

## Assumptions

### Cash Flow Projections

#### Assumptions

##### Servicing Manager LLC

1	Interest Spread	Source of Cash assumes use of approximately 40% of total available spread (\$19,207,737 available). Assumes spread is generally 2.00%.
2	Loan Extensions	Assumes the following for loan extensions: 2009: 37 loans extended, face value \$498,472,958, extension fees \$3,352,194 2010: 7 loans extended, face value \$113,650,104, extension fees \$1,250,802 2011: 5 loans extended, face value \$154,838,541, extension fees \$2,315,387 2012: 4 loans extended, face value \$124,488,437, extension fees \$1,564,884
2a	Rightpath	Both Options to Extend are exercised on all three loans. No reduction in principal prior to final payoff.
2b	CS 11 Maricopa, CGSR, SOJAC	All deferred fees and interest spread are paid at maturity.
2c	Active Loans	Assumes loans currently active remain active through maturity, including any assumed extensions.
3	Operating Expenses	Assumes the following operating expenses:
3a	Loan Servicing (based on proposal from Churchill Commercial Capital)	Assumes loan servicing fee of 25 basis points on unpaid loan balance (proposal calls for 15-25 basis points). Loan set-up fee of \$1,000 per loan due in first year, plus estimated \$200,000 in transition costs.
3b	Enforcement of Loans	Legal and consulting fees related to loan modification and enforcement of loan provisions including default and foreclosure remedies.
4	Borrower Loan Payoff	Assumes the following loan payoffs: 2009: 2 loans paid off - 3% of portfolio value 2010: 31 loans paid off - 40% of portfolio value 2011: 14 loans paid off - 42% of portfolio value 2012: 1 loan paid off - 2% of portfolio value 2013 and after: 5 loans paid off - 13% of portfolio value

##### Liquidating Trust

1	Sale of REO	Assumes all sales are completed at the end of 2012 at an estimated value of 50% of the current book value of the assets.
2	Financing Cost	Respective principal balances are (\$2,000,000) and (\$6,450,000). Assumes interest is paid at 7.25% for 36 months, after which the REO properties are sold for the aggregate amount owed.
3	Litigation Recoveries	Recoveries from various actions to be pursued by the Liquidating Trust are not shown but could exceed \$300,000,000.
4	Cost	Annual cost includes direct cost of Liquidation Trustee, real estate taxes on REO and insurance.

##### Exit Cost

1	Professional Fees	Assumes Professional Fees due of \$7,000,000.
2	Stratera Debt	Assumes Stratera debt of \$5,000,000.
3	Stratera Accrued Interest	Assumes accrued interest on Stratera debt of \$400,000.
4	Administrative Rent Claim	Assumes Administrative Rent Claim of \$302,000.
5	Priority Claims	Assumes a Priority Payroll Claim of \$144,877.

##### Exit Financing

1	Funding Commitment	\$20,000,000
2	Interest Rate	20%
3	Loan Origination Fee	10%, or \$2,000,000
4	Loan Term	3 years
5	Extension Fee	Extension fee of 5% applicable for 6 month extension after initial loan term.
6	Exit Payoff	70% of asset sales are applied to loan balance until paid off.
7	Participation Fee	Lender to receive 10% of net proceeds from the sale or repayment of loans and REO, capped at \$8 million.

##### Other

1	Beginning Cash	Beginning Cash is estimated at \$450,000.
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Servicing Manager LLC and Liquidating Trust  
Total Cash Sources and Uses

	May - Dec.					Total
	2009	2010	2011	2012	2013	Total
Exit Costs						
Total Sources of Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Uses of Cash	(10,513,544)	(2,333,333)	-	-	-	(12,846,877)
Total Cash Flow	\$ (10,513,544)	\$ (2,333,333)	\$ -	\$ -	\$ -	\$ (12,846,877)
Liquidating Trust						
Total Sources of Cash	\$ -	\$ -	\$ -	\$ 21,031,500	\$ -	\$ 21,031,500
Total Uses of Cash	(941,750)	(1,412,625)	(1,412,625)	(9,862,625)	-	(13,629,625)
Total Cash Flow	\$ (941,750)	\$ (1,412,625)	\$ (1,412,625)	\$ 11,168,875	\$ -	\$ 7,401,875
Servicing Manager LLC						
Total Sources of Cash	\$ 4,511,657	\$ 5,038,419	\$ 4,513,774	\$ 2,052,758	\$ 4,674	\$ 16,121,281
Total Uses of Cash	(3,051,672)	(3,131,997)	(2,293,713)	(657,249)	(617,249)	(9,751,881)
Total Cash Flow	\$ 1,459,984	\$ 1,906,421	\$ 2,220,061	\$ 1,395,509	\$ (612,575)	\$ 6,369,400
Aggregated Net Cash Flow	[1] \$ (9,995,309)	\$ (1,839,537)	\$ 807,436	\$ 12,564,384	\$ (612,575)	\$ 924,398
Assumed Financing Needs	[2]					
Beginning Cash	\$ 450,000					
Beginning Loan Balance (net of beginning cash)	(14,056,966)	\$ (14,756,702)	\$ (10,240,354)	\$ -		
Loan Fee	[3] (2,000,000)					
Repayment Incentive Fee	[4] (885,402)		(614,421)			
Additional Borrowing	(6,877,956)		(3,706,338)			
Interest Charged	(4,504,012)		(2,912,223)			
Payment from Manager and LT	(3,211,393)		4,513,774			
Payment from Borrowers	4,511,657	5,038,419	11,745,300	12,564,384		
Ending Balance & Remaining Cash	\$ (14,756,702)	\$ (10,240,354)	\$ -	\$ 12,564,384		

[1] Footnotes and assumptions on corresponding schedules.

[2] Assumes a loan or line amount equal to the maximum negative net cash flow. Assumes interest at 20.00% per year, charged on year end balance.

[3] Assumes loan fee of 10% on \$20,000,000 loan.

[4] Repayment incentive fee of 3% payable in 13th month and every six months thereafter.

Servicing Manager LLC  
Exit Cost Schedule

	May - Dec. 2009	2010	2011	2012	Total
Estimated Exit Costs	\$ (4,666,667)	\$ (2,333,333)	\$ -	\$ -	\$ -
Professional Fees	(5,000,000)	-	-	-	-
Stratera Debt	(400,000)	-	-	-	-
Stratera Accrued Interest	(302,000)	-	-	-	-
Administrative Rent Claim	(144,877)	-	-	-	-
Priority Payroll Claim					
Subtotal	\$ (10,513,544)	\$ (2,333,333)	\$ -	\$ -	\$ -

Liquidating Trust  
Total Cash Sources and Uses

	May - Dec.					Total
	2009	2010	2011	2012	2013	
Sources of Cash						
Sale of REO	\$ -	\$ -	\$ -	\$ 21,031,500	\$ -	\$ 21,031,500
Total Sources of Cash	\$ -	\$ -	\$ -	\$ 21,031,500	\$ -	\$ 21,031,500
Uses of Cash						
Operating Expenses	\$ (533,333)	\$ (800,000)	\$ (800,000)	\$ (800,000)	\$ -	\$ (2,933,333)
Financing Expenses	\$ (408,417)	\$ (612,625)	\$ (612,625)	\$ (9,062,625)	\$ -	\$ (10,696,292)
	\$ (941,750)	\$ (1,412,625)	\$ (1,412,625)	\$ (9,862,625)	\$ -	\$ (13,629,625)
Net Cash Flow	\$ (941,750)	\$ (1,412,625)	\$ (1,412,625)	\$ 11,168,875	\$ -	\$ 7,401,875

[1] Assumes recovery of approximately half of the book value of the REO properties in 2012.

[2] Majority of Legal Fees paid on a contingent basis. Operating expenses incurred for the administration of the REO properties.

[3] Assumes rate of 7.25%. Includes assumed principal repayment of \$8,045,000 in 2012.

Servicing Manager LLC  
Total Cash Sources and Uses

	May - Dec.					Total
	2009	2010	2011	2012	2013	
Sources of Cash						
Interest Rate Spread [1]	\$ 1,159,463	\$ 3,787,617	\$ 2,198,387	\$ 487,874	\$ 4,674	\$ 7,638,013
Lender Fees [2]	3,352,194	1,250,802	2,315,387	1,564,884	-	8,483,268
Total Sources of Cash	\$ 4,511,657	\$ 5,038,419	\$ 4,513,774	\$ 2,052,758	\$ 4,674	\$ 16,121,281
Uses of Cash						
Operating Expenses [3]	\$ (2,451,672)	\$ (2,131,997)	\$ (1,293,713)	\$ (407,249)	\$ (367,249)	\$ (6,651,881)
Enforcement of Loans	(600,000)	(1,000,000)	(1,000,000)	(250,000)	(250,000)	(3,100,000)
Total Uses of Cash	\$ (3,051,672)	\$ (3,131,997)	\$ (2,293,713)	\$ (657,249)	\$ (617,249)	\$ (9,751,881)
Net Cash Flow	\$ 1,459,984	\$ 1,906,421	\$ 2,220,061	\$ 1,395,509	\$ (612,575)	\$ 6,369,400

[1] Assumes use of approximately 40% of total available spread. Assumes spread is generally 2.00%.

[2] Assumes a Fee of 1% of the principal balance upon loan maturity extension.

[3] Based on proposal by Churchill Commercial Capital. Includes loan servicing fee of 25 basis points on unpaid loan balance, loan set up fee of \$1,000 per loan in first year, plus estimated \$200,000 in transition costs