

The purpose of this loan thesis is for you to communicate quickly and precisely what type financing you are seeking, and what type collateral you have to offer. This document is unlike an executive summary in that I can tell in 15 seconds the feasibility of the transaction. Think of this as an enticement to get us into the executive summary, which in turn, is an enticement to get us into the business plan.

Date: April 12, 2006

Re: \$64,500,000 loan request (Real Estate Development Property)

### Loan Thesis

The Reserve Estates, LLC is seeking a loan up to \$64,500,000 (acquisition and development) to build an equestrian community in one of the most active real estate markets in Florida. The loan will be used to purchase and develop 239 acres in Miami, FL into an equestrian community including bridal trails, stables, and 11 estates strategically positioned over the property to take full advantage of the spectacular scenery offered. Each estate will sit on approximately 20 acre plats. Joe Brown is the majority and has been a developer/builder for 35 plus years and he is currently involved in constructing several hundred homes on 1400 acres in Georgia. Mr. Brown's resume is attached as Exhibit 2.

### Use of Funds:

\$ 20,000,000 1 <sup>st</sup> Lien	
\$ 12,000,000 Soft costs,	
\$ 32,500,000 Construction	
<hr/>	
\$ 64,500,000 Total	

### The Collateral

Improvements to the land totaled \$1,100,000 and included:

- |                     |                           |
|---------------------|---------------------------|
| ◆ Land clearing     | ◆ Engineering / Plat maps |
| ◆ Site work permits | ◆ Planning                |
| ◆ Debt service      | ◆ Fill in selected areas  |

The property is zoned A-20.

### Estimated Value

The property was appraised on January 1, 2006 by Jim Jones, 888-555-1212 for \$20,000,000

Comp 1: (Listing)  
3995 SE Bridge Road (1/2 mile east of subject property)  
\$40,000,000 for 318.68 acres (\$ 125,518 / acre)  
Zoned A-20  
Zoned for 1 unit per 20 acres  
MLS# 2522685

Comp 2: (Pocket Listing)  
Orange grove on north side of Bridge Road  
\$1,625,000 for 22.24 acres (\$ 73,067 / acre)  
Zoned A-20

Comp 3: (sale)  
Becker Grove  
NE corner of Bridge Road and I-95  
\$40,000,000 for 1000 (\$ 40,000 / acre)

### Borrower

The borrower has a net worth of \$ 4,300,000 with liquid assets of \$1,250,000

### Cash Contributed By Borrower

Joe Brown has contributed \$ 5,000,000 cash to this project in total.

### **Strengths of the Transaction**

Joe Brown is an established builder/developer of high end homes. The engineered plat maps are approved and ready to be recorded.

◆ Property is located on a major thoroughfare near Miami  
Borrower has significant net worth/assets.

### **Draw-Backs of the Transaction**

Although the subject property is located in one of the most active real estate markets in Florida, due to the nature of the property and the lack of comparables it is difficult to determine the current market value of the land.

### **Time Frame for Final Entitlements**

Property has met all environmental requirements, all State, Federal, and County permits have been approved, and engineering has prepared the plat maps which are ready to be recorded.

### **Sale price**

The 20 acre lots will be priced from \$900,000 to \$1,250,000 generating \$11,950,000 gross profit. Net profit is calculated to be \$3,380,054. Refer to Exhibit 1 to review proforma statement.

### **Time is of the essence**

Closing is scheduled in 60 days.