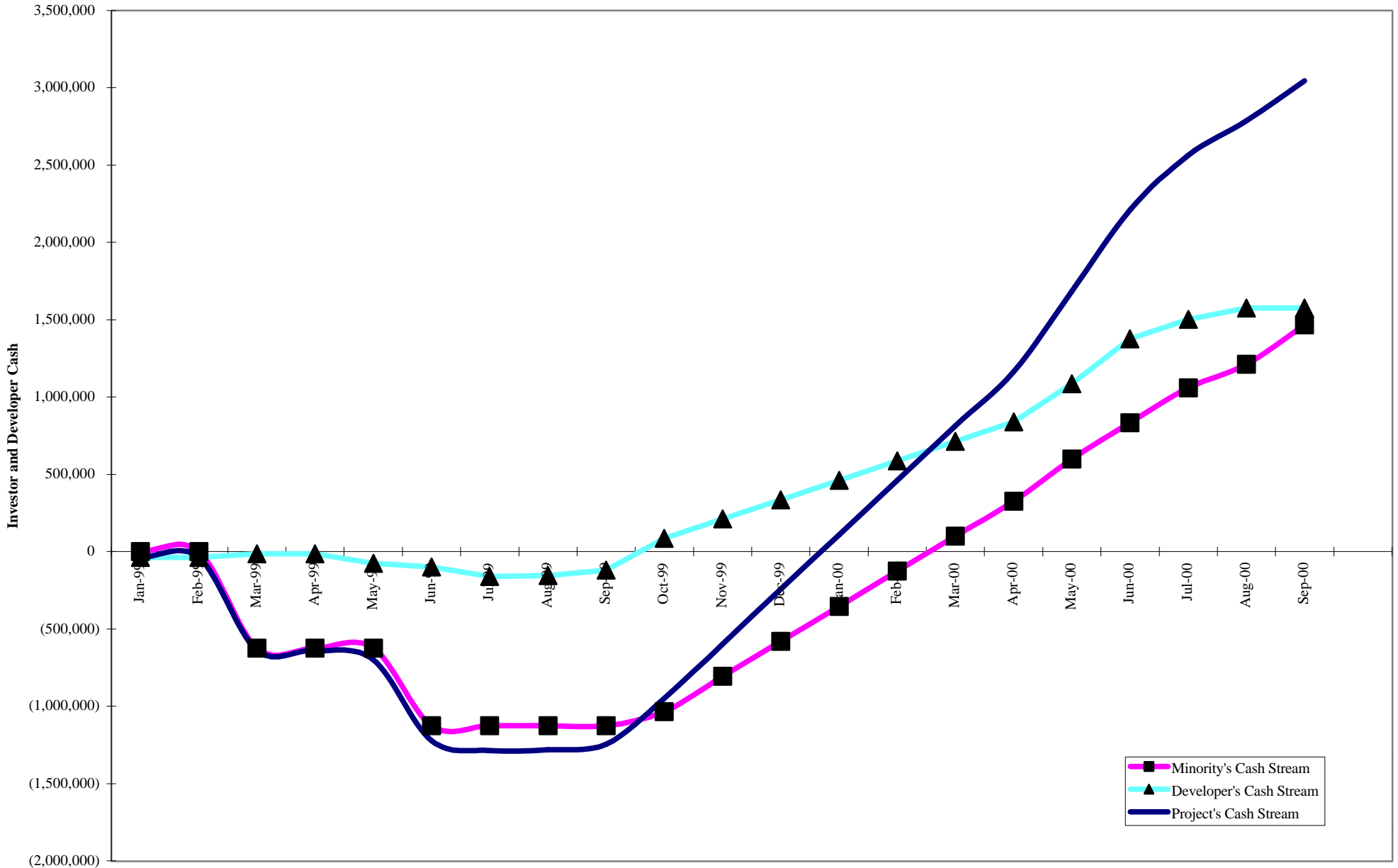


# Project Cash Flow



# Tomas Ridge

## Financial Summary

### Income Statement

|                              |           |
|------------------------------|-----------|
| Average Price                | \$131,050 |
| Gross Margin                 | 32.3%     |
| Pre-Minority Interest Margin | 22.4%     |

### Accounting Ratios

|                          |         |
|--------------------------|---------|
| Debt / Equity            | 1.7 : 1 |
| Asset Turnover (Revenue) | 4.88    |
| Inventory Turnover (COS) | 3.72    |
| Return On Average Assets | 109%    |
| Return On Maximum Assets | 60%     |
| Return on Average Equity | 295%    |
| Return on Maximum Equity | 144%    |

### Project Statistics

|                              |        |
|------------------------------|--------|
| Project life (Months)        | 19     |
| First Month of Project       | Jan-99 |
| Month Land Development Start | Mar-99 |
| Month Construction Start     | Jun-99 |
| Month Sales Begin            | Aug-99 |
| First Closings               | Oct-99 |
| Last Closings                | Sep-00 |

### Return on Equity (IRR Method)

|                                   |               |
|-----------------------------------|---------------|
| Project Net Present Value (35.0%) | \$1,557,237   |
| Project                           | 145.7%        |
| Minority                          | 93.7%         |
| Developer                         | <u>357.8%</u> |

### Financial

|                                       |                    |
|---------------------------------------|--------------------|
| Cost of Debt                          | 26.4%              |
| Maximum Acquisition Loan Outstanding  |                    |
| Maximum Development Loan Outstanding  | \$704,195          |
| Maximum Construction Loan Outstanding | <u>\$1,372,334</u> |
| Maximum Outstanding Loans             | <u>\$2,055,956</u> |
| Maximum Loan Commitment               | \$4,171,475        |

### Maximum Equity Requirement

|                                 |             |
|---------------------------------|-------------|
| Project                         | \$1,285,982 |
| Date of Project's Requirement   | Jul-99      |
| Minority                        | \$1,125,000 |
| Developer                       | \$160,982   |
| Date of Developer's Requirement | Jul-99      |

#### Notes:

- (1) All Profit ratios are derived from Pre-Minority Income, Not Net Income.
- (2) Ratios on this sheet represent annualized results through the life of the project.
- (3) for explanations of calculations, please see manual

# Tomas Ridge

## Statement of Income

|                                      | <i>Overall Project Result</i> |                 |          |                |
|--------------------------------------|-------------------------------|-----------------|----------|----------------|
|                                      | <u>Total</u>                  | <u>per Unit</u> | <u>%</u> | <u>\$/SqFt</u> |
| Number of Closings                   | 100                           |                 |          |                |
| Square Footage                       | 188,750                       | 1,888           |          |                |
| Sales Revenue                        |                               |                 |          |                |
| Base Sales Price                     | 13,105,000                    | 131,050         | 100.0%   | 69.43          |
| View & Lot Premiums                  |                               |                 |          |                |
| Option Upgrades                      |                               |                 |          |                |
| Total Sales Revenue                  | 13,105,000                    | 131,050         | 100.0%   | 69.43          |
| Cost of Sales                        |                               |                 |          |                |
| Land Cost                            | 1,075,000                     | 10,750          | 8.2%     | 5.70           |
| Development Costs                    | 1,650,610                     | 16,506          | 12.6%    | 8.74           |
| Development Fees & Permits           | 38,500                        | 385             | 0.3%     | 0.20           |
| Construction Costs - Base            | 5,379,480                     | 53,795          | 41.0%    | 28.50          |
| Construction Costs - Options         |                               |                 |          |                |
| Construction Fees & Permits          | 180,000                       | 1,800           | 1.4%     | 0.95           |
| Interim Finance - Land               |                               |                 |          |                |
| Interim Finance - Development        | 94,981                        | 950             | 0.7%     | 0.50           |
| Interim Finance - Construction       | 309,757                       | 3,098           | 2.4%     | 1.64           |
| Model Amortizables                   | 145,200                       | 1,452           | 1.1%     | 0.77           |
| Total Cost of Sales                  | 8,873,528                     | 88,735          | 67.7%    | 47.01          |
| Gross Profit                         | 4,231,472                     | 42,315          | 32.3%    | 22.42          |
| Selling & Closing Costs              |                               |                 |          |                |
| Sales Commissions - In House         | 196,575                       | 1,966           | 1.5%     | 1.04           |
| Sales Commissions - Co-Op            | 327,625                       | 3,276           | 2.5%     | 1.74           |
| Incentives                           |                               |                 |          |                |
| Permanent Loan Origination           | 131,050                       | 1,311           | 1.0%     | 0.69           |
| Permanent Loan Discounts             |                               |                 |          |                |
| Seller's Closing Costs               | 131,050                       | 1,311           | 1.0%     | 0.69           |
| Cooperative Marketing                |                               |                 |          |                |
| Warranty Reserve                     | 65,525                        | 655             | 0.5%     | 0.35           |
| Total Selling & Closing Costs        | 851,825                       | 8,518           | 6.5%     | 4.51           |
| Marginal Contribution                | 3,379,647                     | 33,796          | 25.8%    | 17.91          |
| Project Overheads                    |                               |                 |          |                |
| Media Expense                        | 88,000                        | 880             | 0.7%     | 0.47           |
| Model Operation Costs                | 88,000                        | 880             | 0.7%     | 0.47           |
| Development Overheads                |                               |                 |          |                |
| Construction Overheads               | 267,000                       | 2,670           | 2.0%     | 1.41           |
| Total Project Overheads              | 443,000                       | 4,430           | 3.4%     | 2.35           |
| Project Income Before Minority       | 2,936,647                     | 29,366          | 22.4%    | 15.56          |
| Minority Interest - Preferred Return |                               |                 |          |                |
| Minority Interest - Profit Share     | (1,468,323)                   | (14,683)        | -11.2%   | (7.78)         |
| Project Income                       | 1,468,323                     | 14,683          | 11.2%    | 7.78           |
| General & Administrative (Expense)   |                               |                 |          |                |
| Project Pre-Tax Profit               | 1,468,323                     | 14,683          | 11.2%    | 7.78           |

Tomas Ridge

**TOTAL Cash Flow Projection**

|                                      | Jan-99   | Feb-99   | Mar-99    | Apr-99    | May-99    | Jun-99      | Jul-99      | Aug-99      | Sep-99      | Oct-99      | Nov-99    |
|--------------------------------------|----------|----------|-----------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-----------|
| 100 # Houses Closed                  |          |          |           |           |           |             |             |             |             | 4           | 9         |
| # Lots Closed                        |          |          |           |           |           |             |             |             |             |             |           |
| Housing Revenue                      |          |          |           |           |           |             |             |             |             |             |           |
| \$13,105,000 Base Price              |          |          |           |           |           |             |             |             |             | 524,200     | 1,179,450 |
| Options                              |          |          |           |           |           |             |             |             |             |             |           |
| Lot Premiums                         |          |          |           |           |           |             |             |             |             |             |           |
| Land Sales                           |          |          |           |           |           |             |             |             |             |             |           |
| \$13,105,000 Total Revenue           |          |          |           |           |           |             |             |             |             | 524,200     | 1,179,450 |
| Costs at Closing                     |          |          |           |           |           |             |             |             |             |             |           |
| (131,050) Incentives                 |          |          |           |           |           |             |             |             |             | (5,242)     | (11,795)  |
| (131,050) Permanent Loan Origination |          |          |           |           |           |             |             |             |             | (5,242)     | (11,795)  |
| (196,575) Permanent Loan Discount    |          |          |           |           |           |             |             |             |             | (7,863)     | (17,692)  |
| (327,625) Seller Closing Costs       |          |          |           |           |           |             |             |             |             | (13,105)    | (29,486)  |
| (65,525) Commissions - In-House      |          |          |           |           |           |             |             |             |             | (2,621)     | (5,897)   |
| Commissions - Co-Op                  |          |          |           |           |           |             |             |             |             |             |           |
| CoOperative Marketing                |          |          |           |           |           |             |             |             |             |             |           |
| Warranty Reserve                     |          |          |           |           |           |             |             |             |             |             |           |
| Kicker and Deferred Land Pmts        |          |          |           |           |           |             |             |             |             |             |           |
| 12,253,175 Net Revenue               |          |          |           |           |           |             |             |             |             | 490,127     | 1,102,786 |
| (8,571,487) Construction Loan Payoff |          |          |           |           |           |             |             |             |             | (336,708)   | (757,592) |
| Development Loan Payoff              |          |          |           |           |           |             |             |             |             |             |           |
| Acquisition Loan Payoff              |          |          |           |           |           |             |             |             |             |             |           |
| Developer Management (G&A)           |          |          |           |           |           |             |             |             |             |             |           |
| (50,000) Minority Management Fee     |          |          |           |           |           |             |             |             |             | (2,000)     | (4,500)   |
| Customer Deposits                    |          |          |           |           |           |             |             |             |             |             |           |
| 3,631,688 Net Closing Proceeds       |          |          |           |           |           |             |             |             |             | 151,419     | 340,694   |
| Accounts Payable Relief              |          |          |           |           |           |             |             |             |             |             |           |
| 429,958 Developer Loans & Equity     | (38,500) |          | 23,500    |           | (60,000)  | (24,009)    | (61,972)    | 5,755       | 35,007      | 144,791     | 11,825    |
| (1,125,000) Minority Equity          |          |          | (625,000) |           |           | (500,000)   |             |             |             |             |           |
| \$2,936,647 Periodic Cash Flow       | (38,500) |          | (601,500) |           | (60,000)  | (524,009)   | (61,972)    | 5,755       | 35,007      | 296,210     | 352,519   |
| Project Cash Position                | (38,500) | (38,500) | (640,000) | (640,000) | (700,000) | (1,224,009) | (1,285,982) | (1,280,226) | (1,245,219) | (949,009)   | (596,490) |
| Investor Cash Flow                   |          |          |           |           |           |             |             |             |             |             |           |
| (1,125,000) Equity (Contribution)    |          |          | (625,000) |           |           | (500,000)   |             |             |             |             |           |
| 1,125,000 Return of Capital          |          |          |           |           |           |             |             |             |             | 45,000      | 101,250   |
| Preferred Return                     |          |          |           |           |           |             |             |             |             |             |           |
| 1,468,323 Profit Share               |          |          |           |           |           |             |             |             |             | 46,253      | 125,635   |
| 1,468,323 Net Cash Flow              |          |          | (625,000) |           |           | (500,000)   |             |             |             | 91,253      | 226,885   |
| Investor Cash Position               |          |          | (625,000) | (625,000) | (625,000) | (1,125,000) | (1,125,000) | (1,125,000) | (1,125,000) | (1,033,747) | (806,863) |
| Developer Cash Position              | (38,500) | (38,500) | (15,000)  | (15,000)  | (75,000)  | (99,009)    | (160,982)   | (155,226)   | (120,219)   | 84,738      | 210,373   |

**Tomas Ridge**

**TOTAL Cash Flow Projection**

|              |                               | Dec-99    | Jan-00    | Feb-00    | Mar-00    | Apr-00    | May-00    | Jun-00    | Jul-00    | Aug-00    | Sep-00    |
|--------------|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 100          | # Houses Closed               | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 9         | 7         | 8         |
|              | # Lots Closed                 |           |           |           |           |           |           |           |           |           |           |
| \$13,105,000 | Housing Revenue               |           |           |           |           |           |           |           |           |           |           |
|              | Base Price                    | 1,179,450 | 1,179,450 | 1,179,450 | 1,179,450 | 1,179,450 | 1,179,450 | 1,179,450 | 1,179,450 | 917,350   | 1,048,400 |
|              | Options                       |           |           |           |           |           |           |           |           |           |           |
|              | Lot Premiums                  |           |           |           |           |           |           |           |           |           |           |
|              | Land Sales                    |           |           |           |           |           |           |           |           |           |           |
| \$13,105,000 | Total Revenue                 | 1,179,450 | 1,179,450 | 1,179,450 | 1,179,450 | 1,179,450 | 1,179,450 | 1,179,450 | 1,179,450 | 917,350   | 1,048,400 |
|              | Costs at Closing              |           |           |           |           |           |           |           |           |           |           |
|              | Incentives                    |           |           |           |           |           |           |           |           |           |           |
| (131,050)    | Permanent Loan Origination    | (11,795)  | (11,795)  | (11,795)  | (11,795)  | (11,795)  | (11,795)  | (11,795)  | (11,795)  | (9,174)   | (10,484)  |
|              | Permanent Loan Discount       |           |           |           |           |           |           |           |           |           |           |
| (131,050)    | Seller Closing Costs          | (11,795)  | (11,795)  | (11,795)  | (11,795)  | (11,795)  | (11,795)  | (11,795)  | (11,795)  | (9,174)   | (10,484)  |
| (196,575)    | Commissions - In-House        | (17,692)  | (17,692)  | (17,692)  | (17,692)  | (17,692)  | (17,692)  | (17,692)  | (17,692)  | (13,760)  | (15,726)  |
| (327,625)    | Commissions - Co-Op           | (29,486)  | (29,486)  | (29,486)  | (29,486)  | (29,486)  | (29,486)  | (29,486)  | (29,486)  | (22,934)  | (26,210)  |
|              | CoOperative Marketing         |           |           |           |           |           |           |           |           |           |           |
| (65,525)     | Warranty Reserve              | (5,897)   | (5,897)   | (5,897)   | (5,897)   | (5,897)   | (5,897)   | (5,897)   | (5,897)   | (4,587)   | (5,242)   |
|              | Kicker and Deferred Land Pmts |           |           |           |           |           |           |           |           |           |           |
| 12,253,175   | Net Revenue                   | 1,102,786 | 1,102,786 | 1,102,786 | 1,102,786 | 1,102,786 | 1,102,786 | 1,102,786 | 1,102,786 | 857,722   | 980,254   |
| (8,571,487)  | Construction Loan Payoff      | (757,592) | (757,592) | (757,592) | (757,592) | (757,592) | (757,592) | (757,592) | (757,592) | (589,238) | (827,213) |
|              | Development Loan Payoff       |           |           |           |           |           |           |           |           |           |           |
|              | Acquisition Loan Payoff       |           |           |           |           |           |           |           |           |           |           |
|              | Developer Management (G&A)    |           |           |           |           |           |           |           |           |           |           |
|              | Minority Management Fee       |           |           |           |           |           |           |           |           |           |           |
| (50,000)     | Customer Deposits             | (4,500)   | (4,500)   | (4,500)   | (4,500)   | (4,500)   | (4,500)   | (4,500)   | (4,500)   | (3,500)   | (4,000)   |
| 3,631,688    | Net Closing Proceeds          | 340,694   | 340,694   | 340,694   | 340,694   | 340,694   | 340,694   | 340,694   | 340,694   | 264,984   | 149,041   |
|              | Accounts Payable Relief       |           |           |           |           |           |           |           |           |           |           |
| 429,958      | Developer Loans & Equity      | 11,825    | 11,825    | 11,825    | 11,825    | 11,825    | 178,859   | 184,149   | 12,443    | (41,016)  |           |
| (1,125,000)  | Minority Equity               |           |           |           |           |           |           |           |           |           |           |
| \$2,936,647  | Periodic Cash Flow            | 352,519   | 352,519   | 352,519   | 352,519   | 352,519   | 519,553   | 524,843   | 353,137   | 223,969   | 149,041   |
|              | Project Cash Position         | (243,971) | 108,548   | 461,067   | 813,586   | 1,166,105 | 1,685,658 | 2,210,501 | 2,563,638 | 2,787,606 | 2,936,647 |
|              | Investor Cash Flow            |           |           |           |           |           |           |           |           |           |           |
| (1,125,000)  | Equity (Contribution)         |           |           |           |           |           |           |           |           |           |           |
| 1,125,000    | Return of Capital             | 101,250   | 101,250   | 101,250   | 101,250   | 101,250   | 101,250   | 101,250   | 101,250   | 78,750    | 90,000    |
|              | Preferred Return              |           |           |           |           |           |           |           |           |           |           |
| 1,468,323    | Profit Share                  | 125,635   | 125,635   | 125,635   | 125,635   | 125,635   | 170,677   | 132,069   | 125,943   | 72,609    | 166,965   |
| 1,468,323    | Net Cash Flow                 | 226,885   | 226,885   | 226,885   | 226,885   | 226,885   | 271,927   | 233,319   | 227,193   | 151,359   | 256,965   |
|              | Investor Cash Position        | (579,978) | (353,093) | (126,209) | 100,676   | 327,560   | 599,487   | 832,806   | 1,059,999 | 1,211,358 | 1,468,323 |
|              | Developer Cash Position       | 336,007   | 461,642   | 587,276   | 712,911   | 838,545   | 1,086,171 | 1,377,695 | 1,503,639 | 1,576,248 | 1,468,323 |

**Tomas Ridge**  
**Source and Use of Funds**

| Total                       |                                      | Jan-99        | Feb-99 | Mar-99         | Apr-99        | May-99         | Jun-99         | Jul-99         | Aug-99         | Sep-99         | Oct-99         | Nov-99         |
|-----------------------------|--------------------------------------|---------------|--------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Funding Requirements</b> |                                      |               |        |                |               |                |                |                |                |                |                |                |
| \$1,075,000                 | Land Cost                            |               |        | 575,000        |               |                | 500,000        |                |                |                |                |                |
|                             | Land Option Payments                 |               |        |                |               |                |                |                |                |                |                |                |
|                             | Acquisition Loan Interest & Fees     |               |        |                |               |                |                |                |                |                |                |                |
| 1,677,126                   | Development Costs                    | 38,500        |        | 16,500         | 61,011        | 91,516         | 168,527        | 354,178        | 73,685         | 140,308        | 299,345        | 80,593         |
|                             | Development Supervision & Indirect   |               |        |                |               |                |                |                |                |                |                |                |
| 4,365                       | Development Property Taxes           |               |        | 302            | 302           | 302            | 586            | 532            | 478            | 423            | 369            | 314            |
| 42,000                      | Development Loan Fee                 |               |        | 13,860         |               |                | 13,440         |                |                | 14,700         |                |                |
| 52,981                      | Development Interest                 |               |        |                | 634           | 1,202          | 2,055          | 3,747          | 6,455          | 5,462          | 5,204          | 6,267          |
|                             | Development Contractor Fee           |               |        |                |               |                |                |                |                |                |                |                |
| 5,379,480                   | Construction Costs - Base            |               |        |                |               |                |                | 24,208         | 96,831         | 193,661        | 355,046        | 484,153        |
|                             | Construction Costs - Options         |               |        |                |               |                |                |                |                |                |                |                |
| 7,619                       | Construction Property Taxes          |               |        |                |               |                | 58             | 234            | 409            | 585            | 682            | 682            |
| 141,404                     | Construction Loan Interest           |               |        |                |               |                |                |                | 947            | 4,030          | 8,722          | 12,580         |
| 168,354                     | Construction Loan Fee                |               |        |                |               |                | 5,051          | 15,152         | 15,152         | 15,152         | 15,152         | 15,152         |
| 180,000                     | Fees and Permits                     |               |        |                |               |                | 5,400          | 16,200         | 16,200         | 16,200         | 16,200         | 16,200         |
|                             | Const. Contractor Fee                |               |        |                |               |                |                |                |                |                |                |                |
| 88,000                      | Model Operation Costs                |               |        |                |               |                |                |                |                | 8,000          | 8,000          | 8,000          |
| 88,000                      | Advertising                          |               |        |                |               |                |                |                |                | 8,000          | 8,000          | 8,000          |
| 145,200                     | Model Upgrade Costs                  |               |        | 40,000         |               | 60,000         |                | 30,000         |                | 30,200         |                |                |
| 267,000                     | Construction Indirects & Supervision |               |        | 25,000         |               |                | 13,500         | 16,500         | 16,500         | 16,500         | 16,500         | 16,500         |
|                             | Estimate to Complete - Land          |               |        |                |               |                |                |                |                |                |                |                |
|                             | Estimate to Complete - Development   |               |        |                |               |                |                |                |                |                |                |                |
|                             | Estimate to Complete - Construction  |               |        |                |               |                |                |                |                |                |                |                |
| <b>\$9,316,528</b>          | <b>Total Costs</b>                   | <b>38,500</b> |        | <b>670,662</b> | <b>61,947</b> | <b>153,020</b> | <b>708,617</b> | <b>460,750</b> | <b>226,656</b> | <b>453,220</b> | <b>733,218</b> | <b>648,440</b> |
| <b>Funding Sources</b>      |                                      |               |        |                |               |                |                |                |                |                |                |                |
| (429,958)                   | Developer Loans & Equity             | 38,500        |        | (23,500)       |               | 60,000         | 24,009         | 61,972         | (5,755)        | (35,007)       | (144,791)      | (11,825)       |
| 1,125,000                   | Minority Equity                      |               |        | 625,000        |               |                | 500,000        |                |                |                |                |                |
|                             | Acquisition Loan                     |               |        |                |               |                |                |                |                |                |                |                |
| 1,776,472                   | Development Loan                     |               |        | 69,162         | 61,947        | 93,020         | 184,608        | 358,457        | 80,618         | 160,893        | 304,917        | 87,174         |
| 6,795,014                   | Construction Loan                    |               |        |                |               |                |                | 40,321         | 147,294        | 322,835        | 568,592        | 568,592        |
| 50,000                      | Customer Deposit                     |               |        |                |               |                |                |                | 4,500          | 4,500          | 4,500          | 4,500          |
|                             | Closing Proceeds                     |               |        |                |               |                |                |                |                |                |                |                |
|                             | Accounts Payable                     |               |        |                |               |                |                |                |                |                |                |                |
|                             | Accrued Expenses                     |               |        |                |               |                |                |                |                |                |                |                |
| <b>\$9,316,528</b>          | <b>Total Funding</b>                 | <b>38,500</b> |        | <b>670,662</b> | <b>61,947</b> | <b>153,020</b> | <b>708,617</b> | <b>460,750</b> | <b>226,656</b> | <b>453,220</b> | <b>733,218</b> | <b>648,440</b> |

**Tomas Ridge**  
**Source and Use of Funds**

| Total                       |                                      | Dec-99         | Jan-00         | Feb-00         | Mar-00         | Apr-00         | May-00         | Jun-00         | Jul-00         | Aug-00         | Sep-00         |
|-----------------------------|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Funding Requirements</b> |                                      |                |                |                |                |                |                |                |                |                |                |
| \$1,075,000                 | Land Cost                            |                |                |                |                |                |                |                |                |                |                |
|                             | Land Option Payments                 |                |                |                |                |                |                |                |                |                |                |
|                             | Acquisition Loan Interest & Fees     |                |                |                |                |                |                |                |                |                |                |
| 1,677,126                   | Development Costs                    | 134,321        | 252,143        |                |                | (16,000)       |                |                | (17,500)       |                |                |
|                             | Development Supervision & Indirect   |                |                |                |                |                |                |                |                |                |                |
| 4,365                       | Development Property Taxes           | 260            | 206            | 151            | 97             | 42             |                |                |                |                |                |
| 42,000                      | Development Loan Fee                 |                |                |                |                |                |                |                |                |                |                |
| 52,981                      | Development Interest                 | 5,333          | 4,883          | 5,509          | 3,828          | 2,131          | 272            |                |                |                |                |
|                             | Development Contractor Fee           |                |                |                |                |                |                |                |                |                |                |
| 5,379,480                   | Construction Costs - Base            | 484,153        | 484,153        | 484,153        | 484,153        | 484,153        | 484,153        | 468,015        | 395,392        | 306,630        | 150,625        |
|                             | Construction Costs - Options         |                |                |                |                |                |                |                |                |                |                |
| 7,619                       | Construction Property Taxes          | 682            | 682            | 682            | 682            | 682            | 643            | 468            | 292            | 156            |                |
| 141,404                     | Construction Loan Interest           | 12,580         | 12,580         | 12,580         | 12,580         | 12,580         | 12,580         | 12,580         | 11,948         | 8,946          | 6,173          |
| 168,354                     | Construction Loan Fee                | 15,152         | 15,152         | 15,152         | 15,152         | 15,152         | 11,785         |                |                |                |                |
| 180,000                     | Fees and Permits                     | 16,200         | 16,200         | 16,200         | 16,200         | 16,200         | 12,600         |                |                |                |                |
|                             | Const. Contractor Fee                |                |                |                |                |                |                |                |                |                |                |
| 88,000                      | Model Operation Costs                | 8,000          | 8,000          | 8,000          | 8,000          | 8,000          | 8,000          | 8,000          | 8,000          |                |                |
| 88,000                      | Advertising                          | 8,000          | 8,000          | 8,000          | 8,000          | 8,000          | 8,000          | 8,000          | 8,000          |                |                |
| 145,200                     | Model Upgrade Costs                  |                |                |                |                |                |                |                |                |                | (15,000)       |
| 267,000                     | Construction Indirects & Supervision | 16,500         | 16,500         | 16,500         | 16,500         | 16,500         | 15,500         | 12,000         | 12,000         | 12,000         | 12,000         |
|                             | Estimate to Complete - Land          |                |                |                |                |                |                |                |                |                |                |
|                             | Estimate to Complete - Development   |                |                |                |                |                |                |                |                |                |                |
|                             | Estimate to Complete - Construction  |                |                |                |                |                |                |                |                |                |                |
| <b>\$9,316,528</b>          | <b>Total Costs</b>                   | <b>701,181</b> | <b>818,498</b> | <b>566,926</b> | <b>565,191</b> | <b>547,441</b> | <b>553,533</b> | <b>509,062</b> | <b>418,132</b> | <b>327,732</b> | <b>153,798</b> |
| <b>Funding Sources</b>      |                                      |                |                |                |                |                |                |                |                |                |                |
| (429,958)                   | Developer Loans & Equity             | (11,825)       | (11,825)       | (11,825)       | (11,825)       | (11,825)       | (178,859)      | (184,149)      | (12,443)       | 41,016         |                |
| 1,125,000                   | Minority Equity                      |                |                |                |                |                |                |                |                |                |                |
|                             | Acquisition Loan                     |                |                |                |                |                |                |                |                |                |                |
| 1,776,472                   | Development Loan                     | 139,914        | 257,231        | 5,660          | 3,925          | (13,826)       | 272            |                | (17,500)       |                |                |
| 6,795,014                   | Construction Loan                    | 568,592        | 568,592        | 568,592        | 568,592        | 568,592        | 727,620        | 688,711        | 447,575        | 286,717        | 153,798        |
| 50,000                      | Customer Deposit                     | 4,500          | 4,500          | 4,500          | 4,500          | 4,500          | 4,500          | 4,500          | 500            |                |                |
|                             | Closing Proceeds                     |                |                |                |                |                |                |                |                |                |                |
|                             | Accounts Payable                     |                |                |                |                |                |                |                |                |                |                |
|                             | Accrued Expenses                     |                |                |                |                |                |                |                |                |                |                |
| <b>\$9,316,528</b>          | <b>Total Funding</b>                 | <b>701,181</b> | <b>818,498</b> | <b>566,926</b> | <b>565,191</b> | <b>547,441</b> | <b>553,533</b> | <b>509,062</b> | <b>418,132</b> | <b>327,732</b> | <b>153,798</b> |

**Tomas Ridge**

| <b>TOTAL</b> | <b>Absorption Schedule</b> | <b>Jan-99</b> | <b>Feb-99</b> | <b>Mar-99</b> | <b>Apr-99</b> | <b>May-99</b> | <b>Jun-99</b> | <b>Jul-99</b> | <b>Aug-99</b> | <b>Sep-99</b> | <b>Oct-99</b> | <b>Nov-99</b> |
|--------------|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 100          | Raw Lot Purchase           |               |               | 50            |               |               | 50            |               |               |               |               |               |
| 100          | Development Starts         |               |               | 33            |               |               | 32            |               |               | 35            |               |               |
| 100          | Development Finish         |               |               |               |               |               | 33            |               |               | 32            |               |               |
|              | Finished Lot Sales         |               |               |               |               |               |               |               |               |               |               |               |
| 100          | Housing Starts             |               |               |               |               |               | 3             | 9             | 9             | 9             | 9             | 9             |
| 100          | Net Sales                  |               |               |               |               |               |               |               | 9             | 9             | 9             | 9             |
| 100          | House Q.C.'s               |               |               |               |               |               |               |               |               | 3             | 9             | 9             |
| 100          | House Closings             |               |               |               |               |               |               |               |               |               | 4             | 9             |
|              | Cumulative Activity        |               |               |               |               |               |               |               |               |               |               |               |
|              | Raw Lot Purchase           |               |               | 50            | 50            | 50            | 100           | 100           | 100           | 100           | 100           | 100           |
|              | Development Starts         |               |               | 33            | 33            | 33            | 65            | 65            | 65            | 100           | 100           | 100           |
|              | Development Finish         |               |               |               |               |               | 33            | 33            | 33            | 65            | 65            | 65            |
|              | Finished Lot Sales         |               |               |               |               |               |               |               |               |               |               |               |
|              | Housing Starts             |               |               |               |               |               | 3             | 12            | 21            | 30            | 39            | 48            |
|              | Net Sales                  |               |               |               |               |               |               |               | 9             | 18            | 27            | 36            |
|              | House Q.C.'s               |               |               |               |               |               |               |               |               | 3             | 12            | 21            |
|              | House Closings             |               |               |               |               |               |               |               |               |               | 4             | 13            |
|              | <b>Inventory Schedule</b>  |               |               |               |               |               |               |               |               |               |               |               |
|              | Raw Lots                   |               |               | 17            | 17            | 17            | 35            | 35            | 35            |               |               |               |
|              | Lots Under Development     |               |               | 33            | 33            | 33            | 32            | 32            | 32            | 35            | 35            | 35            |
|              | Finished Lots              |               |               |               |               |               | 30            | 21            | 12            | 35            | 26            | 17            |
|              | Reserved Lots              |               |               |               |               |               |               |               |               |               |               |               |
|              | Total Lot Inventory        |               |               | 50            | 50            | 50            | 97            | 88            | 79            | 70            | 61            | 52            |
|              | Houses In-Progress         |               |               |               |               |               | 3             | 12            | 21            | 27            | 27            | 27            |
|              | Finished House Inventory   |               |               |               |               |               |               |               |               | 3             | 8             | 8             |
|              | Total House Inventory      |               |               |               |               |               | 3             | 12            | 21            | 30            | 35            | 35            |
|              | Spec Inventory             |               |               |               |               |               | 3             | 12            | 17            | 17            | 17            | 17            |
|              | Sold, Not Started          |               |               |               |               |               |               |               | 5             | 5             | 5             | 5             |
|              | Total Backlog              |               |               |               |               |               |               |               | 9             | 18            | 23            | 23            |

**Tomas Ridge**

| <b>TOTAL</b> | <b>Absorption Schedule</b> | <b>Dec-99</b> | <b>Jan-00</b> | <b>Feb-00</b> | <b>Mar-00</b> | <b>Apr-00</b> | <b>May-00</b> | <b>Jun-00</b> | <b>Jul-00</b> | <b>Aug-00</b> | <b>Sep-00</b> |
|--------------|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 100          | Raw Lot Purchase           |               |               |               |               |               |               |               |               |               |               |
| 100          | Development Starts         |               |               |               |               |               |               |               |               |               |               |
| 100          | Development Finish         | 35            |               |               |               |               |               |               |               |               |               |
|              | Finished Lot Sales         |               |               |               |               |               |               |               |               |               |               |
| 100          | Housing Starts             | 9             | 9             | 9             | 9             | 9             | 7             |               |               |               |               |
| 100          | Net Sales                  | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 1             |               |               |
| 100          | House Q.C.'s               | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 7             |               |
| 100          | House Closings             | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 7             | 8             |
|              | Cumulative Activity        |               |               |               |               |               |               |               |               |               |               |
|              | Raw Lot Purchase           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
|              | Development Starts         | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
|              | Development Finish         | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           | 100           |
|              | Finished Lot Sales         |               |               |               |               |               |               |               |               |               |               |
|              | Housing Starts             | 57            | 66            | 75            | 84            | 93            | 100           | 100           | 100           | 100           | 100           |
|              | Net Sales                  | 45            | 54            | 63            | 72            | 81            | 90            | 99            | 100           | 100           | 100           |
|              | House Q.C.'s               | 30            | 39            | 48            | 57            | 66            | 75            | 84            | 93            | 100           | 100           |
|              | House Closings             | 22            | 31            | 40            | 49            | 58            | 67            | 76            | 85            | 92            | 100           |
|              | <b>Inventory Schedule</b>  |               |               |               |               |               |               |               |               |               |               |
|              | Raw Lots                   |               |               |               |               |               |               |               |               |               |               |
|              | Lots Under Development     |               |               |               |               |               |               |               |               |               |               |
|              | Finished Lots              | 43            | 34            | 25            | 16            | 7             |               |               |               |               |               |
|              | Reserved Lots              |               |               |               |               |               |               |               |               |               |               |
|              | Total Lot Inventory        | 43            | 34            | 25            | 16            | 7             |               |               |               |               |               |
|              | Houses In-Progress         | 27            | 27            | 27            | 27            | 27            | 25            | 16            | 7             |               |               |
|              | Finished House Inventory   | 8             | 8             | 8             | 8             | 8             | 8             | 8             | 8             | 8             |               |
|              | Total House Inventory      | 35            | 35            | 35            | 35            | 35            | 33            | 24            | 15            | 8             |               |
|              | Spec Inventory             | 17            | 17            | 17            | 17            | 17            | 10            | 1             |               |               |               |
|              | Sold, Not Started          | 5             | 5             | 5             | 5             | 5             |               |               |               |               |               |
|              | Total Backlog              | 23            | 23            | 23            | 23            | 23            | 23            | 23            | 15            | 8             |               |

**Tomas Ridge**

11.00% Interest rate  
100.0% Release price

**Development Loan**

| TOTAL       | Tomas Ridge                        | Jan-99   | Feb-99 | Mar-99 | Apr-99  | May-99  | Jun-99  | Jul-99   | Aug-99    | Sep-99    | Oct-99    | Nov-99    |
|-------------|------------------------------------|----------|--------|--------|---------|---------|---------|----------|-----------|-----------|-----------|-----------|
| 1,681,491   | Development Cost                   | 38,500   |        | 16,802 | 61,313  | 91,819  | 169,114 | 354,710  | 74,162    | 140,731   | 299,713   | 80,907    |
|             | Development Fees                   |          |        |        |         |         |         |          |           |           |           |           |
| 52,981      | Interest                           |          |        |        | 634     | 1,202   | 2,055   | 3,747    | 6,455     | 5,462     | 5,204     | 6,267     |
| 42,000      | Loan Fees                          |          |        | 13,860 |         |         | 13,440  |          |           | 14,700    |           |           |
|             | Development Supervision & Indirect |          |        |        |         |         |         |          |           |           |           |           |
| 1,776,472   | Total Cost                         | 38,500   |        | 30,662 | 61,947  | 93,020  | 184,608 | 358,457  | 80,618    | 160,893   | 304,917   | 87,174    |
|             | Borrower Equity                    |          |        |        |         |         |         |          |           |           |           |           |
|             | Closing Proceeds                   |          |        |        |         |         |         |          |           |           |           |           |
|             | Accounts Payable                   |          |        |        |         |         |         |          |           |           |           |           |
| 1,776,472   | Development Loan Advances          | 38,500   |        | 30,662 | 61,947  | 93,020  | 184,608 | 358,457  | 80,618    | 160,893   | 304,917   | 87,174    |
|             | Acquisition Loan Payoffs           |          |        |        |         |         |         |          |           |           |           |           |
|             | Lot Sale Payoffs                   |          |        |        |         |         |         |          |           |           |           |           |
| (1,776,472) | Paydowns                           |          |        |        |         |         |         | (63,000) | (189,000) | (189,000) | (189,000) | (189,000) |
|             | Adj. Loan Balance                  | 38,500   |        | 30,662 | 131,109 | 224,130 | 408,738 | 704,195  | 595,812   | 567,705   | 683,622   | 581,796   |
|             | Additional Equity                  | (38,500) |        | 38,500 |         |         |         |          |           |           |           |           |
|             | <b>Outstanding Loan Balance</b>    |          |        | 69,162 | 131,109 | 224,130 | 408,738 | 704,195  | 595,812   | 567,705   | 683,622   | 581,796   |
|             |                                    |          |        | 17.0%  | 27.9%   | 39.9%   | 41.3%   | 64.5%    | 65.1%     | 48.2%     | 55.7%     | 55.0%     |

11.00% Interest rate  
100.0% Release price

**Construction Loan**

| TOTAL       | Tomas Ridge                     | Jan-99 | Feb-99 | Mar-99   | Apr-99 | May-99   | Jun-99   | Jul-99   | Aug-99  | Sep-99  | Oct-99    | Nov-99    |
|-------------|---------------------------------|--------|--------|----------|--------|----------|----------|----------|---------|---------|-----------|-----------|
| 5,567,098   | Construction Cost               |        |        |          |        |          | 5,458    | 40,641   | 113,440 | 210,446 | 371,928   | 501,035   |
| 588,200     | Overhead                        |        |        | 65,000   |        | 60,000   | 13,500   | 46,500   | 16,500  | 62,700  | 32,500    | 32,500    |
|             | Development Cost                |        |        |          |        |          |          |          |         |         |           |           |
| 141,404     | Interest                        |        |        |          |        |          |          |          | 947     | 4,030   | 8,722     | 12,580    |
| 168,354     | Loan Fees                       |        |        |          |        |          | 5,051    | 15,152   | 15,152  | 15,152  | 15,152    | 15,152    |
| 6,465,056   | Total Cost                      |        |        | 65,000   |        | 60,000   | 24,009   | 102,293  | 146,039 | 292,327 | 428,301   | 561,267   |
|             | Borrower Equity                 |        |        |          |        |          |          |          |         |         |           |           |
| (50,000)    | Customer Deposits               |        |        |          |        |          |          |          | (4,500) | (4,500) | (4,500)   | (4,500)   |
|             | Closing Proceeds                |        |        |          |        |          |          |          |         |         |           |           |
|             | Accounts Payable                |        |        |          |        |          |          |          |         |         |           |           |
| 6,415,056   | Construction Advances           |        |        | 65,000   |        | 60,000   | 24,009   | 102,293  | 141,539 | 287,827 | 423,801   | 556,767   |
| 1,776,472   | Development Loan Payoffs        |        |        |          |        |          |          | 63,000   | 189,000 | 189,000 | 189,000   | 189,000   |
| 8,191,528   | Total Advances                  |        |        | 65,000   |        | 60,000   | 24,009   | 165,293  | 330,539 | 476,827 | 612,801   | 745,767   |
| (8,571,487) | Payoffs                         |        |        |          |        |          |          |          |         |         | (336,708) | (757,592) |
| (379,958)   | Adj. Loan Balance               |        |        | 65,000   |        | 60,000   | 24,009   | 165,293  | 433,860 | 916,442 | 1,227,543 | 1,360,509 |
| 379,958     | Additional Equity               |        |        | (65,000) |        | (60,000) | (24,009) | (61,972) | 5,755   | 35,007  | 144,791   | 11,825    |
| (0)         | <b>Outstanding Loan Balance</b> |        |        |          |        |          |          | 103,321  | 439,615 | 951,449 | 1,372,334 | 1,372,334 |
|             |                                 |        |        |          |        |          |          | 22.3%    | 50.8%   | 69.5%   | 81.8%     | 82.2%     |

**Tomas Ridge**

11.00% Interest rate  
100.0% Release price

**Development Loan**

| <b>TOTAL</b> | Tomas Ridge                        | <b>Dec-99</b>  | <b>Jan-00</b>  | <b>Feb-00</b>  | <b>Mar-00</b>  | <b>Apr-00</b> | <b>May-00</b> | <b>Jun-00</b> | <b>Jul-00</b> | <b>Aug-00</b> | <b>Sep-00</b> |
|--------------|------------------------------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1,681,491    | Development Cost                   | 134,581        | 252,348        | 151            | 97             | (15,958)      |               |               | (17,500)      |               |               |
|              | Development Fees                   |                |                |                |                |               |               |               |               |               |               |
| 52,981       | Interest                           | 5,333          | 4,883          | 5,509          | 3,828          | 2,131         | 272           |               |               |               |               |
| 42,000       | Loan Fees                          |                |                |                |                |               |               |               |               |               |               |
|              | Development Supervision & Indirect |                |                |                |                |               |               |               |               |               |               |
| 1,776,472    | Total Cost                         | 139,914        | 257,231        | 5,660          | 3,925          | (13,826)      | 272           |               | (17,500)      |               |               |
|              | Borrower Equity                    |                |                |                |                |               |               |               |               |               |               |
|              | Closing Proceeds                   |                |                |                |                |               |               |               |               |               |               |
|              | Accounts Payable                   |                |                |                |                |               |               |               |               |               |               |
| 1,776,472    | Development Loan Advances          | 139,914        | 257,231        | 5,660          | 3,925          | (13,826)      | 272           |               | (17,500)      |               |               |
|              | Acquisition Loan Payoffs           |                |                |                |                |               |               |               |               |               |               |
|              | Lot Sale Payoffs                   |                |                |                |                |               |               |               |               |               |               |
| (1,776,472)  | Paydowns                           | (189,000)      | (189,000)      | (189,000)      | (189,000)      | (189,000)     | (29,972)      |               | 17,500        |               |               |
|              | Adj. Loan Balance                  | 532,710        | 600,942        | 417,602        | 232,526        | 29,700        |               |               |               |               |               |
|              | Additional Equity                  |                |                |                |                |               |               |               |               |               |               |
|              | <b>Outstanding Loan Balance</b>    | <b>532,710</b> | <b>600,942</b> | <b>417,602</b> | <b>232,526</b> | <b>29,700</b> |               |               |               |               |               |
|              |                                    | 56.6%          | 62.8%          | 59.1%          | 51.2%          | 14.9%         |               |               |               |               |               |

11.00% Interest rate  
100.0% Release price

**Construction Loan**

| <b>TOTAL</b> | Tomas Ridge                     | <b>Dec-99</b>    | <b>Jan-00</b>    | <b>Feb-00</b>    | <b>Mar-00</b>    | <b>Apr-00</b>    | <b>May-00</b>    | <b>Jun-00</b>    | <b>Jul-00</b>  | <b>Aug-00</b>  | <b>Sep-00</b> |
|--------------|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------|---------------|
| 5,567,098    | Construction Cost               | 501,035          | 501,035          | 501,035          | 501,035          | 501,035          | 497,396          | 468,482          | 395,684        | 306,786        | 150,625       |
| 588,200      | Overhead                        | 32,500           | 32,500           | 32,500           | 32,500           | 32,500           | 31,500           | 28,000           | 28,000         | 12,000         | (3,000)       |
|              | Development Cost                |                  |                  |                  |                  |                  |                  |                  |                |                |               |
| 141,404      | Interest                        | 12,580           | 12,580           | 12,580           | 12,580           | 12,580           | 12,580           | 12,580           | 11,948         | 8,946          | 6,173         |
| 168,354      | Loan Fees                       | 15,152           | 15,152           | 15,152           | 15,152           | 15,152           | 11,785           |                  |                |                |               |
| 6,465,056    | Total Cost                      | 561,267          | 561,267          | 561,267          | 561,267          | 561,267          | 553,261          | 509,062          | 435,632        | 327,732        | 153,798       |
|              | Borrower Equity                 |                  |                  |                  |                  |                  |                  |                  |                |                |               |
| (50,000)     | Customer Deposits               | (4,500)          | (4,500)          | (4,500)          | (4,500)          | (4,500)          | (4,500)          | (4,500)          | (500)          |                |               |
|              | Closing Proceeds                |                  |                  |                  |                  |                  |                  |                  |                |                |               |
|              | Accounts Payable                |                  |                  |                  |                  |                  |                  |                  |                |                |               |
| 6,415,056    | Construction Advances           | 556,767          | 556,767          | 556,767          | 556,767          | 556,767          | 548,761          | 504,562          | 435,132        | 327,732        | 153,798       |
| 1,776,472    | Development Loan Payoffs        | 189,000          | 189,000          | 189,000          | 189,000          | 189,000          | 29,972           |                  | (17,500)       |                |               |
| 8,191,528    | Total Advances                  | 745,767          | 745,767          | 745,767          | 745,767          | 745,767          | 578,733          | 504,562          | 417,632        | 327,732        | 153,798       |
| (8,571,487)  | Payoffs                         | (757,592)        | (757,592)        | (757,592)        | (757,592)        | (757,592)        | (757,592)        | (757,592)        | (757,592)      | (589,238)      | (827,213)     |
| (379,958)    | Adj. Loan Balance               | 1,360,509        | 1,360,509        | 1,360,509        | 1,360,509        | 1,360,509        | 1,193,475        | 1,119,304        | 963,494        | 714,431        |               |
| 379,958      | Additional Equity               | 11,825           | 11,825           | 11,825           | 11,825           | 11,825           | 178,859          | 184,149          | 12,443         | (41,016)       |               |
| (0)          | <b>Outstanding Loan Balance</b> | <b>1,372,334</b> | <b>1,372,334</b> | <b>1,372,334</b> | <b>1,372,334</b> | <b>1,372,334</b> | <b>1,372,334</b> | <b>1,303,453</b> | <b>975,936</b> | <b>673,415</b> |               |
|              |                                 | 82.5%            | 82.9%            | 83.3%            | 83.7%            | 84.1%            | 88.0%            | 104.9%           | 114.4%         | 122.3%         |               |

# Tomas Ridge

## Gross Profit Analysis (by Plan) and Mix

| Plan<br>Sq. Ft.               | Sales Price |          | Construction Cost / Lot |       |          |          | Gross Profit |       | Mix | Total<br>Sq. Ft. | Total      |           |         |
|-------------------------------|-------------|----------|-------------------------|-------|----------|----------|--------------|-------|-----|------------------|------------|-----------|---------|
|                               | Unit        | per Sq.' | Hard Costs              | Fees  | % of Rev | per Sq.' | Amount       | %     |     |                  | Revenue    | Hard Cost | Fees    |
| 1,450                         | 109,900     | 75.79    | 47,589                  | 1,500 | 44.7%    | 32.82    | 33,019       | 30.0% | 18  | 26,100           | 1,978,200  | 856,602   | 27,000  |
| 1,700                         | 118,900     | 69.94    | 53,737                  | 1,500 | 46.5%    | 31.61    | 33,595       | 28.3% | 25  | 42,500           | 2,972,500  | 1,343,425 | 37,500  |
| 1,950                         | 129,900     | 66.62    | 52,358                  | 1,500 | 41.5%    | 26.85    | 43,193       | 33.3% | 27  | 52,650           | 3,507,300  | 1,413,653 | 40,500  |
| 2,250                         | 154,900     | 68.84    | 58,860                  | 2,500 | 39.6%    | 26.16    | 54,368       | 35.1% | 30  | 67,500           | 4,647,000  | 1,765,800 | 75,000  |
| W.Avg.<br>Options<br>Lot Prem | 131,050     | 69.43    | 53,795                  | 1,800 | 42.4%    | 28.50    | 42,315       | 32.3% | 100 | 188,750          | 13,105,000 | 5,379,480 | 180,000 |
|                               | 131,050     | 69.43    | 53,795                  | 1,800 | 42.4%    | 28.50    | 42,315       | 32.3% | 100 | 188,750          | 13,105,000 | 5,379,480 | 180,000 |

# Tomas Ridge

## Profit by Plan (Including Lot Premiums and Option Sales)

| Plan Type | Revenue    |          |        |            | Cost of Sales |           |         |         |          |           |       | Gross Profit |       | Selling & Closing | Project Overheads | G&A and Other | Pre-Tax Profit |       |
|-----------|------------|----------|--------|------------|---------------|-----------|---------|---------|----------|-----------|-------|--------------|-------|-------------------|-------------------|---------------|----------------|-------|
|           | Base       | Lot Prem | Option | Total      | Fin. Lot      | Const.    | Fees    | Finance | Model A. | Total     | %     | Amount       | %     |                   |                   |               | Amount         | %     |
| 1,450     | 109,900    |          |        | 109,900    | 23,180        | 47,589    | 1,500   | 3,394   | 1,218    | 76,881    | 70.0% | 33,019       | 30.0% | 7,144             | 4,430             |               | 21,446         | 19.5% |
| 1,700     | 118,900    |          |        | 118,900    | 25,078        | 53,737    | 1,500   | 3,672   | 1,317    | 85,305    | 71.7% | 33,595       | 28.3% | 7,729             | 4,430             |               | 21,437         | 18.0% |
| 1,950     | 129,900    |          |        | 129,900    | 27,399        | 52,358    | 1,500   | 4,012   | 1,439    | 86,707    | 66.7% | 43,193       | 33.3% | 8,444             | 4,430             |               | 30,319         | 23.3% |
| 2,250     | 154,900    |          |        | 154,900    | 32,672        | 58,860    | 2,500   | 4,784   | 1,716    | 100,532   | 64.9% | 54,368       | 35.1% | 10,069            | 4,430             |               | 39,870         | 25.7% |
| Total     | 13,105,000 |          |        | 13,105,000 | 2,764,110     | 5,379,480 | 180,000 | 404,739 | 145,200  | 8,873,528 | 67.7% | 4,231,472    | 32.3% | 851,825           | 443,000           |               | 2,936,647      | 22.4% |

\* The above report disregards minority interests.

# Tomas Ridge

Fiscal Year Ending

| Statement of Income                  | Mar-99 | Jun-99 | Sep-99   | Dec-99    | 1999      | per Unit | %      | \$/SqFt | Mar-00    | Jun-00    | Sep-00    | Dec-00 | 2000        | per Unit | %      | \$/SqFt |
|--------------------------------------|--------|--------|----------|-----------|-----------|----------|--------|---------|-----------|-----------|-----------|--------|-------------|----------|--------|---------|
| Number of Closings                   |        |        |          | 22        | 22        |          |        |         | 27        | 27        | 24        |        | 78          |          |        |         |
| Square Footage                       |        |        |          | 41,525    | 41,525    | 1,888    |        |         | 50,963    | 50,963    | 45,300    |        | 147,225     | 1,888    |        |         |
| Sales Revenue                        |        |        |          |           |           |          |        |         |           |           |           |        |             |          |        |         |
| Base Sales Price                     |        |        |          | 2,883,100 | 2,883,100 | 131,050  | 100.0% | 69.43   | 3,538,350 | 3,538,350 | 3,145,200 |        | 10,221,900  | 131,050  | 354.5% | 69.43   |
| View & Lot Premiums                  |        |        |          |           |           |          |        |         |           |           |           |        |             |          |        |         |
| Option Revenue                       |        |        |          |           |           |          |        |         |           |           |           |        |             |          |        |         |
| Total Sales Revenue                  |        |        |          | 2,883,100 | 2,883,100 | 131,050  | 100.0% | 69.43   | 3,538,350 | 3,538,350 | 3,145,200 |        | 10,221,900  | 131,050  | 354.5% | 69.43   |
| Cost Of Sales                        |        |        |          |           |           |          |        |         |           |           |           |        |             |          |        |         |
| Land Cost                            |        |        |          | 236,500   | 236,500   | 10,750   | 8.2%   | 5.70    | 290,250   | 290,250   | 258,000   |        | 838,500     | 10,750   | 29.1%  | 5.70    |
| Development Costs                    |        |        |          | 363,134   | 363,134   | 16,506   | 12.6%  | 8.74    | 445,665   | 445,665   | 396,146   |        | 1,287,476   | 16,506   | 44.7%  | 8.74    |
| Development Fees & Permits           |        |        |          | 8,470     | 8,470     | 385      | 0.3%   | 0.20    | 10,395    | 10,395    | 9,240     |        | 30,030      | 385      | 1.0%   | 0.20    |
| Construction Costs - Base            |        |        |          | 1,183,485 | 1,183,485 | 53,795   | 41.0%  | 28.50   | 1,452,459 | 1,452,459 | 1,291,075 |        | 4,195,994   | 53,795   | 145.5% | 28.50   |
| Construction Costs - Option          |        |        |          |           |           |          |        |         |           |           |           |        |             |          |        |         |
| Construction Fees & Permits          |        |        |          | 39,600    | 39,600    | 1,800    | 1.4%   | 0.95    | 48,600    | 48,600    | 43,200    |        | 140,400     | 1,800    | 4.9%   | 0.95    |
| Interim Finance - Acquisition        |        |        |          |           |           |          |        |         |           |           |           |        |             |          |        |         |
| Interim Finance - Development        |        |        |          | 20,896    | 20,896    | 950      | 0.7%   | 0.50    | 25,645    | 25,645    | 22,795    |        | 74,085      | 950      | 2.6%   | 0.50    |
| Interim Finance - Construction       |        |        |          | 68,147    | 68,147    | 3,098    | 2.4%   | 1.64    | 83,635    | 83,635    | 74,342    |        | 241,611     | 3,098    | 8.4%   | 1.64    |
| Model Amortizables                   |        |        |          | 31,944    | 31,944    | 1,452    | 1.1%   | 0.77    | 39,204    | 39,204    | 34,848    |        | 113,256     | 1,452    | 3.9%   | 0.77    |
| Total Cost Of Sales                  |        |        |          | 1,952,176 | 1,952,176 | 88,735   | 67.7%  | 47.01   | 2,395,853 | 2,395,853 | 2,129,647 |        | 6,921,352   | 88,735   | 240.1% | 47.01   |
| Gross Profit                         |        |        |          | 930,924   | 930,924   | 42,315   | 32.3%  | 22.42   | 1,142,497 | 1,142,497 | 1,015,553 |        | 3,300,548   | 42,315   | 114.5% | 22.42   |
| Selling & Closing Costs              |        |        |          |           |           |          |        |         |           |           |           |        |             |          |        |         |
| Commissions - In-House               |        |        |          | 43,247    | 43,247    | 1,966    | 1.5%   | 1.04    | 53,075    | 53,075    | 47,178    |        | 153,329     | 1,966    | 5.3%   | 1.04    |
| Commissions - Co-Op                  |        |        |          | 72,078    | 72,078    | 3,276    | 2.5%   | 1.74    | 88,459    | 88,459    | 78,630    |        | 255,548     | 3,276    | 8.9%   | 1.74    |
| Incentives                           |        |        |          |           |           |          |        |         |           |           |           |        |             |          |        |         |
| Permanent Loan Origination           |        |        |          | 28,831    | 28,831    | 1,311    | 1.0%   | 0.69    | 35,384    | 35,384    | 31,452    |        | 102,219     | 1,311    | 3.5%   | 0.69    |
| Permanent Loan Discounts             |        |        |          |           |           |          |        |         |           |           |           |        |             |          |        |         |
| Seller's Closing Costs               |        |        |          | 28,831    | 28,831    | 1,311    | 1.0%   | 0.69    | 35,384    | 35,384    | 31,452    |        | 102,219     | 1,311    | 3.5%   | 0.69    |
| CoOperative Marketing                |        |        |          |           |           |          |        |         |           |           |           |        |             |          |        |         |
| Warranty Reserve                     |        |        |          | 14,416    | 14,416    | 655      | 0.5%   | 0.35    | 17,692    | 17,692    | 15,726    |        | 51,110      | 655      | 1.8%   | 0.35    |
| Total Selling & Closing Costs        |        |        |          | 187,402   | 187,402   | 8,518    | 6.5%   | 4.51    | 229,993   | 229,993   | 204,438   |        | 664,424     | 8,518    | 23.0%  | 4.51    |
| Marginal Contribution                |        |        |          | 743,522   | 743,522   | 33,796   | 25.8%  | 17.91   | 912,505   | 912,505   | 811,115   |        | 2,636,125   | 33,796   | 91.4%  | 17.91   |
| Project Overheads                    |        |        |          |           |           |          |        |         |           |           |           |        |             |          |        |         |
| Advertising                          |        |        | 8,000    | 24,000    | 32,000    | 1,455    | 1.1%   | 0.77    | 24,000    | 24,000    | 8,000     |        | 56,000      | 718      | 1.9%   | 0.38    |
| Model Operation Costs                |        |        | 8,000    | 24,000    | 32,000    | 1,455    | 1.1%   | 0.77    | 24,000    | 24,000    | 8,000     |        | 56,000      | 718      | 1.9%   | 0.38    |
| Development Overhead                 |        |        |          |           |           |          |        |         |           |           |           |        |             |          |        |         |
| Construction Overhead                |        |        |          | 58,740    | 58,740    | 2,670    | 2.0%   | 1.41    | 72,090    | 72,090    | 64,080    |        | 208,260     | 2,670    | 7.2%   | 1.41    |
| Total Project Overheads              |        |        | 16,000   | 106,740   | 122,740   | 5,579    | 4.3%   | 2.96    | 120,090   | 120,090   | 80,080    |        | 320,260     | 4,106    | 11.1%  | 2.18    |
| Project Income Before Minority       |        |        | (16,000) | 636,782   | 620,782   | 28,217   | 21.5%  | 14.95   | 792,415   | 792,415   | 731,035   |        | 2,315,865   | 29,691   | 80.3%  | 15.73   |
| Minority Interest - Preferred Return |        |        |          |           |           |          |        |         |           |           |           |        |             |          |        |         |
| Minority Interest - Profit Share     |        |        | 8,000    | (318,391) | (310,391) | (14,109) | -10.8% | (7.47)  | (396,207) | (396,207) | (365,518) |        | (1,157,932) | (14,845) | -40.2% | (7.87)  |
| Project Income                       |        |        | (8,000)  | 318,391   | 310,391   | 14,109   | 10.8%  | 7.47    | 396,207   | 396,207   | 365,518   |        | 1,157,932   | 14,845   | 40.2%  | 7.87    |
| General & Administrative (Expense)   |        |        |          |           |           |          |        |         |           |           |           |        |             |          |        |         |
| Project Pre-Tax Profit               |        |        | (8,000)  | 318,391   | 310,391   | 14,109   | 10.8%  | 7.47    | 396,207   | 396,207   | 365,518   |        | 1,157,932   | 14,845   | 40.2%  | 7.87    |

# Tomas Ridge

Fiscal Year Ending

| <i>Balance Sheet</i>                  | 1998 | Mar-99         | Jun-99           | Sep-99           | Dec-99           | 1999             | Mar-00           | Jun-00           | Sep-00           | Dec-00           | 2000             |
|---------------------------------------|------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Cash & Cash Equivalents               |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Unrestricted Cash                     |      | (15,000)       | (99,009)         | (120,219)        | 336,007          | 336,007          | 712,911          | 1,377,695        | 1,468,323        | 1,468,323        | 1,468,323        |
| Restricted Cash                       |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Cash Equivalents                      |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|                                       |      | (15,000)       | (99,009)         | (120,219)        | 336,007          | 336,007          | 712,911          | 1,377,695        | 1,468,323        | 1,468,323        | 1,468,323        |
| Receivables                           |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Real Estate Inventory                 |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Raw Land Held for Development         |      | 220,250        | 376,250          |                  |                  |                  |                  |                  |                  |                  |                  |
| Development In Progress               |      | 407,412        | 989,444          | 1,178,263        | 940,371          | 940,371          | 453,790          | 0                | 0                | 0                | 0                |
| Construction In Progress              |      | 25,000         | 134,553          | 1,368,910        | 1,662,670        | 1,662,670        | 1,639,629        | 1,242,716        |                  |                  |                  |
| Sales Center Installation             |      | 40,000         | 100,000          | 160,200          | 128,256          | 128,256          | 89,052           | 49,848           |                  |                  |                  |
|                                       |      | 692,662        | 1,600,247        | 2,707,374        | 2,731,297        | 2,731,297        | 2,182,471        | 1,292,564        | 0                | 0                | 0                |
| Intercompany Receivable               |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Property and Equipment, Net           |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Other Assets                          |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Refundable Deposits                   |      | 16,500         | 32,500           | 50,000           | 50,000           | 50,000           | 33,500           | 17,500           |                  |                  |                  |
| Goodwill                              |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Deferred Taxes                        |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Other Prepaid Expenses, etc.          |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|                                       |      | 16,500         | 32,500           | 50,000           | 50,000           | 50,000           | 33,500           | 17,500           |                  |                  |                  |
| <b>Total Assets</b>                   |      | <b>694,162</b> | <b>1,533,738</b> | <b>2,637,155</b> | <b>3,117,305</b> | <b>3,117,305</b> | <b>2,928,881</b> | <b>2,687,759</b> | <b>1,468,323</b> | <b>1,468,323</b> | <b>1,468,323</b> |
| Liabilities                           |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Notes Payable - Acquisition           |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Notes Payable - Development           |      | 69,162         | 408,738          | 567,705          | 532,710          | 532,710          | 232,526          |                  |                  |                  |                  |
| Notes Payable - Construction          |      |                |                  | 951,449          | 1,372,334        | 1,372,334        | 1,372,334        | 1,303,453        |                  |                  |                  |
|                                       |      | 69,162         | 408,738          | 1,519,155        | 1,905,044        | 1,905,044        | 1,604,860        | 1,303,453        |                  |                  |                  |
| Accounts Payable                      |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Accrued Expenses                      |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Deferred Income and Other             |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Income Taxes Payable                  |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Customer Deposits                     |      |                |                  | 9,000            | 11,500           | 11,500           | 11,500           | 11,500           |                  |                  |                  |
| Commitments                           |      |                |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>Total Liabilities</b>              |      | <b>69,162</b>  | <b>408,738</b>   | <b>1,528,155</b> | <b>1,916,544</b> | <b>1,916,544</b> | <b>1,616,360</b> | <b>1,314,953</b> |                  |                  |                  |
| Minority Equity                       |      | 625,000        | 1,125,000        | 1,117,000        | 890,369          | 890,369          | 605,923          | 270,000          |                  |                  |                  |
| Common Equity                         |      |                |                  | (8,000)          | 310,391          | 310,391          | 706,598          | 1,102,806        | 1,468,323        | 1,468,323        | 1,468,323        |
| <b>Total Equity</b>                   |      | <b>625,000</b> | <b>1,125,000</b> | <b>1,109,000</b> | <b>1,200,760</b> | <b>1,200,760</b> | <b>1,312,521</b> | <b>1,372,806</b> | <b>1,468,323</b> | <b>1,468,323</b> | <b>1,468,323</b> |
| <b>Total Equity &amp; Liabilities</b> |      | <b>694,162</b> | <b>1,533,738</b> | <b>2,637,155</b> | <b>3,117,305</b> | <b>3,117,305</b> | <b>2,928,881</b> | <b>2,687,759</b> | <b>1,468,323</b> | <b>1,468,323</b> | <b>1,468,323</b> |

# Tomas Ridge

Fiscal Year Ending

| <i>Statement of Cash Flows</i>                   | 1998 | Mar-99    | Jun-99    | Sep-99      | Dec-99    | 1999        | Mar-00    | Jun-00    | Sep-00      | Dec-00    | 2000        |
|--|------|-----------|-----------|-------------|-----------|-------------|-----------|-----------|-------------|-----------|-------------|
| Net Income                                       |      |           |           | (8,000)     | 318,391   | 310,391     | 396,207   | 396,207   | 365,518     |           | 1,157,932   |
| Cash Provided by / (Used for)                    |      |           |           |             |           |             |           |           |             |           |             |
| Decreases / (Increases) in Assets:               |      |           |           |             |           |             |           |           |             |           |             |
| Restricted Cash                                  |      |           |           |             |           |             |           |           |             |           |             |
| Cash Equivalents                                 |      |           |           |             |           |             |           |           |             |           |             |
| Receivables                                      |      |           |           |             |           |             |           |           |             |           |             |
| Raw Land Held for Development                    |      | (220,250) | (156,000) | 376,250     |           |             |           |           |             |           |             |
| Development In Progress                          |      | (407,412) | (582,032) | (188,819)   | 237,892   | (940,371)   | 486,582   | 453,790   |             |           | 940,371     |
| Construction In Progress                         |      | (25,000)  | (109,553) | (1,234,357) | (293,760) | (1,662,670) | 23,041    | 396,914   | 1,242,716   |           | 1,662,670   |
| Sales Center Installation                        |      | (40,000)  | (60,000)  | (60,200)    | 31,944    | (128,256)   | 39,204    | 39,204    | 49,848      |           | 128,256     |
| Intercompany Receivable                          |      |           |           |             |           |             |           |           |             |           |             |
| Property and Equipment, Net                      |      |           |           |             |           |             |           |           |             |           |             |
| Refundable Deposits                              |      | (16,500)  | (16,000)  | (17,500)    |           | (50,000)    | 16,500    | 16,000    | 17,500      |           | 50,000      |
| Goodwill   |      |           |           |             |           |             |           |           |             |           |             |
| Deferred Taxes                                   |      |           |           |             |           |             |           |           |             |           |             |
| Other Prepaid Expenses, etc.                     |      |           |           |             |           |             |           |           |             |           |             |
| Increases / (Decreases) in Liabilities & Equity: |      |           |           |             |           |             |           |           |             |           |             |
| Notes Payable - Acquisition                      |      |           |           |             |           |             |           |           |             |           |             |
| Notes Payable - Development                      |      | 69,162    | 339,576   | 158,967     | (34,995)  | 532,710     | (300,184) | (232,526) |             |           | (532,710)   |
| Notes Payable - Construction                     |      |           |           | 951,449     | 420,884   | 1,372,334   |           | (68,881)  | (1,303,453) |           | (1,372,334) |
| Accounts Payable                                 |      |           |           |             |           |             |           |           |             |           |             |
| Accrued Expenses                                 |      |           |           |             |           |             |           |           |             |           |             |
| Deferred Income and Other                        |      |           |           |             |           |             |           |           |             |           |             |
| Income Taxes Payable                             |      |           |           |             |           |             |           |           |             |           |             |
| Customer Deposits                                |      |           |           | 9,000       | 2,500     | 11,500      |           |           | (11,500)    |           | (11,500)    |
| Commitments                                      |      |           |           |             |           |             |           |           |             |           |             |
| Minority Equity                                  |      | 625,000   | 500,000   | (8,000)     | (226,631) | 890,369     | (284,446) | (335,923) | (270,000)   |           | (890,369)   |
| Common Equity                                    |      |           |           |             |           |             |           |           |             |           |             |
| Net increase / (decrease) in cash                |      | (15,000)  | (84,009)  | (21,210)    | 456,226   | 336,007     | 376,904   | 664,785   | 90,628      |           | 1,132,316   |
| CASH, at beginning of period                     |      |           | (15,000)  | (99,009)    | (120,219) |             | 336,007   | 712,911   | 1,377,695   | 1,468,323 | 336,007     |
| CASH, at end of period                           |      | (15,000)  | (99,009)  | (120,219)   | 336,007   | 336,007     | 712,911   | 1,377,695 | 1,468,323   | 1,468,323 | 1,468,323   |

# Tomas Ridge

## Check Page

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### Double Checking for possible errors

|                                    |     |
|------------------------------------|-----|
| Acquisition Loan Paid off          | Yes |
| Development Loan Paid off          | Yes |
| Construction Loan Paid off         | Yes |
| Total Costs equal Total Uses       | Yes |
| Cash equals profit                 | Yes |
| Assets equal Liabilities & Equity  | Yes |
| Total Profit equals Monthly Profit | Yes |

### OK to have No's, but should know why!

|                                 |     |
|---------------------------------|-----|
| Developing own land             | Yes |
| Developing Finished Lots        | Yes |
| Closing Finished Houses         | Yes |
| Lots Purchased = Lots Developed | Yes |
| Lots Purchased = Lots Mixed     | Yes |

# Tomas Ridge

## NOTES

This is just an example to demonstrate the capabilities of the Feasibility Advisor.

By the Way, this whole page can be used to document assumptions, and any other necessary details.

### **Feasibility Advisor Report Listing:**

Actual Profit Overrides  
Advanced Assumptions  
Check Page to double check formulas  
Costs Spent To-Date (prior to the Cash Flow)  
Financial Summary  
General Assumptions  
Graph of Cash Streams; Project, Minority, and Developer  
Graph of Gross Profit by Plan  
Graph of Minority Cash Streams overlayed by Home Closings  
Graph of Monthly Absorption  
Graph of Sales Price Components: (Income Statement by Plan)  
Gross Profit Analysis (by Plan) and Mix

Monthly Absorption Schedule  
Monthly Acquisition Loan  
Monthly Balance Sheet  
Monthly Collateral Calculations  
Monthly Construction Loan  
Monthly Development Loan  
Monthly Distribution of Profit  
Monthly Income Statement  
Monthly Indirect Cash Flows  
Monthly Inventory Schedule  
Monthly Proceeds Projections  
Monthly Source and Use of Funds  
Monthly Statement of Changes  
Monthly Subordinate Acquisition Loan Details  
Monthly Summary Cash Streams

### **All Reports are calculated from two pages of assumptions:**

Overall Project Profit  
Profit by Plan (Including Premiums and Options)  
Quarter Absorption Schedule  
Quarterly Balance Sheets  
Quarterly Income Statements  
Quarterly Statement of Changes  
User Notes

### **For Consolidations,**

**See the Business Plan Advisor**

- Consolidates over 100 Projects
- Consolidates over 100 Divisions

### **To Compare Projections to Actual,**

**See the Financial Advisor**

Revision Notes:

1999-05-05

Implemented New Macro Strategies to increase performance

# Tomas Ridge

Model revision 1999-05-05

## General Assumptions

| General Information                       |                   | Selling Expense Items   |  | Mix Assumptions   |                  |                                     |                  |                  |                  | Collateral Analysis |                                |                   |                   |                   |              |
|---|-------------------|---|--|-------------------|------------------|-------------------------------------|------------------|------------------|------------------|---------------------|--------------------------------|-------------------|-------------------|-------------------|--------------|
| Project Name                              | Tomas Ridge       | In-House Commissions  | 1.50%                                  | Model SqFt        | Plan SqFt        | Base Price                          | Mix              | Const. Fees      | C.Cost /SqFt     | Const. Cost         | <b>Raw Lot Collateral</b>      | <b>10,750</b>     |                   |                   |              |
| Purpose                                   | Cash Flow Example | Co-op Commissions (weighted)  | 2.50%                                  |                   |                  |                                     |                  |                  |                  |                     | Finished Lot Value             |                   |                   |                   |              |
| Run Date                                  | Jul 03, 99        | Incentives  |  | 1,450             | 1,450            | 109,900                             | 18               | 1,500            | 32.820           | 47,589              | Finished Lot Value             | 28,000            |                   |                   |              |
| Map 1 Development Start                   | Mar 01, 99        | Permanent Loan Origination  | 1.00%                                  | 1,700             | 1,700            | 118,900                             | 25               | 1,500            | 31.610           | 53,737              | Loan/Value                     | 75.0%             |                   |                   |              |
| <b>Absorption assumptions</b>             |                   | Permanent Loan Discounts  |  | 1,950             | 1,950            | 129,900                             | 27               | 1,500            | 26.850           | 52,358              | Value Collateral               | 21,000            |                   |                   |              |
| Net Absorption per Month                  | 9                 | Seller's Closing Costs  | 1.00%                                  |                   | 2,250            | 154,900                             | 30               | 2,500            | 26.160           | 58,860              | Finished Lot Cost              |                   |                   |                   |              |
| Pre-Sales Level                           | 5                 | Media Expense (Monthly)   | 8,000                                  |                   |                  |                                     |                  |                  |                  |                     | Raw Land Cost                  | 10,750            |                   |                   |              |
| Development Cycle (mo.s)                  | 3                 | CoOperative Marketing   |  |                   |                  |                                     |                  |                  |                  |                     | Development Hard/Soft Cost     | 15,851            |                   |                   |              |
| House Construction Cycle (mo.s)           | 3                 | Model Operation Costs (Monthly\$)   | 8,000                                  |                   |                  |                                     |                  |                  |                  |                     | Offsite Costs & Common         | 1,420             |                   |                   |              |
| Jump Start Models (mo.s)                  |                   | Total Lot/View Premiums (of Mix, 100 Lots)                                      |  |                   |                  |                                     |                  |                  |                  |                     | Expected Finance Costs         | 1,000             |                   |                   |              |
| Reserved Finished Lots                    |                   | Option Revenue (% of Sales)   |  |                   |                  |                                     |                  |                  |                  |                     | Estimated Cost                 | 29,021            |                   |                   |              |
| <b>Field Overhead Costs</b>               |                   | Option Cost (% of Option Revenue)   |  |                   |                  |                                     |                  |                  |                  |                     | Loan/Cost (Max)                | 85.0%             |                   |                   |              |
| Construction Indirects (per Month)        | 12,000            | Option Deposit (% of Option Revenue)  |  |                   |                  |                                     |                  |                  |                  |                     | Max Cost Collateral            | 24,668            |                   |                   |              |
| Construction Indirects (per Unit)         | 500               | <b>Minority Associated Items</b>  |  |                   |                  |                                     |                  |                  |                  |                     | <b>Finished Lot Collateral</b> | <b>21,000</b>     |                   |                   |              |
| Warranty Reserve (% of Revenue)           | 0.5%              | Minority Preferred Return Rate  |  |                   |                  |                                     |                  |                  |                  |                     | House Value                    |                   |                   |                   |              |
| or Warranty Reserve (Amount per House)    |                   | Minority Profit Share   | 50%                                    |                   |                  |                                     |                  |                  |                  |                     | Base Sales Price               | 131,050           |                   |                   |              |
| <b>Financing Assumptions</b>              |                   | Minority Contribution - 1   | Mar-99                                 | 625,000           |                  |                                     |                  |                  |                  |                     | Lot Premiums                   | 0                 |                   |                   |              |
| Acquisition Loan Rate                     | 11.00%            | Minority Contribution - 2   | Jun-99                                 | 500,000           |                  |                                     |                  |                  |                  |                     | Options                        | 0                 |                   |                   |              |
| Acquisition Loan Fee                      | 10.00%            | Minority Contribution - 3   |  |                   |                  |                                     |                  |                  |                  |                     | Total Value                    | 131,050           |                   |                   |              |
| Acquisition Loan/Cost                     |                   | Minority Contribution - 4   |  |                   |                  |                                     |                  |                  |                  |                     | Loan/Value                     | 70.0%             |                   |                   |              |
| Acquisition Loan Term (Months)            | 12                | Accelerated Minority Capital per Lot  |  |                   |                  |                                     |                  |                  |                  |                     | Value Collateral               | 91,735            |                   |                   |              |
| Development Loan Rate                     | 11.00%            | Minority Broker Fee (% of Capital)  |  |                   |                  |                                     |                  |                  |                  |                     | House Cost                     |                   |                   |                   |              |
| Development Loan Fee                      | 2.00%             | Minority Management Fee (% of Revenue)  |  |                   |                  |                                     |                  |                  |                  |                     | Land and Development           | 28,515            |                   |                   |              |
| Development Loan/Value                    | 75.00%            | Developer Management (G&A) (% of Rev.)  |  |                   |                  |                                     |                  |                  |                  |                     | Hard Costs,Fees & Finance      | 59,133            |                   |                   |              |
| Development (Max) Loan/Cost               | 85.00%            | Types of Preferred Return   |  |                   |                  |                                     |                  |                  |                  |                     | Overheads                      | 5,882             |                   |                   |              |
| Construction Loan Rate                    | 11.00%            | <input type="radio"/> Cash Available Hierarchy                                  |  |                   |                  |                                     |                  |                  |                  |                     | Estimated Cost                 | 93,530            |                   |                   |              |
| Construction Loan Fee                     | 2.00%             | <input type="radio"/> Average Payments for Life of Project                      |  |                   |                  |                                     |                  |                  |                  |                     | Loan/Cost (Max)                | 90.0%             |                   |                   |              |
| Construction Loan/Value                   | 70.00%            | <input checked="" type="radio"/> Monthly Interest Payment & Capital per Closing |  |                   |                  |                                     |                  |                  |                  |                     | Max Cost Collateral            | 84,177            |                   |                   |              |
| Construction (Max) Loan/Cost              | 90.00%            |   |  |                   |                  |                                     |                  |                  |                  |                     | <b>House Collateral</b>        | <b>84,177</b>     |                   |                   |              |
| <b>Land &amp; Development Assumptions</b> |                   |   |  |                   |                  |                                     |                  |                  |                  | <b>100</b>          |                                |                   |                   |                   |              |
| <b>Appraised Value</b>                    |                   | Per Lot   | Total                                  | Escalator         |                  | <b>Land Monthly Option Payments</b> |                  |                  |                  |                     |                                |                   |                   |                   |              |
| Finished Lots (Blank - Use Cost)          | 28,000            | 2,800,000   | Start of Escalation                    | Payment           |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   |              |
| Architecture / Market Research            | 3/1/99            | 25,000  | Deferred Land Payment per (escalation) | Begin (Inclusive) |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   |              |
|   |                   |   | Kicker Payment per Lot (no escalation) | End (Inclusive)   |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   |              |
| <b>Land Cost Structure</b>                | <b>To-Date</b>    | <b>Payment 1</b>  | <b>Payment 2</b>                       | <b>Payment 3</b>  | <b>Payment 4</b> | <b>Payment 5</b>                    | <b>Payment 6</b> | <b>Payment 7</b> | <b>Payment 8</b> | <b>Payment 9</b>    | <b>Payment 10</b>              | <b>Payment 11</b> | <b>Payment 12</b> | <b>Payment 13</b> | <b>Total</b> |
| Raw Lots                                  | 0                 | 50  | 50                                     |                   |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   | 100          |
| Base Land Price                           | \$0               | 575,000   | 500,000                                |                   |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   | 1,075,000    |
| Subordinate Acquisition Loan Fundings     |                   |   |  |                   |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   | 0            |
| Date of Takedown (Blank - Use Dev)        |                   |   |  |                   |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   |              |
| Takedown of Land No Later Than            |                   |   |  |                   |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   |              |
| Calculated Land Payment                   | To-Date           | 3/15/99   | 6/15/99                                | 9/15/99           | 12/15/99         | 12/15/99                            | 12/15/99         | 12/15/99         | 12/15/99         | 12/15/99            | 12/15/99                       | 12/15/99          | 12/15/99          | 12/15/99          |              |
| <b>Development Cost Schedule</b>          | <b>To-Date</b>    | <b>Map 1</b>  | <b>Map 2</b>                           | <b>Map 3</b>      | <b>Map 4</b>     | <b>Map 5</b>                        | <b>Map 6</b>     | <b>Map 7</b>     | <b>Map 8</b>     | <b>Map 9</b>        | <b>Map 10</b>                  | <b>Map 11</b>     | <b>Map 12</b>     | <b>Map 13</b>     | <b>Total</b> |
| Lots into Development                     | 0                 | 33  | 32                                     | 35                |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   | 100          |
| Development Hard Costs                    | 0                 | 468,083   | 491,232                                | 537,285           |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   | 1,496,600    |
| Development Soft Costs                    | 0                 | 38,500  |  |                   |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   | 38,500       |
| Utility Deposits                          |                   | 16,500  | 16,000                                 | 17,500            |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   | 50,000       |
| Offsite Development Costs                 |                   | 142,026   |  |                   |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   | 142,026      |
| Common Area Improvement Costs             |                   |   |  |                   |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   | 0            |
| Development Start (Blank - Calculate)     |                   |   |  |                   |                  |                                     |                  |                  |                  |                     |                                |                   |                   |                   |              |
| Calculated Pre-Development Start          | To-Date           | 1/15/99   | 4/15/99                                | 7/15/99           | 10/15/99         | 10/15/99                            | 10/15/99         | 10/15/99         | 10/15/99         | 10/15/99            | 10/15/99                       | 10/15/99          | 10/15/99          | 10/15/99          |              |
| Calculated Development Start              | To-Date           | 3/15/99   | 6/15/99                                | 9/15/99           | 12/15/99         | 12/15/99                            | 12/15/99         | 12/15/99         | 12/15/99         | 12/15/99            | 12/15/99                       | 12/15/99          | 12/15/99          | 12/15/99          |              |