct Constructor	\$9,517,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Option / Upgrade Costs	\$825,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Indirect Construction / Insuranc	\$528,750	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Common Areas / Rec. Comple	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Comple	\$1,050,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Converter	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrativ	\$1,292,550	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Sales & Closing Costs / Warrant	\$1,292,550	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Advertising / Marketin	\$861,700	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Misc. / Contingenc	\$430,850	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Homeowners' Fees	\$42,075	---	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes / Assessments	\$387,155	---	0	0	0	0	0	0	0	0	0	0	0	0
Profit Participator	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$16,755,104	---	\$0											
NET MONTHLY PROCEEDS	---	---	\$0											
NON-LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$18,772,623	22.53%												
LOAN DATA:														
	Totals	Financing												
Land Draw	\$13,476,153	71.79%	0	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$168,452	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$16,450,524	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draw Points & Fees	\$205,632	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Interest Reserve (forward)	\$2,012,989	9.00%	0	0	0	0	0	0	0	0	0	0	0	0
Loan Proceeds	\$32,313,750	---	\$0											
Interest Reserve	(\$2,012,989)	---	0	0	0	0	0	0	0	0	0	0	0	0
Loan Points & Fees	(\$374,083)	---	0	0	0	0	0	0	0	0	0	0	0	0
Release Price Paydown	(\$29,926,677)	---	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Loan Balanc	\$0	---	\$0											
Cumulative Loan Balanc	\$0	---	\$0											
NET MONTHLY PROCEEDS	\$26,329,896	---	\$0											
LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$18,772,623	68.58%												

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 49	Month 50	Month 51	Month 52	Month 53	Month 54	Month 55	Month 56	Month 57	Month 58	Month 59	Month 60	Totals	% of Sales
SALES DATA:																
Cumulative Closings	47	---	47	47	47	47	47	47	47	47	47	47	47	47	47	---
Monthly Closings	47	---	0	0	0	0	0	0	0	0	0	0	0	0	47	---
Average Price	\$916,702	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$916,702	---
TOTAL PROCEEDS	\$43,085,000	0.00%	\$0	\$43,085,000	---											
LESS COSTS:																
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Predevelopment / Arch / Acquisition	\$117,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$117,500	0.27%
Engineering / Offsites / Intracts	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Fees @ Permit	\$3,426,676	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$3,426,676	7.95%
Building Permit / Plan Check @ Permit	\$158,625	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$158,625	0.37%
Reimbursements (CFD)	(\$3,190,827)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	(\$3,190,827)	-7.41%
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Direct Construction	\$9,517,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$9,517,500	22.09%
Option / Upgrade Costs	\$825,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$825,000	1.91%
Indirect Construction / Insurance	\$528,750	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$528,750	1.23%
Common Areas / Rec. Complex	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Landscaping / Fencing	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Model Complex	\$1,050,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$1,050,000	2.44%
Model Conversion	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$15,000	0.03%
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
General & Administrative	\$1,292,550	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$1,292,550	3.00%
Sales & Closing Costs / Warranty	\$1,292,550	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$1,292,550	3.00%
Advertising / Marketing	\$861,700	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$861,700	2.00%
Misc. / Contingency	\$430,850	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$430,850	1.00%
Homeowners' Fees	\$42,075	---	0	0	0	0	0	0	0	0	0	0	0	0	\$42,075	0.10%
Property Taxes / Assessments	\$387,155	---	0	0	0	0	0	0	0	0	0	0	0	0	\$387,155	0.90%
Profit Participation	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
TOTAL COSTS	\$16,755,104	---	\$0	\$16,755,104	38.89%											
NET MONTHLY PROCEEDS	---	---	\$0	\$26,329,896	61.11%											
NON-LEVERAGED NET PRESENT VALUE	Total	IRR													Total	IRR
	\$18,772,623	22.53%													\$18,772,623	22.53%
LOAN DATA:																
	Totals	Financing													Totals	LTV
Land Draw	\$13,476,153	71.79%	0	0	0	0	0	0	0	0	0	0	0	0	\$13,476,153	31.28%
Land Draw Points & Fees	\$168,452	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	\$168,452	0.39%
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Construction Draws	\$16,450,524	100.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$16,450,524	38.18%
Construction Draw Points & Fees	\$205,632	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	\$205,632	0.48%
Interest Reserve (forward)	\$2,012,989	9.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$2,012,989	4.67%
Loan Proceeds	\$32,313,750	---	\$0	\$32,313,750	75.00%											
Interest Reserve	(\$2,012,989)	---	0	0	0	0	0	0	0	0	0	0	0	0	(\$2,012,989)	-4.67%
Loan Points & Fees	(\$374,083)	---	0	0	0	0	0	0	0	0	0	0	0	0	(\$374,083)	-0.87%
Release Price Paydown	(\$29,926,677)	---	0	0	0	0	0	0	0	0	0	0	0	0	(\$29,926,677)	-69.46%
Monthly Loan Balance	\$0	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Cumulative Loan Balance	\$0	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
NET MONTHLY PROCEEDS	\$26,329,896	---	\$0	\$26,329,896	61.11%											
LEVERAGED NET PRESENT VALUE	Total	IRR													Total	IRR
	\$18,772,623	68.58%													\$18,772,623	68.58%

DEVELOPMENT APPROACH ASSUMPTIONS

Retail Revenue Assumptions (Static)				Annual Trending Assumptions (By Month)					Yield	Percent
Average Price	Per	Total		1-12	13-24	25-36	37-48	49-60	Total	Difference
Production Homes	\$1,416,332	prod lot	\$143,049,505	---	---	---	---	---	---	---
Model Homes	\$1,618,832	model	\$4,856,495	---	---	---	---	---	---	---
Total Homes	\$1,422,173	lot	\$147,906,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$147,906,000	0.00%
Product Assumptions				Finance Assumptions		Financing		Pts & Fees	Proceeds	LTV
Total Home Square Footage			405,600	Land Draw			68.23%	1.25%	\$44,233,143	29.91%
Average Home Square Footage			3,900	Development Draw			100.00%	1.25%	\$0	0.00%
Production Homes			101	Construction Draw			100.00%	1.25%	\$59,227,830	40.04%
Model Homes			3	Interest Rate			9.00%	---	\$7,468,526	5.05%
Total Homes			104	Max. Loan / Retail Value (Static)			75.00%	---	\$110,929,500	---
Option / Upgrade Retail Markup			40%	Indicated Loan Proceeds			---	---	\$110,929,500	75.00%
Construction Period Per Phase (Months)			5	Release Price			110.00%	---	---	---
Absorption Assumptions				Rate Assumptions		Profit / Rate		Hybrid Rate Assumptions		Profit / Rate
Number of Product Lines			1.00	Profit (Static Model)			10.00%	Profit in Cash Flow		0.00%
Sustained Monthly Sales Rate			3.00	Leveraged IRR (Yield Model)			35.54%	Leveraged IRR (Yield Model)		---
Effective Monthly Sales Rate			2.81	Non-Leveraged IRR (Yield Model)			15.34%	Non-Leveraged IRR (Yield Model)		---
Cost Assumptions (Static)				Annual Trending Assumptions (By Month)					Yield	Percent
Cost	Per	Total		1-12	13-24	25-36	37-48	49-60	Total	Difference
Predevelopment / Arch / Acquisition	\$2,500	lot	\$260,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$260,000	0.00%
Engineering / Offsites / Intracts	\$0	lot	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	\$0	0.00%
Fees Before Permit	\$0	lot	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	\$0	0.00%
Fees @ Permit	\$45,477	lot	\$4,729,608	0.00%	0.00%	0.00%	0.00%	0.00%	\$4,729,608	0.00%
Building Permit / Plan Check @ Permit	\$5,850	lot	\$608,400	0.00%	0.00%	0.00%	0.00%	0.00%	\$608,400	0.00%
Reimbursements (CFD)	(\$43,473)	lot	(\$4,521,228)	0.00%	0.00%	0.00%	0.00%	0.00%	(\$4,521,228)	0.00%
Reimbursements (Utility)	\$0	lot	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	\$0	0.00%
Direct Construction	\$90.00	sf	\$36,504,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$36,504,000	0.00%
Option / Upgrade Costs	\$28,929	prod lot	\$2,921,786	0.00%	0.00%	0.00%	0.00%	0.00%	\$2,921,786	0.00%
Indirect Construction / Insurance	\$5.00	sf	\$2,028,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$2,028,000	0.00%
Common Areas / Rec. Complex	\$0	lot	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	\$0	0.00%
Landscaping / Fencing	\$8,000	prod lot	\$808,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$808,000	0.00%
Model Complex	\$540,000	model	\$1,620,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,620,000	0.00%
Model Conversion	\$5,000	model	\$15,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$15,000	0.00%
General & Administrative	3.00%	sales	\$4,437,180	0.00%	0.00%	0.00%	0.00%	0.00%	\$4,437,180	0.00%
Sales & Closing Costs / Warranty	3.00%	sales	\$4,437,180	0.00%	0.00%	0.00%	0.00%	0.00%	\$4,437,180	0.00%
Advertising / Marketing	2.00%	sales	\$2,958,120	0.00%	0.00%	0.00%	0.00%	0.00%	\$2,958,120	0.00%
Misc. / Contingency	1.00%	sales	\$1,479,060	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,479,060	0.00%
Homeowners' Fees	\$470	unit/month	\$116,560	---	---	---	---	---	\$116,560	0.00%
Property Taxes / Assessments	1.50%	per schedule	\$1,937,362	---	---	---	---	---	\$1,937,362	0.00%
Profit Participation		per schedule	\$0	---	---	---	---	---	\$0	0.00%
Interest Reserve		per schedule	\$7,468,526	---	---	---	---	---	\$7,468,526	---
Loan Points & Fees		per schedule	\$1,277,296	---	---	---	---	---	\$1,277,296	---

DEVELOPMENT & SALES SCHEDULE

Item		Month	Absorption Assumptions				
Start Builder Intracts:		1	Number Lots:		104		
Start Models:		2	Sales Rate (Sustained):		3.00		
Start Production:		3	Sales Period (# months):		37		
Initial Release:		5	Sales Rate (Effective):		2.81		
Initial Delivery:		8	Number Phases:		11		
Closeout:		41	Number Models:		3		

Mo	Date		Monthly Sales	Cumulative Sales	Monthly Closings	Cumulative Closings	Phase Closings	Phase Permits
0	Aug-07		0.00	0.00	0.00	0.00		
1	Sep-07	Start Builder Intracts	0.00	0.00	0.00	0.00		
2	Oct-07	Start Models	0.00	0.00	0.00	0.00		3
3	Nov-07	Start Production	0.00	0.00	0.00	0.00		10
4	Dec-07		0.00	0.00	0.00	0.00		
5	Jan-08	Initial Release	3.00	3.00	0.00	0.00		10
6	Feb-08		3.00	6.00	0.00	0.00		
7	Mar-08		3.00	9.00	0.00	0.00		
8	Apr-08	Initial Delivery	3.00	12.00	6.00	6.00	1	10
9	May-08		3.00	15.00	3.00	9.00		
10	Jun-08		3.00	18.00	3.00	12.00	2	
11	Jul-08		3.00	21.00	3.00	15.00		
12	Aug-08		3.00	24.00	3.00	18.00		10
13	Sep-08		3.00	27.00	3.00	21.00	3	
14	Oct-08		3.00	30.00	3.00	24.00		
15	Nov-08		3.00	33.00	3.00	27.00		10
16	Dec-08		3.00	36.00	3.00	30.00		
17	Jan-09		3.00	39.00	3.00	33.00	4	
18	Feb-09		3.00	42.00	3.00	36.00		10
19	Mar-09		3.00	45.00	3.00	39.00		
20	Apr-09		3.00	48.00	3.00	42.00	5	
21	May-09		3.00	51.00	3.00	45.00		
22	Jun-09		3.00	54.00	3.00	48.00		10
23	Jul-09		3.00	57.00	3.00	51.00	6	
24	Aug-09		3.00	60.00	3.00	54.00		
25	Sep-09		3.00	63.00	3.00	57.00		10
26	Oct-09		3.00	66.00	3.00	60.00		
27	Nov-09		3.00	69.00	3.00	63.00	7	
28	Dec-09		3.00	72.00	3.00	66.00		10
29	Jan-10		3.00	75.00	3.00	69.00		
30	Feb-10		3.00	78.00	3.00	72.00	8	
31	Mar-10		3.00	81.00	3.00	75.00		
32	Apr-10		3.00	84.00	3.00	78.00		11
33	May-10		3.00	87.00	3.00	81.00	9	
34	Jun-10		3.00	90.00	3.00	84.00		
35	Jul-10		3.00	93.00	3.00	87.00		
36	Aug-10		3.00	96.00	3.00	90.00		
37	Sep-10		3.00	99.00	3.00	93.00	10	
38	Oct-10		3.00	102.00	3.00	96.00		
39	Nov-10		2.00	104.00	3.00	99.00		
40	Dec-10		0.00	104.00	3.00	102.00	Model	
41	Jan-11	Closeout	0.00	104.00	2.00	104.00		
42	Feb-11		0.00	104.00	0.00	104.00		
43	Mar-11		0.00	104.00	0.00	104.00		
44	Apr-11		0.00	104.00	0.00	104.00		
45	May-11		0.00	104.00	0.00	104.00		
46	Jun-11		0.00	104.00	0.00	104.00		
47	Jul-11		0.00	104.00	0.00	104.00		
48	Aug-11		0.00	104.00	0.00	104.00		
49	Sep-11		0.00	104.00	0.00	104.00		
50	Oct-11		0.00	104.00	0.00	104.00		
51	Nov-11		0.00	104.00	0.00	104.00		
52	Dec-11		0.00	104.00	0.00	104.00		
53	Jan-12		0.00	104.00	0.00	104.00		
54	Feb-12		0.00	104.00	0.00	104.00		
55	Mar-12		0.00	104.00	0.00	104.00		
56	Apr-12		0.00	104.00	0.00	104.00		
57	May-12		0.00	104.00	0.00	104.00		
58	Jun-12		0.00	104.00	0.00	104.00		
59	Jul-12		0.00	104.00	0.00	104.00		
60	Aug-12		0.00	104.00	0.00	104.00		
			104.00		104.00		104	

DEVELOPMENT METHOD STATIC MODEL

	Subtotal	Total	psf	% Sales
RETAIL REVENUES:				
Base Revenues	\$140,400,000		\$346.15	94.93%
Lot Premiums	\$2,808,000		6.92	1.90%
Options / Upgrades	\$4,090,500		10.09	2.77%
Model Premiums	\$607,500		1.50	0.41%
		\$147,906,000	\$364.66	100.00%
LESS COSTS:				
Predevelopment / Arch / Acquisition	\$260,000		\$0.64	0.18%
Engineering / Offsites / Intracts	\$0		\$0.00	0.00%
Fees Before Permit	\$0		\$0.00	0.00%
Fees @ Permit	\$4,729,608		\$11.66	3.20%
Building Permit / Plan Check @ Permit	\$608,400		\$1.50	0.41%
Reimbursements (CFD)	(\$4,521,228)		(\$11.15)	-3.06%
Reimbursements (Utility)	\$0		\$0.00	0.00%
Direct Construction	\$36,504,000		\$90.00	24.68%
Option / Upgrade Costs	\$2,921,786		\$7.20	1.98%
Indirect Construction / Insurance	\$2,028,000		\$5.00	1.37%
Common Areas / Rec. Complex	\$0		\$0.00	0.00%
Landscaping / Fencing	\$808,000		\$1.99	0.55%
Model Complex	\$1,620,000		\$3.99	1.10%
Model Conversion	\$15,000		\$0.04	0.01%
General & Administrative	\$4,437,180		\$10.94	3.00%
Sales & Closing Costs / Warranty	\$4,437,180		\$10.94	3.00%
Advertising / Marketing	\$2,958,120		\$7.29	2.00%
Misc. / Contingency	\$1,479,060		\$3.65	1.00%
Homeowners' Fees	\$116,560		\$0.29	0.08%
Property Taxes / Assessments	\$1,937,362		\$4.78	1.31%
Profit Participation	\$0		\$0.00	0.00%
Interest Reserve	\$7,468,526		\$18.41	5.05%
Loan Points & Fees	\$1,277,296		\$3.15	0.86%
		(\$69,084,850)	(\$170.33)	-46.71%
LESS BUILDER'S PROFIT*:		(\$14,790,600)	(\$36.47)	10.00%
RESIDUAL TO LAND:		\$64,030,550	\$157.87	43.29%
Number Residential Lots		104		
PER LOT BASIS:		\$615,678		
COSTS TO FINISH:				
Engineering / Offsites / Intracts		\$0		
Fees @ Permit		\$45,477		
FINISHED LOT BASIS (EXCLUDING FEES @ PERMIT):		\$615,678		
FINISHED LOT BASIS (INCLUDING FEES @ PERMIT):		\$661,155		
*Indicated Rates of Return				
Profit as Percentage of Retail Sale Revenues:			10.00%	
Profit as Cash-On-Cash Return Per Financing Assumptions (Leveraged):			71.79%	
Implied Leveraged Internal Rate of Return (See DCF):			35.54%	
Implied Non-Leveraged Internal Rate of Return (See DCF):			15.34%	

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 0	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
SALES DATA:															
Cumulative Closings	104	---	0	0	0	0	0	0	0	0	6	9	12	15	18
Monthly Closings	104	---	0	0	0	0	0	0	0	0	6	3	3	3	3
Average Price	\$1,422,173	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332
TOTAL PROCEEDS	\$147,906,000	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,497,990	\$4,248,995	\$4,248,995	\$4,248,995	\$4,248,995
LESS COSTS:															
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisition	\$260,000	0.00%	130,000	130,000	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intracts	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$4,729,608	0.00%	0	0	136,431	454,770	0	454,770	0	0	454,770	0	0	0	454,770
Building Permit / Plan Check @ Permit	\$608,400	0.00%	0	0	17,550	58,500	0	58,500	0	0	58,500	0	0	0	58,500
Reimbursements (CFD)	(\$4,521,228)	0.00%	0	(452,123)	(406,911)	(406,911)	(406,911)	(406,911)	(406,911)	(406,911)	(406,911)	(406,911)	(406,911)	(406,911)	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Direct Construction	\$36,504,000	0.00%	0	0	210,600	912,800	912,800	1,614,600	1,614,600	1,404,000	1,404,000	1,404,000	702,000	702,000	1,404,000
Option / Upgrade Costs	\$2,921,786	0.00%	0	0	0	0	0	0	144,643	144,643	144,643	144,643	0	144,643	144,643
Indirect Construction / Insurance	\$2,028,000	0.00%	0	0	56,514	56,514	56,514	56,514	56,514	56,514	56,514	56,514	56,514	56,514	56,514
Common Areas / Rec. Complex	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$808,000	0.00%	0	0	0	0	0	0	0	48,000	24,000	24,000	24,000	24,000	24,000
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Model Complex	\$1,620,000	0.00%	0	0	0	0	0	810,000	810,000	0	0	0	0	0	0
Model Conversion	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrative	\$4,437,180	0.00%	0	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224
Sales & Closing Costs / Warranty	\$4,437,180	0.00%	0	0	0	0	0	0	0	254,940	127,470	127,470	127,470	127,470	127,470
Advertising / Marketing	\$2,958,120	0.00%	0	0	0	0	118,325	118,325	77,756	77,756	77,756	77,756	77,756	77,756	77,756
Misc. / Contingency	\$1,479,060	0.00%	0	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075
Homeowners' Fees	\$116,560	---	0	0	0	0	0	0	0	4,700	4,700	5,170	3,760	2,350	0
Property Taxes / Assessments	\$1,937,362	---	0	0	0	0	320,153	0	0	0	320,153	1,880	0	0	0
Profit Participation	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$60,339,028	---	\$130,000	(\$177,824)	\$158,483	\$1,219,772	\$1,144,980	\$2,850,097	\$2,440,901	\$1,468,301	\$2,537,364	\$1,573,651	\$730,298	\$873,531	\$2,494,302
NET MONTHLY PROCEEDS	---	---	(\$130,000)	\$177,824	(\$158,483)	(\$1,219,772)	(\$1,144,980)	(\$2,850,097)	(\$2,440,901)	(\$1,468,301)	\$5,960,626	\$2,675,344	\$3,518,697	\$3,375,464	\$1,754,693
NON-LEVERAGED NET PRESENT VALUE	Total	IRR													
	\$64,030,550	15.34%													
LOAN DATA:															
	Totals	Financing													
Land Draw	\$43,687,055	68.23%	0	43,687,055	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$546,088	1.25%	0	546,088	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$58,496,622	100.00%	0	0	158,483	1,219,772	1,144,980	2,850,097	2,440,901	1,468,301	2,537,364	1,573,651	730,298	873,531	2,494,302
Construction Draw Points & Fees	\$731,208	1.25%	0	0	21,093	70,308	0	70,308	0	0	70,308	0	0	0	70,308
Interest Reserve (forward)	\$7,468,526	9.00%	0	0	327,653	328,842	337,990	346,577	367,953	386,260	397,272	363,721	349,233	328,419	308,680
Loan Proceeds	\$110,929,500	---	\$0	\$44,233,143	\$507,229	\$1,618,922	\$1,482,970	\$3,266,983	\$2,808,854	\$1,854,561	\$3,004,944	\$1,937,372	\$1,079,531	\$1,201,950	\$2,873,290
Interest Reserve	(\$7,468,526)	---	0	0	(327,653)	(328,842)	(337,990)	(346,577)	(367,953)	(386,260)	(397,272)	(363,721)	(349,233)	(328,419)	(308,680)
Loan Points & Fees	(\$1,277,296)	---	0	(546,088)	(21,093)	(70,308)	0	(70,308)	0	0	(70,308)	0	0	0	(70,308)
Release Price Paydown	(\$102,183,677)	---	0	0	0	0	0	0	0	0	(7,010,842)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)
Monthly Loan Balance	\$0	---	\$0	\$43,687,055	\$158,483	\$1,219,772	\$1,144,980	\$2,850,097	\$2,440,901	\$1,468,301	(\$4,473,478)	(\$1,931,770)	(\$2,775,123)	(\$2,631,890)	(\$1,011,119)
Cumulative Loan Balance	\$0	---	\$0	\$43,687,055	\$43,845,538	\$45,065,311	\$46,210,290	\$49,060,388	\$51,501,289	\$52,969,590	\$48,496,112	\$46,564,343	\$43,789,220	\$41,157,330	\$40,146,211
NET MONTHLY PROCEEDS	\$87,566,972	---	(\$130,000)	\$43,864,879	\$0	\$0	\$0	\$0	\$0	\$0	\$1,487,148	\$743,574	\$743,574	\$743,574	\$743,574
LEVERAGED NET PRESENT VALUE	Total	IRR													
	\$64,030,550	35.54%													

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
SALES DATA:														
Cumulative Closings	104	---	21	24	27	30	33	36	39	42	45	48	51	54
Monthly Closing:	104	---	3	3	3	3	3	3	3	3	3	3	3	3
Average Price	\$1,422,173	0.00%	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332
TOTAL PROCEEDS	\$147,906,000	0.00%	\$4,248,995											
LESS COSTS:														
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisitio	\$260,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intract	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$4,729,608	0.00%	0	0	454,770	0	0	454,770	0	0	0	454,770	0	0
Building Permit / Plan Check @ Perm	\$608,400	0.00%	0	0	58,500	0	0	58,500	0	0	0	58,500	0	0
Reimbursements (CFD)	(\$4,521,228)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Direct Constructor	\$36,504,000	0.00%	702,000	702,000	1,404,000	1,404,000	702,000	1,404,000	1,404,000	702,000	702,000	1,404,000	702,000	702,000
Option / Upgrade Costs	\$2,921,786	0.00%	0	0	144,643	144,643	0	144,643	144,643	0	144,643	144,643	0	0
Indirect Construction / Insuranc	\$2,028,000	0.00%	56,514	56,514	56,514	56,514	56,514	56,514	56,514	56,514	56,514	56,514	56,514	56,514
Common Areas / Rec. Comple	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$808,000	0.00%	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Comple	\$1,620,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Converter	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrativ	\$4,437,180	0.00%	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224
Sales & Closing Costs / Warrant	\$4,437,180	0.00%	127,470	127,470	127,470	127,470	127,470	127,470	127,470	127,470	127,470	127,470	127,470	127,470
Advertising / Marketin	\$2,958,120	0.00%	77,756	77,756	77,756	77,756	77,756	77,756	77,756	77,756	77,756	77,756	77,756	77,756
Misc. / Contingenc	\$1,479,060	0.00%	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075
Homeowners' Fees	\$116,560	---	5,640	4,230	2,820	1,410	4,700	3,290	1,880	5,170	3,760	2,350	5,640	4,230
Property Taxes / Assessments	\$1,937,362	---	0	0	0	543,736	0	0	0	218,227	0	0	0	0
Profit Participant	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$60,339,028	---	\$1,137,679	\$1,136,269	\$2,494,772	\$2,523,828	\$1,136,739	\$2,495,242	\$1,980,562	\$1,355,436	\$1,280,442	\$2,494,302	\$1,137,679	\$1,136,269
NET MONTHLY PROCEEDS	---	---	\$3,111,316	\$3,112,726	\$1,754,223	\$1,725,167	\$3,112,256	\$1,753,753	\$2,268,433	\$2,893,559	\$2,968,553	\$1,754,693	\$3,111,316	\$3,112,726
NON-LEVERAGED NET PRESENT VALUE	\$64,030,550	IRR 15.34%												
LOAN DATA:														
	Totals	Financing												
Land Draw	\$43,687,055	68.23%	0	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$546,088	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$58,496,622	100.00%	1,137,679	1,136,269	2,494,772	2,523,828	1,136,739	2,495,242	1,980,562	1,355,436	1,280,442	2,494,302	1,137,679	1,136,269
Construction Draw Points & Fees	\$731,208	1.25%	0	0	70,308	0	0	70,308	0	0	0	70,308	0	0
Interest Reserve (forward)	\$7,468,526	9.00%	301,097	283,339	265,570	257,990	250,628	232,863	225,287	213,850	197,725	181,038	173,455	155,696
Loan Proceeds	\$110,929,500	---	\$1,438,776	\$1,419,607	\$2,830,650	\$2,781,818	\$1,387,367	\$2,798,413	\$2,205,848	\$1,569,286	\$1,478,167	\$2,745,648	\$1,311,134	\$1,291,965
Interest Reserve	(\$7,468,526)	---	(301,097)	(283,339)	(265,570)	(257,990)	(250,628)	(232,863)	(225,287)	(213,850)	(197,725)	(181,038)	(173,455)	(155,696)
Loan Points & Fees	(\$1,277,296)	---	0	0	(70,308)	0	0	(70,308)	0	0	0	(70,308)	0	0
Release Price Paydown	(\$102,183,677)	---	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)
Monthly Loan Balanc	\$0	---	(\$2,367,742)	(\$2,369,152)	(\$1,010,649)	(\$981,593)	(\$2,368,682)	(\$1,010,179)	(\$1,524,859)	(\$2,149,985)	(\$2,224,979)	(\$1,011,119)	(\$2,367,742)	(\$2,369,152)
Cumulative Loan Balanc	\$0	---	\$37,778,469	\$35,409,317	\$34,398,668	\$33,417,075	\$31,048,393	\$30,038,214	\$28,513,354	\$26,363,370	\$24,138,390	\$23,127,271	\$20,759,529	\$18,390,377
NET MONTHLY PROCEEDS	\$87,566,972	---	\$743,574											
LEVERAGED NET PRESENT VALUE	\$64,030,550	IRR 35.54%												

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
SALES DATA:														
Cumulative Closings	104	—	57	60	63	66	69	72	75	78	81	84	87	90
Monthly Closings	104	—	3	3	3	3	3	3	3	3	3	3	3	3
Average Price	\$1,422,173	0.00%	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332	\$1,416,332
TOTAL PROCEEDS	\$147,906,000	0.00%	\$4,248,995	\$4,248,995	\$4,248,995	\$4,248,995	\$4,248,995	\$4,248,995	\$4,248,995	\$4,248,995	\$4,248,995	\$4,248,995	\$4,248,995	\$4,248,995
LESS COSTS:														
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisition	\$260,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intracts	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$4,729,608	0.00%	454,770	0	0	454,770	0	0	0	500,247	0	0	0	0
Building Permit / Plan Check @ Permit	\$608,400	0.00%	58,500	0	0	58,500	0	0	0	64,350	0	0	0	0
Reimbursements (CFD)	(\$4,521,228)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Direct Construction	\$36,504,000	0.00%	1,404,000	1,404,000	702,000	1,404,000	1,404,000	702,000	702,000	1,474,200	772,200	772,200	772,200	772,200
Option / Upgrade Costs	\$2,921,786	0.00%	144,643	144,643	0	144,643	144,643	0	144,643	144,643	0	0	159,107	159,107
Indirect Construction / Insurance	\$2,028,000	0.00%	56,514	56,514	56,514	56,514	56,514	56,514	56,514	56,514	56,514	56,514	56,514	56,514
Common Areas / Rec. Complex	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$808,000	0.00%	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Complex	\$1,620,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Conversion	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrative	\$4,437,180	0.00%	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224	108,224
Sales & Closing Costs / Warranty	\$4,437,180	0.00%	127,470	127,470	127,470	127,470	127,470	127,470	127,470	127,470	127,470	127,470	127,470	127,470
Advertising / Marketing	\$2,958,120	0.00%	77,756	77,756	77,756	77,756	77,756	77,756	77,756	77,756	77,756	77,756	77,756	77,756
Misc. / Contingency	\$1,479,060	0.00%	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075	36,075
Homeowners' Fees	\$116,560	—	2,820	1,410	4,700	3,290	1,880	5,170	3,760	2,350	5,640	4,230	2,820	1,410
Property Taxes / Assessments	\$1,937,362	—	0	0	0	326,273	0	0	0	107,292	0	0	0	0
Profit Participation	\$0	—	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$60,339,028	—	\$2,494,772	\$1,980,092	\$1,136,739	\$2,821,515	\$1,980,562	\$1,137,209	\$1,280,442	\$2,723,121	\$1,207,879	\$1,206,469	\$1,364,166	\$1,362,756
NET MONTHLY PROCEEDS	—	—	\$1,754,223	\$2,268,903	\$3,112,256	\$1,427,480	\$2,268,433	\$3,111,786	\$2,968,553	\$1,525,874	\$3,041,116	\$3,042,526	\$2,884,829	\$2,886,239
NON-LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$64,030,550	15.34%												
LOAN DATA:														
	Totals	Financing												
Land Draw	\$43,687,055	68.23%	0	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$546,088	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$58,496,622	100.00%	2,494,772	1,980,092	1,136,739	2,821,515	1,980,562	1,137,209	1,280,442	2,723,121	1,207,879	1,206,469	1,364,166	1,362,756
Construction Draw Points & Fees	\$731,208	1.25%	70,308	0	0	70,308	0	77,339	0	77,339	0	0	0	0
Interest Reserve (forward)	\$7,468,526	9.00%	137,928	130,348	118,908	101,143	96,014	84,577	66,816	50,128	44,261	27,029	9,787	10,231
Loan Proceeds	\$110,929,500	—	\$2,703,008	\$2,110,440	\$1,255,647	\$2,992,966	\$2,076,575	\$1,221,786	\$1,347,257	\$2,850,589	\$1,252,140	\$1,233,498	\$1,373,953	\$1,372,987
Interest Reserve	(\$7,468,526)	—	(137,928)	(130,348)	(118,908)	(101,143)	(96,014)	(84,577)	(66,816)	(50,128)	(44,261)	(27,029)	(9,787)	(10,231)
Loan Points & Fees	(\$1,277,296)	—	(70,308)	0	0	(70,308)	0	0	0	(77,339)	0	0	0	0
Release Price Paydown	(\$102,183,677)	—	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(3,505,421)	(1,304,966)	(1,364,166)
Monthly Loan Balance	\$0	—	(\$1,010,649)	(\$1,525,329)	(\$2,368,682)	(\$683,906)	(\$1,524,859)	(\$2,368,212)	(\$2,224,979)	(\$782,300)	(\$2,297,542)	(\$2,298,952)	\$59,200	(\$1,410)
Cumulative Loan Balance	\$0	—	\$17,379,728	\$15,854,399	\$13,485,717	\$12,801,811	\$11,276,951	\$8,908,739	\$6,683,760	\$5,901,460	\$3,603,918	\$1,304,966	\$1,364,166	\$1,362,756
NET MONTHLY PROCEEDS	\$87,566,972	—	\$743,574	\$743,574	\$743,574	\$743,574	\$743,574	\$743,574	\$743,574	\$743,574	\$743,574	\$743,574	\$2,944,029	\$2,884,829
LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$64,030,550	35.54%												

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48
SALES DATA:														
Cumulative Closings	104	---	93	96	99	102	104	104	104	104	104	104	104	104
Monthly Closing:	104	---	3	3	3	3	2	0	0	0	0	0	0	0
Average Price	\$1,422,173	0.00%	\$1,416,332	\$1,416,332	\$1,416,332	\$1,551,332	\$1,517,582	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROCEEDS	\$147,906,000	0.00%	\$4,248,995	\$4,248,995	\$4,248,995	\$4,653,995	\$3,035,163	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LESS COSTS:														
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisitio	\$260,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intract	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$4,729,608	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Building Permit / Plan Check @ Perm	\$608,400	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (CFD)	(\$4,521,228)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Direct Constructor	\$36,504,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Option / Upgrade Costs	\$2,921,786	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Indirect Construction / Insuranc	\$2,028,000	0.00%	10,000	10,000	10,000	10,000	10,000	0	0	0	0	0	0	0
Common Areas / Rec. Comple	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$808,000	0.00%	24,000	24,000	8,000	8,000	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Comple	\$1,620,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Converter	\$15,000	0.00%	0	0	10,000	5,000	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrativ	\$4,437,180	0.00%	108,224	108,224	108,224	108,224	108,224	0	0	0	0	0	0	0
Sales & Closing Costs / Warrant	\$4,437,180	0.00%	127,470	127,470	127,470	139,620	91,055	0	0	0	0	0	0	0
Advertising / Marketin	\$2,958,120	0.00%	77,756	77,756	77,756	77,756	0	0	0	0	0	0	0	0
Misc. / Contingenc	\$1,479,060	0.00%	36,075	36,075	36,075	36,075	36,075	0	0	0	0	0	0	0
Homeowners' Fees	\$116,560	---	5,170	3,760	2,350	1,880	940	0	0	0	0	0	0	0
Property Taxes / Assessments	\$1,937,362	---	0	0	0	99,894	0	0	0	1,633	0	0	0	0
Profit Participator	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$60,339,028	---	\$388,695	\$387,285	\$379,875	\$486,449	\$246,293	\$0	\$0	\$1,633	\$0	\$0	\$0	\$0
NET MONTHLY PROCEEDS	---	---	\$3,860,301	\$3,861,711	\$3,869,121	\$4,167,546	\$2,788,870	\$0	\$0	(\$1,633)	\$0	\$0	\$0	\$0
NON-LEVERAGED NET PRESENT VALUE	\$64,030,550	15.34%												
LOAN DATA:														
	Totals	Financing												
Land Draw	\$43,687,055	68.23%	0	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$546,088	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$58,496,622	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draw Points & Fees	\$731,208	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Interest Reserve (forward)	\$7,468,526	9.00%	10,221	0	0	0	0	0	0	0	0	0	0	0
Loan Proceeds	\$110,929,500	---	\$10,221	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Reserve	(\$7,468,526)	---	(10,221)	0	0	0	0	0	0	0	0	0	0	0
Loan Points & Fees	(\$1,277,296)	---	0	0	0	0	0	0	0	0	0	0	0	0
Release Price Paydown	(\$102,183,677)	---	(1,362,756)	0	0	0	0	0	0	0	0	0	0	0
Monthly Loan Balance	\$0	---	(\$1,362,756)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Loan Balance	\$0	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET MONTHLY PROCEEDS	\$87,566,972	---	\$2,497,544	\$3,861,711	\$3,869,121	\$4,167,546	\$2,788,870	\$0	\$0	(\$1,633)	\$0	\$0	\$0	\$0
LEVERAGED NET PRESENT VALUE	\$64,030,550	35.54%												

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 49	Month 50	Month 51	Month 52	Month 53	Month 54	Month 55	Month 56	Month 57	Month 58	Month 59	Month 60	Totals	% of Sales
SALES DATA:																
Cumulative Closings	104	---	104	104	104	104	104	104	104	104	104	104	104	104	104	---
Monthly Closings	104	---	0	0	0	0	0	0	0	0	0	0	0	0	\$104	---
Average Price	\$1,422,173	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,422,173	---
TOTAL PROCEEDS	\$147,906,000	0.00%	\$0	\$147,906,000	---											
LESS COSTS:																
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Predevelopment / Arch / Acquisition	\$260,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$260,000	0.18%
Engineering / Offsites / Intracts	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Fees @ Permit	\$4,729,608	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$4,729,608	3.20%
Building Permit / Plan Check @ Permit	\$608,400	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$608,400	0.41%
Reimbursements (CFD)	(\$4,521,228)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	(\$4,521,228)	-3.06%
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%	
Direct Construction	\$36,504,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$36,504,000	24.88%
Option / Upgrade Costs	\$2,921,786	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$2,921,786	1.98%
Indirect Construction / Insurance	\$2,028,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$2,028,000	1.37%
Common Areas / Rec. Complex	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Landscaping / Fencing	\$808,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$808,000	0.55%
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Model Complex	\$1,620,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$1,620,000	1.10%
Model Conversion	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$15,000	0.01%
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
General & Administrative	\$4,437,180	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$4,437,180	3.00%
Sales & Closing Costs / Warranty	\$4,437,180	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$4,437,180	3.00%
Advertising / Marketing	\$2,958,120	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$2,958,120	2.00%
Misc. / Contingency	\$1,479,060	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$1,479,060	1.00%
Homeowners' Fees	\$116,560	---	0	0	0	0	0	0	0	0	0	0	0	0	\$116,560	0.08%
Property Taxes / Assessments	\$1,937,362	---	0	0	0	0	0	0	0	0	0	0	0	0	\$1,937,362	1.31%
Profit Participation	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
TOTAL COSTS	\$60,339,028	---	\$0	\$60,339,028	40.80%											
NET MONTHLY PROCEEDS	---	---	\$0	\$87,566,972	59.20%											
NON-LEVERAGED NET PRESENT VALUE	Total	IRR													Total	IRR
	\$64,030,550	15.34%													\$64,030,550	15.34%
LOAN DATA:																
	Totals	Financing													Totals	LTV
Land Draw	\$43,687,055	68.23%	0	0	0	0	0	0	0	0	0	0	0	0	\$43,687,055	29.54%
Land Draw Points & Fees	\$546,088	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	\$546,088	0.37%
Development Draws	\$0	100.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Development Draw Points & Fees	\$0	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Construction Draws	\$58,496,622	100.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$58,496,622	39.55%
Construction Draw Points & Fees	\$731,208	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	\$731,208	0.49%
Interest Reserve (forward)	\$7,468,526	9.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$7,468,526	5.05%
Loan Proceeds	\$110,929,500	---	\$0	\$110,929,500	75.00%											
Interest Reserve	(\$7,468,526)	---	0	0	0	0	0	0	0	0	0	0	0	0	(\$7,468,526)	-5.05%
Loan Points & Fees	(\$1,277,296)	---	0	0	0	0	0	0	0	0	0	0	0	0	(\$1,277,296)	-0.86%
Release Price Paydown	(\$102,183,677)	---	0	0	0	0	0	0	0	0	0	0	0	0	(\$102,183,677)	-69.09%
Monthly Loan Balance	\$0	---	\$0	0.00%												
Cumulative Loan Balance	\$0	---	\$0	0.00%												
NET MONTHLY PROCEEDS	\$87,566,972	---	\$0	\$87,566,972	59.20%											
LEVERAGED NET PRESENT VALUE	Total	IRR													Total	IRR
	\$64,030,550	35.54%													\$64,030,550	35.54%

DEVELOPMENT APPROACH ASSUMPTIONS

Retail Revenue Assumptions (Static)				Annual Trending Assumptions (By Month)					Yield	Percent
Average Price	Per	Total		1-12	13-24	25-36	37-48	49-60	Total	Difference
Production Homes	\$1,986,857	prod lot	\$35,763,429	---	---	---	---	---	---	---
Model Homes	\$2,271,857	model	\$6,815,571	---	---	---	---	---	---	---
Total Homes	\$2,027,571	lot	\$42,579,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$42,579,000	0.00%
Product Assumptions				Finance Assumptions		Financing	Pts & Fees	Proceeds	LTV	
Total Home Square Footage			113,274	Land Draw		72.44%	1.25%	\$12,570,352	29.52%	
Average Home Square Footage			5,394	Development Draw		100.00%	1.25%	\$38,484	0.09%	
Production Homes			18	Construction Draw		100.00%	1.25%	\$17,970,649	42.21%	
Model Homes			3	Interest Rate		9.00%	---	\$1,354,766	3.18%	
Total Homes			21	Max. Loan / Retail Value (Static)		75.00%	---	\$31,934,250	---	
Option / Upgrade Retail Markup			40%	Indicated Loan Proceeds		---	---	\$31,934,250	75.00%	
Construction Period Per Phase (Months)			5	Release Price		110.00%	---	---	---	
Absorption Assumptions				Rate Assumptions		Profit / Rate	Hybrid Rate Assumptions		Profit / Rate	
Number of Product Lines			1.00	Profit (Static Model)		10.00%	Profit in Cash Flow		0.00%	
Sustained Monthly Sales Rate			3.00	Leveraged IRR (Yield Model)		106.18%	Leveraged IRR (Yield Model)		---	
Effective Monthly Sales Rate			2.33	Non-Leveraged IRR (Yield Model)		29.59%	Non-Leveraged IRR (Yield Model)		---	
Cost Assumptions (Static)				Annual Trending Assumptions (By Month)					Yield	Percent
Cost	Per	Total		1-12	13-24	25-36	37-48	49-60	Total	Difference
Predevelopment / Arch / Acquisition	\$2,500	lot	\$52,500	0.00%	0.00%	0.00%	0.00%	0.00%	\$52,500	0.00%
Engineering / Offsites / Intracts	\$0	lot	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	\$0	0.00%
Fees Before Permit	\$0	lot	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	\$0	0.00%
Fees @ Permit	\$46,264	lot	\$971,544	0.00%	0.00%	0.00%	0.00%	0.00%	\$971,544	0.00%
Building Permit / Plan Check @ Permit	\$8,091	lot	\$169,911	0.00%	0.00%	0.00%	0.00%	0.00%	\$169,911	0.00%
Reimbursements (CFD)	(\$44,287)	lot	(\$930,036)	0.00%	0.00%	0.00%	0.00%	0.00%	(\$930,036)	0.00%
Reimbursements (Utility)	\$0	lot	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	\$0	0.00%
Direct Construction	\$100.00	sf	\$11,327,400	0.00%	0.00%	0.00%	0.00%	0.00%	\$11,327,400	0.00%
Option / Upgrade Costs	\$40,714	prod lot	\$732,857	0.00%	0.00%	0.00%	0.00%	0.00%	\$732,857	0.00%
Indirect Construction / Insurance	\$5.00	sf	\$566,370	0.00%	0.00%	0.00%	0.00%	0.00%	\$566,370	0.00%
Common Areas / Rec. Complex	\$0	lot	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	\$0	0.00%
Landscaping / Fencing	\$11,000	prod lot	\$198,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$198,000	0.00%
Model Complex	\$760,000	model	\$2,280,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$2,280,000	0.00%
Model Conversion	\$5,000	model	\$15,000	0.00%	0.00%	0.00%	0.00%	0.00%	\$15,000	0.00%
General & Administrative	3.00%	sales	\$1,277,370	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,277,370	0.00%
Sales & Closing Costs / Warranty	3.00%	sales	\$1,277,370	0.00%	0.00%	0.00%	0.00%	0.00%	\$1,277,370	0.00%
Advertising / Marketing	2.00%	sales	\$851,580	0.00%	0.00%	0.00%	0.00%	0.00%	\$851,580	0.00%
Misc. / Contingency	1.00%	sales	\$425,790	0.00%	0.00%	0.00%	0.00%	0.00%	\$425,790	0.00%
Homeowners' Fees	\$470	unit/month	\$16,920	---	---	---	---	---	\$16,920	0.00%
Property Taxes / Assessments	1.50%	per schedule	\$217,358	---	---	---	---	---	\$217,358	0.00%
Profit Participation		per schedule	\$0	---	---	---	---	---	\$0	0.00%
Interest Reserve		per schedule	\$1,354,766	---	---	---	---	---	\$1,354,766	---
Loan Points & Fees		per schedule	\$377,524	---	---	---	---	---	\$377,524	---

DEVELOPMENT & SALES SCHEDULE

Item		Month	Absorption Assumptions				Phase	Phase
Start Builder Intracts:		1			Number Lots:		21	
Start Models:		2			Sales Rate (Sustained):		3.00	
Start Production:		3			Sales Period (# months):		9	
Initial Release:		5			Sales Rate (Effective):		2.33	
Initial Delivery:		8			Number Phases:		3	
Closeout:		13			Number Models:		3	
Mo	Date		Monthly Sales	Cumulative Sales	Monthly Closings	Cumulative Closings	Phase Closings	Phase Permits
0	Aug-07		0.00	0.00	0.00	0.00		
1	Sep-07	Start Builder Intracts	0.00	0.00	0.00	0.00		
2	Oct-07	Start Models	0.00	0.00	0.00	0.00		3
3	Nov-07	Start Production	0.00	0.00	0.00	0.00		10
4	Dec-07		0.00	0.00	0.00	0.00		
5	Jan-08	Initial Release	3.00	3.00	0.00	0.00		8
6	Feb-08		3.00	6.00	0.00	0.00		
7	Mar-08		3.00	9.00	0.00	0.00		
8	Apr-08	Initial Delivery	3.00	12.00	6.00	6.00	1	
9	May-08		3.00	15.00	3.00	9.00		
10	Jun-08		3.00	18.00	3.00	12.00	2	
11	Jul-08		3.00	21.00	3.00	15.00		
12	Aug-08		0.00	21.00	3.00	18.00		
13	Sep-08	Closeout	0.00	21.00	3.00	21.00		
14	Oct-08		0.00	21.00	0.00	21.00		
15	Nov-08		0.00	21.00	0.00	21.00		
16	Dec-08		0.00	21.00	0.00	21.00		
17	Jan-09		0.00	21.00	0.00	21.00		
18	Feb-09		0.00	21.00	0.00	21.00		
19	Mar-09		0.00	21.00	0.00	21.00		
20	Apr-09		0.00	21.00	0.00	21.00		
21	May-09		0.00	21.00	0.00	21.00		
22	Jun-09		0.00	21.00	0.00	21.00		
23	Jul-09		0.00	21.00	0.00	21.00		
24	Aug-09		0.00	21.00	0.00	21.00		
25	Sep-09		0.00	21.00	0.00	21.00		
26	Oct-09		0.00	21.00	0.00	21.00		
27	Nov-09		0.00	21.00	0.00	21.00		
28	Dec-09		0.00	21.00	0.00	21.00		
29	Jan-10		0.00	21.00	0.00	21.00		
30	Feb-10		0.00	21.00	0.00	21.00		
31	Mar-10		0.00	21.00	0.00	21.00		
32	Apr-10		0.00	21.00	0.00	21.00		
33	May-10		0.00	21.00	0.00	21.00		
34	Jun-10		0.00	21.00	0.00	21.00		
35	Jul-10		0.00	21.00	0.00	21.00		
36	Aug-10		0.00	21.00	0.00	21.00		
37	Sep-10		0.00	21.00	0.00	21.00		
38	Oct-10		0.00	21.00	0.00	21.00		
39	Nov-10		0.00	21.00	0.00	21.00		
40	Dec-10		0.00	21.00	0.00	21.00		
41	Jan-11		0.00	21.00	0.00	21.00		
42	Feb-11		0.00	21.00	0.00	21.00		
43	Mar-11		0.00	21.00	0.00	21.00		
44	Apr-11		0.00	21.00	0.00	21.00		
45	May-11		0.00	21.00	0.00	21.00		
46	Jun-11		0.00	21.00	0.00	21.00		
47	Jul-11		0.00	21.00	0.00	21.00		
48	Aug-11		0.00	21.00	0.00	21.00		
49	Sep-11		0.00	21.00	0.00	21.00		
50	Oct-11		0.00	21.00	0.00	21.00		
51	Nov-11		0.00	21.00	0.00	21.00		
52	Dec-11		0.00	21.00	0.00	21.00		
53	Jan-12		0.00	21.00	0.00	21.00		
54	Feb-12		0.00	21.00	0.00	21.00		
55	Mar-12		0.00	21.00	0.00	21.00		
56	Apr-12		0.00	21.00	0.00	21.00		
57	May-12		0.00	21.00	0.00	21.00		
58	Jun-12		0.00	21.00	0.00	21.00		
59	Jul-12		0.00	21.00	0.00	21.00		
60	Aug-12		0.00	21.00	0.00	21.00		
			21.00		21.00		21	

DEVELOPMENT METHOD STATIC MODEL

	Subtotal	Total	psf	% Sales
RETAIL REVENUES:				
Base Revenues	\$39,900,000		\$352.24	93.71%
Lot Premiums	\$798,000		7.04	1.87%
Options / Upgrades	\$1,026,000		9.06	2.41%
Model Premiums	\$855,000		7.55	2.01%
		\$42,579,000	\$375.89	100.00%
LESS COSTS:				
Predevelopment / Arch / Acquisition	\$52,500		\$0.46	0.12%
Engineering / Offsites / Intracts	\$0		\$0.00	0.00%
Fees Before Permit	\$0		\$0.00	0.00%
Fees @ Permit	\$971,544		\$8.58	2.28%
Building Permit / Plan Check @ Permit	\$169,911		\$1.50	0.40%
Reimbursements (CFD)	(\$930,036)		(\$8.21)	-2.18%
Reimbursements (Utility)	\$0		\$0.00	0.00%
Direct Construction	\$11,327,400		\$100.00	26.60%
Option / Upgrade Costs	\$732,857		\$6.47	1.72%
Indirect Construction / Insurance	\$566,370		\$5.00	1.33%
Common Areas / Rec. Complex	\$0		\$0.00	0.00%
Landscaping / Fencing	\$198,000		\$1.75	0.47%
Model Complex	\$2,280,000		\$20.13	5.35%
Model Conversion	\$15,000		\$0.13	0.04%
General & Administrative	\$1,277,370		\$11.28	3.00%
Sales & Closing Costs / Warranty	\$1,277,370		\$11.28	3.00%
Advertising / Marketing	\$851,580		\$7.52	2.00%
Misc. / Contingency	\$425,790		\$3.76	1.00%
Homeowners' Fees	\$16,920		\$0.15	0.04%
Property Taxes / Assessments	\$217,358		\$1.92	0.51%
Profit Participation	\$0		\$0.00	0.00%
Interest Reserve	\$1,354,766		\$11.96	3.18%
Loan Points & Fees	\$377,524		\$3.33	0.89%
		(\$21,182,224)	(\$187.00)	-49.75%
LESS BUILDER'S PROFIT*:		(\$4,257,900)	(\$37.59)	10.00%
RESIDUAL TO LAND:		\$17,138,876	\$151.30	40.25%
Number Residential Lots		21		
PER LOT BASIS:		\$816,137		
COSTS TO FINISH:				
Engineering / Offsites / Intracts		\$0		
Fees @ Permit		\$46,264		
FINISHED LOT BASIS (EXCLUDING FEES @ PERMIT):		\$816,137		
FINISHED LOT BASIS (INCLUDING FEES @ PERMIT):		\$862,401		
*Indicated Rates of Return				
Profit as Percentage of Retail Sale Revenues:			10.00%	
Profit as Cash-On-Cash Return Per Financing Assumptions (Leveraged):			89.15%	
Implied Leveraged Internal Rate of Return (See DCF):			106.18%	
Implied Non-Leveraged Internal Rate of Return (See DCF):			29.59%	

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 0	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
SALES DATA:															
Cumulative Closings	21	---	0	0	0	0	0	0	0	0	6	9	12	15	18
Monthly Closings	21	---	0	0	0	0	0	0	0	0	6	3	3	3	3
Average Price	\$2,027,571	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,986,857	\$1,986,857	\$1,986,857	\$1,986,857	\$2,081,857
TOTAL PROCEEDS	\$42,579,000	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,921,143	\$5,960,571	\$5,960,571	\$5,960,571	\$6,245,571
LESS COSTS:															
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisition	\$52,500	0.00%	26,250	26,250	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intracts	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$971,544	0.00%	0	0	138,792	462,640	0	370,112	0	0	0	0	0	0	0
Building Permit / Plan Check @ Permit	\$169,911	0.00%	0	0	24,273	80,910	0	64,728	0	0	0	0	0	0	0
Reimbursements (CFD)	(\$930,036)	0.00%	0	(93,004)	(83,703)	(83,703)	(83,703)	(83,703)	(83,703)	(83,703)	(83,703)	(83,703)	(83,703)	(83,703)	(83,703)
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Direct Construction	\$11,327,400	0.00%	0	0	323,640	1,402,440	1,402,440	2,265,480	2,265,480	1,941,840	863,040	863,040	0	0	0
Option / Upgrade Costs	\$732,857	0.00%	0	0	0	0	0	0	203,571	203,571	162,857	162,857	0	0	0
Indirect Construction / Insurance	\$566,370	0.00%	0	0	65,796	65,796	65,796	65,796	65,796	65,796	65,796	65,796	10,000	10,000	10,000
Common Areas / Rec. Complex	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$198,000	0.00%	0	0	0	0	0	0	0	66,000	33,000	33,000	33,000	22,000	11,000
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
Model Complex	\$2,280,000	0.00%	0	0	0	0	0	1,140,000	1,140,000	0	0	0	0	0	0
Model Conversion	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	5,000	10,000
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrative	\$1,277,370	0.00%	0	98,259	98,259	98,259	98,259	98,259	98,259	98,259	98,259	98,259	98,259	98,259	98,259
Sales & Closing Costs / Warranty	\$1,277,370	0.00%	0	0	0	0	0	0	0	0	357,634	178,817	178,817	178,817	187,367
Advertising / Marketing	\$851,580	0.00%	0	0	0	0	34,063	34,063	111,922	111,922	111,922	111,922	111,922	111,922	111,922
Misc. / Contingency	\$425,790	0.00%	0	32,753	32,753	32,753	32,753	32,753	32,753	32,753	32,753	32,753	32,753	32,753	32,753
Homeowners' Fees	\$16,920	---	0	0	0	0	0	0	0	4,700	1,880	4,230	2,820	1,880	1,880
Property Taxes / Assessments	\$217,358	---	0	0	0	0	85,694	0	0	0	85,694	0	0	0	0
Profit Participation	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$19,449,934	---	\$26,250	\$64,259	\$599,810	\$2,059,095	\$1,635,303	\$3,987,489	\$3,834,079	\$2,436,439	\$1,731,953	\$1,464,622	\$385,278	\$377,868	\$463,181
NET MONTHLY PROCEEDS	---	---	(\$26,250)	(\$64,259)	(\$599,810)	(\$2,059,095)	(\$1,635,303)	(\$3,987,489)	(\$3,834,079)	(\$2,436,439)	\$10,189,190	\$4,495,950	\$5,575,293	\$5,582,703	\$5,782,390
NON-LEVERAGED NET PRESENT VALUE	Total	IRR													
	\$17,138,876	29.59%													
LOAN DATA:															
	Totals	Financing													
Land Draw	\$12,415,162	72.44%	0	12,415,162	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$155,190	1.25%	0	155,190	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$38,009	100.00%	0	38,009	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$475	1.25%	0	475	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$17,748,789	100.00%	0	0	599,810	2,059,095	1,635,303	3,987,489	3,834,079	2,436,439	1,731,953	1,464,622	0	0	0
Construction Draw Points & Fees	\$221,860	1.25%	0	0	31,694	105,648	0	84,518	0	0	0	0	0	0	0
Interest Reserve (forward)	\$1,354,766	9.00%	0	0	93,399	97,897	113,341	125,605	155,512	184,267	202,540	141,768	115,872	78,991	42,110
Loan Proceeds	\$31,934,250	---	\$0	\$12,608,835	\$724,903	\$2,262,640	\$1,748,643	\$4,197,612	\$3,989,590	\$2,620,706	\$1,934,493	\$1,606,390	\$115,872	\$78,991	\$42,110
Interest Reserve	(\$1,354,766)	---	0	0	(93,399)	(97,897)	(113,341)	(125,605)	(155,512)	(184,267)	(202,540)	(141,768)	(115,872)	(78,991)	(42,110)
Loan Points & Fees	(\$377,524)	---	0	(155,665)	(31,694)	(105,648)	0	(84,518)	0						
Release Price Paydown	(\$30,201,960)	---	0	0	0	0	0	0	0	0	(9,834,943)	(4,917,471)	(4,917,471)	(4,917,471)	(5,152,596)
Monthly Loan Balance	\$0	---	\$0	\$12,453,171	\$599,810	\$2,059,095	\$1,635,303	\$3,987,489	\$3,834,079	\$2,436,439	(\$8,102,990)	(\$3,452,850)	(\$4,917,471)	(\$4,917,471)	(\$5,152,596)
Cumulative Loan Balance	\$0	---	\$0	\$12,453,171	\$13,052,981	\$15,112,076	\$16,747,379	\$20,734,868	\$24,568,946	\$27,005,385	\$18,902,395	\$15,449,545	\$10,532,074	\$5,614,603	\$462,006
NET MONTHLY PROCEEDS	\$23,129,066	---	(\$26,250)	\$12,388,912	\$0	\$0	\$0	\$0	\$0	\$0	\$2,086,200	\$1,043,100	\$657,822	\$665,232	\$629,794
LEVERAGED NET PRESENT VALUE	Total	IRR													
	\$17,138,876	106.18%													

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
SALES DATA:														
Cumulative Closings	21	---	21	21	21	21	21	21	21	21	21	21	21	21
Monthly Closing	21	---	3	0	0	0	0	0	0	0	0	0	0	0
Average Price	\$2,027,571	0.00%	\$2,176,857	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROCEEDS	\$42,579,000	0.00%	\$6,530,571	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LESS COSTS:														
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisitio	\$52,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intract	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$971,544	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Building Permit / Plan Check @ Perm	\$169,911	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (CFD)	(\$930,036)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Direct Constructor	\$11,327,400	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Option / Upgrade Costs	\$732,857	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Indirect Construction / Insuranc	\$566,370	0.00%	10,000	0	0	0	0	0	0	0	0	0	0	0
Common Areas / Rec. Comple	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$198,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Comple	\$2,280,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Converter	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrativ	\$1,277,370	0.00%	98,259	0	0	0	0	0	0	0	0	0	0	0
Sales & Closing Costs / Warrant	\$1,277,370	0.00%	195,917	0	0	0	0	0	0	0	0	0	0	0
Advertising / Marketin	\$851,580	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Misc. / Contingenc	\$425,790	0.00%	32,753	0	0	0	0	0	0	0	0	0	0	0
Homeowners' Fees	\$16,920	---	1,410	0	0	0	0	0	0	0	0	0	0	0
Property Taxes / Assessments	\$217,358	---	0	0	0	45,969	0	0	0	0	0	0	0	0
Profit Participator	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$19,449,934	---	\$338,339	\$0	\$0	\$45,969	\$0							
NET MONTHLY PROCEEDS	---	---	\$6,192,232	\$0	\$0	(\$45,969)	\$0							
NON-LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$17,138,876	29.59%												
LOAN DATA:														
	Totals	Financing												
Land Draw	\$12,415,162	72.44%	0	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$155,190	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$38,009	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$475	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$17,748,789	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draw Points & Fees	\$221,860	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Interest Reserve (forward)	\$1,354,766	9.00%	3,465	0	0	0	0	0	0	0	0	0	0	0
Loan Proceeds	\$31,934,250	---	\$3,465	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Reserve	(\$1,354,766)	---	(3,465)	0	0	0	0	0	0	0	0	0	0	0
Loan Points & Fees	(\$377,524)	---	0	0	0	0	0	0	0	0	0	0	0	0
Release Price Paydown	(\$30,201,960)	---	(462,006)	0	0	0	0	0	0	0	0	0	0	0
Monthly Loan Balanc	\$0	---	(\$462,006)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Loan Balanc	\$0	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET MONTHLY PROCEEDS	\$23,129,066	---	\$5,730,226	\$0	\$0	(\$45,969)	\$0							
LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$17,138,876	106.18%												

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
SALES DATA:														
Cumulative Closings	21	—	21	21	21	21	21	21	21	21	21	21	21	21
Monthly Closings	21	—	0	0	0	0	0	0	0	0	0	0	0	0
Average Price	\$2,027,571	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROCEEDS	\$42,579,000	0.00%	\$0											
LESS COSTS:														
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisition	\$52,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intracts	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$971,544	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Building Permit / Plan Check @ Permit	\$169,911	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (CFD)	(\$930,036)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Direct Construction	\$11,327,400	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Option / Upgrade Costs	\$732,857	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Indirect Construction / Insurance	\$566,370	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Common Areas / Rec. Complex	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$198,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Complex	\$2,280,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Conversion	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrative	\$1,277,370	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Sales & Closing Costs / Warranty	\$1,277,370	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Advertising / Marketing	\$851,580	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Misc. / Contingency	\$425,790	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Homeowners' Fees	\$16,920	—	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes / Assessments	\$217,358	—	0	0	0	0	0	0	0	0	0	0	0	0
Profit Participation	\$0	—	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$19,449,934	—	\$0											
NET MONTHLY PROCEEDS	—	—	\$0											
NON-LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$17,138,876	29.59%												
LOAN DATA:														
	Totals	Financing												
Land Draw	\$12,415,162	72.44%	0	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$155,190	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$38,009	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$475	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$17,748,789	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draw Points & Fees	\$221,860	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Interest Reserve (forward)	\$1,354,766	9.00%	0	0	0	0	0	0	0	0	0	0	0	0
Loan Proceeds	\$31,934,250	—	\$0											
Interest Reserve	(\$1,354,766)	—	0	0	0	0	0	0	0	0	0	0	0	0
Loan Points & Fees	(\$377,524)	—	0	0	0	0	0	0	0	0	0	0	0	0
Release Price Paydown	(\$30,201,960)	—	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Loan Balance	\$0	—	\$0											
Cumulative Loan Balance	\$0	—	\$0											
NET MONTHLY PROCEEDS	\$23,129,066	—	\$0											
LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$17,138,876	106.18%												

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48
SALES DATA:														
Cumulative Closings	21	---	21	21	21	21	21	21	21	21	21	21	21	21
Monthly Closing:	21	---	0	0	0	0	0	0	0	0	0	0	0	0
Average Price	\$2,027,571	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROCEEDS	\$42,579,000	0.00%	\$0											
LESS COSTS:														
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Predevelopment / Arch / Acquisitio	\$52,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Engineering / Offsites / Intract	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Fees @ Permit	\$971,544	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Building Permit / Plan Check @ Perm	\$169,911	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (CFD)	(\$930,036)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Direct Constructor	\$11,327,400	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Option / Upgrade Costs	\$732,857	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Indirect Construction / Insuranc	\$566,370	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Common Areas / Rec. Comple	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping / Fencing	\$198,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Comple	\$2,280,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Model Converter	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
General & Administrativ	\$1,277,370	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Sales & Closing Costs / Warrant	\$1,277,370	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Advertising / Marketin	\$851,580	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Misc. / Contingenc	\$425,790	0.00%	0	0	0	0	0	0	0	0	0	0	0	0
Homeowners' Fees	\$16,920	---	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes / Assessments	\$217,358	---	0	0	0	0	0	0	0	0	0	0	0	0
Profit Participator	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COSTS	\$19,449,934	---	\$0											
NET MONTHLY PROCEEDS	---	---	\$0											
NON-LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$17,138,876	29.59%												
LOAN DATA:														
	Totals	Financing												
Land Draw	\$12,415,162	72.44%	0	0	0	0	0	0	0	0	0	0	0	0
Land Draw Points & Fees	\$155,190	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draws	\$38,009	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Development Draw Points & Fees	\$475	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draws	\$17,748,789	100.00%	0	0	0	0	0	0	0	0	0	0	0	0
Construction Draw Points & Fees	\$221,860	1.25%	0	0	0	0	0	0	0	0	0	0	0	0
Interest Reserve (forward)	\$1,354,766	9.00%	0	0	0	0	0	0	0	0	0	0	0	0
Loan Proceeds	\$31,934,250	---	\$0											
Interest Reserve	(\$1,354,766)	---	0	0	0	0	0	0	0	0	0	0	0	0
Loan Points & Fees	(\$377,524)	---	0	0	0	0	0	0	0	0	0	0	0	0
Release Price Paydown	(\$30,201,960)	---	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Loan Balanc	\$0	---	\$0											
Cumulative Loan Balanc	\$0	---	\$0											
NET MONTHLY PROCEEDS	\$23,129,066	---	\$0											
LEVERAGED NET PRESENT VALUE	Total	IRR												
	\$17,138,876	106.18%												

DEVELOPMENT METHOD YIELD MODEL

	Static Totals	Annual Trend	Month 49	Month 50	Month 51	Month 52	Month 53	Month 54	Month 55	Month 56	Month 57	Month 58	Month 59	Month 60	Totals	% of Sales
SALES DATA:																
Cumulative Closings	21	---	21	21	21	21	21	21	21	21	21	21	21	21	21	---
Monthly Closings	21	---	0	0	0	0	0	0	0	0	0	0	0	0	21	---
Average Price	\$2,027,571	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,027,571	---
TOTAL PROCEEDS	\$42,579,000	0.00%	\$0	\$42,579,000	---											
LESS COSTS:																
Builder's Profit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Predevelopment / Arch / Acquisition	\$52,500	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$52,500	0.12%
Engineering / Offsites / Intracts	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Fees Before Permit	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Fees @ Permit	\$971,544	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$971,544	2.28%
Building Permit / Plan Check @ Permit	\$169,911	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$169,911	0.40%
Reimbursements (CFD)	(\$930,036)	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	(\$930,036)	-2.18%
Reimbursements (Utility)	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Direct Construction	\$11,327,400	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$11,327,400	26.80%
Option / Upgrade Costs	\$732,857	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$732,857	1.72%
Indirect Construction / Insurance	\$566,370	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$566,370	1.33%
Common Areas / Rec. Complex	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Landscaping / Fencing	\$198,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$198,000	0.47%
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
Model Complex	\$2,280,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$2,280,000	5.35%
Model Conversion	\$15,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$15,000	0.04%
Open	\$0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
General & Administrative	\$1,277,370	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$1,277,370	3.00%
Sales & Closing Costs / Warranty	\$1,277,370	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$1,277,370	3.00%
Advertising / Marketing	\$851,580	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$851,580	2.00%
Misc. / Contingency	\$425,790	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$425,790	1.00%
Homeowners' Fees	\$16,920	---	0	0	0	0	0	0	0	0	0	0	0	0	\$16,920	0.04%
Property Taxes / Assessments	\$217,358	---	0	0	0	0	0	0	0	0	0	0	0	0	\$217,358	0.51%
Profit Participation	\$0	---	0	0	0	0	0	0	0	0	0	0	0	0	\$0	0.00%
TOTAL COSTS	\$19,449,934	---	\$0	\$19,449,934	45.68%											
NET MONTHLY PROCEEDS	---	---	\$0	\$23,129,066	54.32%											
NON-LEVERAGED NET PRESENT VALUE	Total	IRR													Total	IRR
	\$17,138,876	29.59%													\$17,138,876	29.59%
LOAN DATA:																
	Totals	Financing													Totals	LTV
Land Draw	\$12,415,162	72.44%	0	0	0	0	0	0	0	0	0	0	0	0	\$12,415,162	29.16%
Land Draw Points & Fees	\$155,190	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	\$155,190	0.36%
Development Draws	\$38,009	100.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$38,009	0.09%
Development Draw Points & Fees	\$475	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	\$475	0.00%
Construction Draws	\$17,748,789	100.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$17,748,789	41.68%
Construction Draw Points & Fees	\$221,860	1.25%	0	0	0	0	0	0	0	0	0	0	0	0	\$221,860	0.52%
Interest Reserve (forward)	\$1,354,766	9.00%	0	0	0	0	0	0	0	0	0	0	0	0	\$1,354,766	3.18%
Loan Proceeds	\$31,934,250	---	\$0	\$31,934,250	75.00%											
Interest Reserve	(\$1,354,766)	---	0	0	0	0	0	0	0	0	0	0	0	0	(\$1,354,766)	-3.18%
Loan Points & Fees	(\$377,524)	---	0	0	0	0	0	0	0	0	0	0	0	0	(\$377,524)	-0.89%
Release Price Paydown	(\$30,201,960)	---	0	0	0	0	0	0	0	0	0	0	0	0	(\$30,201,960)	-70.93%
Monthly Loan Balance	\$0	---	\$0	0.00%												
Cumulative Loan Balance	\$0	---	\$0	0.00%												
NET MONTHLY PROCEEDS	\$23,129,066	---	\$0	\$23,129,066	54.32%											
LEVERAGED NET PRESENT VALUE	Total	IRR													Total	IRR
	\$17,138,876	106.18%													\$17,138,876	106.18%

ADDENDUM D: QUALIFICATIONS OF THE APPRAISERS

PROFESSIONAL QUALIFICATIONS

Ryan D. McCafferty

Director, Valuation Services, Capital Markets Group

Mr. McCafferty was employed from 1994 to 1999 as a finance manager for the J. Byer Group Inc., a leading geotechnical engineering firm, which is headquartered in Glendale, California. From 1999 to 2000, Mr. McCafferty spent a short time at Transamerica – Aegon Corporation, as a financial analyst for the top insurance firm, which is headquartered in downtown Los Angeles, California.

Joined Cushman & Wakefield of California, Inc. in January 2000, as a staff appraiser in the downtown Los Angeles office, under the supervision of Charles J. Reinagel, MAI. In January of 2001, transferred to the Cushman & Wakefield of California, Inc. Irvine, Orange County office as a staff appraiser, under the supervision of Robert W. Bell, MAI. In 2005, was promoted to associate director. In 2007, was promoted to Director. Current responsibilities include performing appraisal and consultation reports.

Experience

Appraisal and consulting assignments have included medical office buildings, specialized surgery centers, independent and assisted living facilities, skilled nursing facilities, master planned communities, proposed office condominium developments, industrial complexes, leasehold/leased fee interests, and a wide variety of income producing properties throughout the United States.

Education

University of California at Berkeley, Berkeley California, Graduated 1993
Degree: Bachelor of Arts, Geography

Loyola Marymount University, Los Angeles California, Graduated 1999
Degree: Master of Business Administration, Finance

Appraisal Education

Successfully completed the following courses towards the MAI designation: Appraisal Principles; Appraisal Procedures; Basic Income Capitalization; Advanced Income Capitalization and Standards of Professional Practice, Part B. Attended numerous continuing education classes and seminars.

Memberships, Licenses and Professional Affiliations

- Member of the Senior Housing/Healthcare Specialty Group
- Associate Member, Appraisal Institute
- California Certified General Real Estate Appraiser No. AG033914
- Arizona Certified General Real Estate Appraiser No. 31507
- Nevada Certified General Real Estate Appraiser No. A.0006836-CG
- Texas Certified General Real Estate Appraiser No. TX-1336302-G

ADVISORY GROUP



PROFESSIONAL QUALIFICATIONS

Brian J. Curry, MAI, SRA

Managing Director

National Practice Leader – Residential Development

Valuation Services, Capital Markets Group

Mr. Curry has been an independent real estate appraiser since 1983. From 1983 until 1988, he worked as a senior appraiser with a private fee appraisal firm in Del Mar, California. In 1987, Mr. Curry received the SRA designation from the Society of Real Estate Appraisers. In 1988, he formed Brian J. Curry, SRA, Real Estate Appraisals. In 1989, Mr. Curry received the SRPA designation from the Society of Real Estate Appraisers, and in 1990, the MAI designation from the (former) American Institute of Real Estate Appraisers (now the Appraisal Institute). In 1990, Mr. Curry joined with Lance W. Doré, MAI, to form Doré & Curry, Inc. In 1997, Doré & Curry, Inc. merged with D. Matt Marschall & Associates to form Doré, Curry, & Marschall, Inc. In 1999 Doré, Curry, & Marschall, Inc. joined Integra Realty Resources to form a San Diego branch. Currently Mr. Curry is a Managing Director and the National Practice Leader of the Master-Planned Communities Group of Cushman & Wakefield's Valuation Services, Capital Markets Group.

Experience

Mr. Curry has appraised a wide variety of property types, and has developed an expertise in the valuation of development property, subdivisions, and master-planned communities. Since 1990, Mr. Curry has coordinated over 700 valuation assignments for development property, totaling over 130,000 housing units. In addition, he has also appraised single family residences, condominium units and projects, planned unit developments, commercial shopping centers, office buildings and professional office parks, industrial properties, research and development properties, mixed use properties, vacant and finished land, hotels/motels, and special purpose properties including auto service centers, equestrian facilities, restaurants, car wash facilities, golf courses and marinas. He has also conducted appraisal reviews and developed marketability and feasibility studies, sensitivity analyses, and property due diligence reconnaissance. Mr. Curry has also taught real estate appraisal courses with the Society of Real Estate Appraisers, Appraisal Institute, California Community Colleges, and University of California.

Education

California Community Colleges Instructor Credential (1986 – present)

California Clear Secondary Education Teaching Credential (1983 – present)

Point Loma College, San Diego, California (9/79 – 6/83)

BA – Biology; BA – Physical Education

Spoon River College, Canton, Illinois (8/78 – 5/79)

Lakeland College, Mattoon, Illinois (1/78 – 5/78)

College Honors: Magna Cum Laude



Appraisal Education

Mr. Curry has successfully completed all courses and experience requirements to qualify for the MAI and SRA designations. Also, he has completed the requirements of the continuing education program of the Appraisal Institute.

Memberships, Licenses, and Professional Affiliations

- Member of Appraisal Institute, MAI No. 8531
Designated 1990
- Senior Real Property Appraiser, SRPA
Designated 1989
- Senior Residential Appraiser, SRA
Designated 1987
- State of California
Certified General Real Estate Appraiser
#AG003374 – Expires February 23, 2008
- State of Arizona
Certified General Real Estate Appraiser
#31315 – Expires March 31, 2009
- State of Texas
Certified General Real Estate Appraiser
#TX-1335132-G – Expires July 31, 2008
- State of Minnesota
Certified General Real Estate Appraiser
#AP-20585574 – Expires August 31, 2007
- State of Nevada
Certified General Real Estate Appraiser
#A.0007215-CG – Expires February 28, 2009
- Appraisal Institute - San Diego Chapter
Officer & 1st Vice President, Board of Directors (1996)
Officer & 2nd Vice President, Board of Directors (1995)
Officer & Secretary, Board of Directors (1994)
Officer & Treasurer, Board of Directors (1993)
- Society of Real Estate Appraisers, San Diego Chapter #33
Member Board of Directors (1989-1991)
Chair, Education Committee (1989-1991)
- Building Industry Association
Member, San Diego Chapter

