

**Executive Summary**

This table summarizes the May 30, 2008 financial analysis prepared by Piper Jaffray concerning the development costs for the Beachwood and Glen Cree sites in Half Moon Bay. This analysis is based on the assumption that AB 1991 does not pass but it is certain that the site could be developed with residential units. Please see the full Report that states the limiting conditions and the basis for the various assumptions.

This analysis assumes that the City would pay to the property owner, as required in the settlement, the full \$18 million dollars. The total bond amount would need to be at least \$19.625 million (the added \$1.625 million reflects financing costs and bond reserves). Depending on the number of units that could be developed on the site, the full cost to the City, after accounting for all costs and revenues, would range from nearly \$9 million with 126 units to over \$46 million with 19 units constructed on the site.

**City of Half Moon Bay Beachwood Financial Analysis**

**Summary Table**

Total Number of Lots	19	30	50	83	129
Total Number of "BMR" Lots <sup>(1)</sup>	4	6	10	17	26
Net Market Rate Lots	15	24	40	66	103
Sale Price Per Lot (Market)	\$450,000	\$400,000	\$375,000	\$350,000	\$325,000
Total Project Revenue	\$6,750,000	\$9,600,000	\$15,000,000	\$22,100,000	\$33,475,000
Infrastructure Cost Per Lot	\$125,000	\$110,000	\$90,000	\$75,000	\$65,000
Total Infrastructure Cost	\$2,375,000	\$3,300,000	\$4,500,000	\$6,225,000	\$8,385,000
Other Development Costs <sup>(2)</sup>	\$2,630,000	\$3,015,000	\$3,715,000	\$4,870,000	\$6,480,000
Total Development Costs <sup>(3)</sup>	\$5,005,000	\$6,315,000	\$8,215,000	\$11,095,000	\$14,865,000
Original Par Amount of Bonds	\$19,625,000	\$19,625,000	\$19,625,000	\$19,625,000	\$19,625,000
Bonds Paid 2009-2013	\$195,000	\$195,000	\$195,000	\$195,000	\$195,000
Bonds Called On 1/1/2014	\$1,315,000	\$2,815,000	\$6,275,000	\$11,420,000	\$17,925,000
Debt Service Paid 2009-2013	(\$5,572,338)	(\$5,572,338)	(\$5,572,338)	(\$5,572,338)	(\$5,572,338)
Ending Development Balance	\$1,795	\$3,385	\$635	\$1,830	\$521
Impact on General Fund	(\$46,766,270)	(\$43,353,497)	(\$35,487,784)	(\$23,786,228)	(\$8,994,371)

<sup>(1)</sup> Assumed to be 20%, <sup>(2)</sup> Excluding Costs of Carry, <sup>(3)</sup> Total Infrastructure Costs + Other Development Costs

June 2, 2008

Ms. Marcia Raines  
City Manager  
City of Half Moon Bay  
501 Main Street  
Half Moon Bay, CA 94019

Dear Ms. Raines:

This Report has been prepared to provide the City of Half Moon Bay with an overview of the potential costs and revenues for starting the development process anew on the Beachwood Property. As will be noted below, this analysis should truly be considered an academic exercise inasmuch as it is unlikely that any homes can be developed on the Beachwood site without AB 1991.

## **CITY ACTING AS DEVELOPER**

This analysis assumes that the City of Half Moon Bay will act as the “developer” of the Beachwood property. Compared to a private development project, this serves to lower the development costs because the City cost of funds is lower than would be required by a private developer (5% City vs. over 20% private) and because there is no assumed land purchase price being paid. However, the City of Half Moon Bay is not expert in or readily prepared to serve as the project developer. It is not certain that the City could successfully assume this role.

The City would need to retain a full team of development consultants, including a Project Manager who would make the development decisions and fulfill the role that a developer would undertake. In order for the process to move forward, the City would need to entrust the developer with both the budget and autonomy necessary for the Project Manager to act as a developer in designing the project and making appropriate development decisions.

Finally, we have very conservatively forecast that the development entitlement process (and site maintenance during the processing period), up to the point of approval of all development entitlements, will cost approximately \$1,465,000. This expenditure would be completely “at risk” for the City.

As is pointed out repeatedly in this analysis, this financial analysis is intended to show the value from the property that could be available to the City to help pay down the debt of \$18+ million that the City will incur if AB 1991 does not pass. Whereas the lots within the project may have a retail value of from a high of \$450,000 with very low

density, to approximately \$325,000 per lot at the prior approved, higher density levels, the cost of the environmental and planning processing, plus the cost of infrastructure, will consume 35% to over 63% of this hypothetical sales revenue. Further, as is noted elsewhere in this Report, there is no assurance that any development will be possible on this site absent AB 1991.

## **DEVELOPMENT VIABILITY**

In preparing this analysis, we do not assume expertise on the viability of securing any development approvals for this site. That is the domain of the legal and environmental experts. This analysis relies on cost estimates provided by engineers, environmental planners, legal experts, local realtors and property owners in the Half Moon Bay area. This analysis should be viewed as a mathematical exercise – not an opinion that 19 or 36 or 83 or 0 number of homes can be built on the Beachwood site.

It must be kept in mind that the property owner and other parties contacted did not believe that any residential development on the site is feasible absent AB 1991. Further, the supposed, unofficial Coastal Commission quasi-approvals for up to 19 homes on the site implied that 19 other lots be “retired” in exchange for the development of the 19 lots on Beachwood. This retirement program renders Beachwood essentially valueless. Therefore, the valuations listed herein should be viewed as more of an academic exercise than any real property valuation, as none of these analyses assume any lot retirements as mitigation.

It is our understanding that one Coastal Commission Staff Person has mentioned that possibly thirty units could be developed on Beachwood. To the best of our knowledge there is no specific site analysis or environmental work that has been performed to support this number. In addition, it is unclear if a comparable number of off-site units would then need to be “retired” which would then make the property valueless. However, we have included a separate analysis for thirty units, again assuming that no comparable lots would need to be retired.

## **FINANCIAL ANALYSIS**

This analysis assumes that AB 1991 is not adopted by the State Legislature and hence the \$18 million payment to the property owner must be funded. In addition, the cost of starting the development process anew, which would be required, is assumed. The bottom lines results are:

**TABLE A – SUMMARY HYPOTHETICAL REVENUES**

	<b>Development Costs</b>	<b>Project Income</b>	<b>Bond Debt After Project Income</b>	<b>Total Debt Service to City</b>
With 19 New Lots	\$5,433,205	\$6,750,000	\$18,115,000	\$46,766,270
With 30 New Lots	\$6,781,615	\$9,600,000	\$16,615,000	\$43,353,497
With 50 New Lots	\$8,724,365	\$15,000,000	\$13,155,000	\$35,487,784
With 83 New Lots	\$11,678,170	\$23,100,000	\$8,010,000	\$23,786,228
With 129 New Lots	\$15,549,479	\$33,475,000	\$1,505,000	\$8,994,371

**HYPOTHETICAL DEVELOPMENT SCHEDULE**

This analysis assumes the following time line:

- |      |  |
|------|--|
| 2008 | City assembles development team and commences formal work at end of year   |
| 2009 | <ol style="list-style-type: none"> <li>1. City funds debt of \$18 million as called for in settlement agreement</li> <li>2. Environmental and engineering analysis is prepared</li> <li>3. City processing starts</li> <li>4. The site is cleaned up and maintained in a safe and clean manner.</li> </ol> |
| 2010 | <ol style="list-style-type: none"> <li>1. City processing is concluded in mid-year</li> <li>2. Coastal Commission processing commences mid-year</li> <li>3. Site maintenance continues on an on-going basis</li> </ol>   |
| 2011 | <ol style="list-style-type: none"> <li>1. Coastal Commission processing concludes mid-year</li> <li>2. Site preparation and infrastructure construction commences mid-year (12 month process)</li> <li>3. Extraordinary off-site and specialized site preparation work commences mid-year.</li> </ol>      |
| 2012 | <ol style="list-style-type: none"> <li>1. All infrastructure and site preparation is completed by mid-year</li> <li>2. Water permits are purchased for all lots</li> <li>3. Lots sales of fully completed lots commence when infrastructure is completed</li> </ol>  |
| 2013 | <ol style="list-style-type: none"> <li>1. Lot sales are completed</li> </ol>   |

**FINANCIAL ASSUMPTIONS**

All of the key assumptions are presented in Table #1 of each scenario. There are several sets of analysis, including one for 19 lots, with a retail lot value of \$450,000 per lot, and the second with 30 lots, with a retail value of \$400,000 per lot. These sale prices are utilized as “net” prices of any specific sales commissions, advertising and

other marketing costs. The other infrastructure costs are in relation to the density of the development on the site.

The basic development plan assumes that the City, via contracting with private firms, would act as the developer with the goal of generating finished residential lots that could then be sold to prospective home owners or merchant builders who would then construct the new homes. The City would not be in the home building business – the City goal would be to generate fully marketable finished lots that could be sold within a twelve month period once they are completed.

This analysis also assumes that the City carrying cost will be a conservative 5% for all of the development costs that must be advanced prior to the lot sale period. It is also assumed that it will require approximately 12 months to market the lots, once they are fully improved. Finally, no costs are assumed for any city or special district permitting except the extraordinary cost of the water permits, which are estimated at be \$35,000 per unit.

This analysis assumes that the City is funding 100% of the development costs at a City cost of carry of 5.5%. If a private developer were to undertake this same task, a risk rate of return in excess of 20% would be required for whatever initial investment is provided as well as all expenditures during the planning and construction process. This analysis understates the private sector cost of development substantially by excluding this cost entirely.

All of this analysis has been prepared in current dollars. Given the current real estate market, it is practically pure conjecture to forecast both the cost of providing infrastructure and the eventual lot sale revenues with an unknown inflation rate.

## **FINANCIAL OUTCOME**

The financial outcome is reached by the following steps:

1. All Development processing and permitting costs are incurred (Table #2)
2. All site maintenance and preparation costs are incurred (Table #3)
3. Project Revenues are deducted from the Costs (Table #4)
4. The City Carry Cost is added. (Table #4)
5. Net Project Revenue or Deficit is used to adjust the bond debt balance and future debt service.

The bond debt service is assumed to carry an interest rate of 5.5%. The financial analysis assumes the full bond issued of \$19,625,000 is issued in January of 2009 with net funding of \$18 million. When the lot sale program is completed, (forecast for 2013), any income from the lot sales is utilized to call in bonds early and reduce the total bonded indebtedness.

## SUMMARY

Both the 19 and 30 lot scenarios generate relatively small net revenues (\$3,142,164 for 19 lots and \$5,240,000 for thirty lots) compared to the \$18 million net bond funding required for this project. The talking points utilized by certain parties that claim an \$8 to \$12 million value from the site for 19 to 30 lots do not take into account the very basic costs of land use development processing as well as the cost of installing all of the public infrastructure. Finally, it should be noted that this analysis is based on a public rate of borrowing to fund the planning process of only 5.5%. The development costs would be substantially higher if a private developer was purchasing the site from the City and carrying all of the pre-development and development costs at a market rate of cost of funds.

Please call me if you have any questions concerning this analysis or wish us to examine other financing scenarios.

Best regards,

A handwritten signature in black ink, appearing to read 'Mark A. Curran', with a long horizontal flourish extending to the right.

Mark A. Curran  
Managing Director  
Public Finance

# **Table of Contents**

## **City of Half Moon Bay Beachwood Property Development Analysis**

### **Financial Scenarios**

Scenario I.....	30 lots (tables 1-5)
Scenario II .....	30 lots (tables 1-5)
Scenario III.....	50 lots (tables 1-5)
Scenario IV.....	83 lots (tables 1-5)
Scenario V.....	129 lots (tables 1-5)

**TABLE 1**  
**SCENARIO - 30 Lots**  
**HALF MOON BAY - DEVELOPMENT MODEL**  
**ASSUMPTIONS**

**REVENUE ASSUMPTIONS**

Total Number of Lots	19
Below Market Rate ("BMR") Lots (20% of Total)	4
Net Sellable Lots	15

Sale Price Per Lot	\$	450,000
Total Project Revenue	\$	6,750,000

**DEVELOPMENT COST ASSUMPTIONS**

Engineering, Environmental and Traffic Cost

Engineering, Environmental and Traffic Cost Per Month	\$	58,333
Total Engineering, Environmental and Traffic Cost for 12 Months	\$	700,000

City Processing Cost

City Processing Cost Per Month	\$	15,000
Total City Processing Cost for 18 Months	\$	270,000

Coastal Commission Processing Cost

Coastal Commission Processing Cost Per Month	\$	15,000
Total Coastal Commission Processing Cost for 12 Months	\$	180,000

Infrastructure & Site Preparation Cost

Infrastructure & Site Preparation Cost Per Lot	\$	125,000
Total Infrastructure & Site Preparation	\$	2,375,000

Extraordinary Site Improvement Cost

Extraordinary Site Improvement Cost Per Month	\$	100,000
Total Extraordinary Site Improvement Cost for 5 Months	\$	500,000

Site Clearance & Maintenance Cost

Site Clearance & Maintenance Cost Per Month	\$	7,500
Total Site Clearance & Maintenance Cost for 42 Months	\$	315,000

Water Permitting Cost

Water Permitting Cost Per Lot	\$	35,000
Total Water Permitting Cost	\$	665,000

Cost of Carry

Annual Rate of Cost of Carry		5.500%
Total Cost of Carry	\$	428,205

Original Bond Issue	\$	19,625,000
Bonds Paid 1/1/2009-12/1/2013	\$	195,000
Bonds Outstanding on 1/1/2014	\$	19,430,000
Bonds Called on 1/1/2014	\$	1,315,000
Amount of Bonds Outstanding after 1/1/2014	\$	18,115,000
Total Forecast Beachwood Funding from City General Fund After 1/1/2014 Principal & Interest Until Debt Repaid	\$	41,195,728
Debt Service Paid 1/1/2009-12/1/2013	\$	(5,572,338)
Ending Development Balance (positive number = revenue, negative number = cost)	\$	1,795
Total Forecast Beachwood Funding from City General Fund After 1/1/2014	\$	(41,195,728)
Impact on General Fund (positive number = revenue, negative number = cost)	\$	(46,766,270)

TABLE 2  
 SCENARIO - 30 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 ENVIRONMENTAL ENTITLEMENT APPROVAL AND PERMITTING COSTS

Date	Engineering, Environmental, Traffic	City Processing	Costal Commission Processing	Total Enviornmental and Permitting Costs
	\$ 700,000	\$ 15,000	\$ 15,000	
1/1/2009	\$ 58,333	\$ 15,000	\$ -	\$ 73,333
2/1/2009	58,333	15,000	-	73,333
3/1/2009	58,333	15,000	-	73,333
4/1/2009	58,333	15,000	-	73,333
5/1/2009	58,333	15,000	-	73,333
6/1/2009	58,333	15,000	-	73,333
7/1/2009	58,333	15,000	-	73,333
8/1/2009	58,333	15,000	-	73,333
9/1/2009	58,333	15,000	-	73,333
10/1/2009	58,333	15,000	-	73,333
11/1/2009	58,333	15,000	-	73,333
12/1/2009	58,333	15,000	-	73,333
1/1/2010	-	15,000	-	15,000
2/1/2010	-	15,000	-	15,000
3/1/2010	-	15,000	-	15,000
4/1/2010	-	15,000	-	15,000
5/1/2010	-	15,000	-	15,000
6/1/2010	-	15,000	-	15,000
7/1/2010	-	-	15,000	15,000
8/1/2010	-	-	15,000	15,000
9/1/2010	-	-	15,000	15,000
10/1/2010	-	-	15,000	15,000
11/1/2010	-	-	15,000	15,000
12/1/2010	-	-	15,000	15,000
1/1/2011	-	-	15,000	15,000
2/1/2011	-	-	15,000	15,000
3/1/2011	-	-	15,000	15,000
4/1/2011	-	-	15,000	15,000
5/1/2011	-	-	15,000	15,000
6/1/2011	-	-	15,000	15,000
7/1/2011	-	-	-	-
8/1/2011	-	-	-	-
9/1/2011	-	-	-	-
10/1/2011	-	-	-	-
11/1/2011	-	-	-	-
12/1/2011	-	-	-	-
1/1/2012	-	-	-	-
2/1/2012	-	-	-	-
3/1/2012	-	-	-	-
4/1/2012	-	-	-	-
5/1/2012	-	-	-	-
6/1/2012	-	-	-	-
7/1/2012	-	-	-	-
8/1/2012	-	-	-	-
9/1/2012	-	-	-	-
10/1/2012	-	-	-	-
11/1/2012	-	-	-	-
12/1/2012	-	-	-	-
1/1/2013	-	-	-	-
2/1/2013	-	-	-	-
3/1/2013	-	-	-	-
4/1/2013	-	-	-	-
5/1/2013	-	-	-	-
6/1/2013	-	-	-	-
7/1/2013	-	-	-	-
8/1/2013	-	-	-	-
9/1/2013	-	-	-	-
10/1/2013	-	-	-	-
11/1/2013	-	-	-	-
12/1/2013	-	-	-	-
Total	\$ 700,000	\$ 270,000	\$ 180,000	\$ 1,150,000

TABLE 3  
 SCENARIO - 30 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 SITE MAINTENANCE AND PREPARATION COSTS

Date	Infrastructure & Site Prep.	Extraordinary Site Improvement	Site Clearance & Maintenance	Water Permits	Total Site Preparation Costs
	\$ 125,000	\$ 500,000	\$ 7,500	\$ 35,000	
1/1/2009	\$ -	\$ -	\$ 7,500	\$ -	\$ 7,500
2/1/2009	-	-	7,500	-	7,500
3/1/2009	-	-	7,500	-	7,500
4/1/2009	-	-	7,500	-	7,500
5/1/2009	-	-	7,500	-	7,500
6/1/2009	-	-	7,500	-	7,500
7/1/2009	-	-	7,500	-	7,500
8/1/2009	-	-	7,500	-	7,500
9/1/2009	-	-	7,500	-	7,500
10/1/2009	-	-	7,500	-	7,500
11/1/2009	-	-	7,500	-	7,500
12/1/2009	-	-	7,500	-	7,500
1/1/2010	-	-	7,500	-	7,500
2/1/2010	-	-	7,500	-	7,500
3/1/2010	-	-	7,500	-	7,500
4/1/2010	-	-	7,500	-	7,500
5/1/2010	-	-	7,500	-	7,500
6/1/2010	-	-	7,500	-	7,500
7/1/2010	-	-	7,500	-	7,500
8/1/2010	-	-	7,500	-	7,500
9/1/2010	-	-	7,500	-	7,500
10/1/2010	-	-	7,500	-	7,500
11/1/2010	-	-	7,500	-	7,500
12/1/2010	-	-	7,500	-	7,500
1/1/2011	-	-	7,500	-	7,500
2/1/2011	-	-	7,500	-	7,500
3/1/2011	-	-	7,500	-	7,500
4/1/2011	-	-	7,500	-	7,500
5/1/2011	-	-	7,500	-	7,500
6/1/2011	-	100,000	7,500	-	107,500
7/1/2011	197,917	100,000	7,500	-	305,417
8/1/2011	197,917	100,000	7,500	-	305,417
9/1/2011	197,917	100,000	7,500	-	305,417
10/1/2011	197,917	100,000	7,500	-	305,417
11/1/2011	197,917	-	7,500	-	205,417
12/1/2011	197,917	-	7,500	-	205,417
1/1/2012	197,917	-	7,500	-	205,417
2/1/2012	197,917	-	7,500	-	205,417
3/1/2012	197,917	-	7,500	-	205,417
4/1/2012	197,917	-	7,500	-	205,417
5/1/2012	197,917	-	7,500	-	205,417
6/1/2012	197,917	-	7,500	665,000	870,417
7/1/2012	-	-	-	-	-
8/1/2012	-	-	-	-	-
9/1/2012	-	-	-	-	-
10/1/2012	-	-	-	-	-
11/1/2012	-	-	-	-	-
12/1/2012	-	-	-	-	-
1/1/2013	-	-	-	-	-
2/1/2013	-	-	-	-	-
3/1/2013	-	-	-	-	-
4/1/2013	-	-	-	-	-
5/1/2013	-	-	-	-	-
6/1/2013	-	-	-	-	-
7/1/2013	-	-	-	-	-
8/1/2013	-	-	-	-	-
9/1/2013	-	-	-	-	-
10/1/2013	-	-	-	-	-
11/1/2013	-	-	-	-	-
12/1/2013	-	-	-	-	-
<b>Total</b>	<b>\$ 2,375,000</b>	<b>\$ 500,000</b>	<b>\$ 315,000</b>	<b>\$ 665,000</b>	<b>\$ 3,855,000</b>

TABLE 4  
SCENARIO - 30 Lots  
HALF MOON BAY - DEVELOPMENT MODEL  
NET RESULT

Date	Total Expenses from		Total Expenses	Income from Sale		City Carry Cost	Income/(Expense)	Cumulative Balance
	Table 2	Table 3		of Property	5.500%			
1/1/2009	\$ 73,333	\$ 7,500	\$ 80,833	\$ -	\$ -	\$ -	\$(80,833)	\$(80,833)
2/1/2009	73,333	7,500	80,833	-	370	-	(81,204)	(162,037)
3/1/2009	73,333	7,500	80,833	-	743	-	(81,576)	(243,613)
4/1/2009	73,333	7,500	80,833	-	1,117	-	(81,950)	(325,563)
5/1/2009	73,333	7,500	80,833	-	1,492	-	(82,325)	(407,889)
6/1/2009	73,333	7,500	80,833	-	1,869	-	(82,703)	(490,591)
7/1/2009	73,333	7,500	80,833	-	2,249	-	(83,082)	(573,673)
8/1/2009	73,333	7,500	80,833	-	2,629	-	(83,463)	(657,136)
9/1/2009	73,333	7,500	80,833	-	3,012	-	(83,845)	(740,981)
10/1/2009	73,333	7,500	80,833	-	3,396	-	(84,229)	(825,211)
11/1/2009	73,333	7,500	80,833	-	3,782	-	(84,616)	(909,826)
12/1/2009	73,333	7,500	80,833	-	4,170	-	(85,003)	(994,830)
1/1/2010	15,000	7,500	22,500	-	4,560	-	(27,060)	(1,021,889)
2/1/2010	15,000	7,500	22,500	-	4,684	-	(27,184)	(1,049,073)
3/1/2010	15,000	7,500	22,500	-	4,808	-	(27,308)	(1,076,381)
4/1/2010	15,000	7,500	22,500	-	4,933	-	(27,433)	(1,103,814)
5/1/2010	15,000	7,500	22,500	-	5,059	-	(27,559)	(1,131,374)
6/1/2010	15,000	7,500	22,500	-	5,185	-	(27,685)	(1,159,059)
7/1/2010	15,000	7,500	22,500	-	5,312	-	(27,812)	(1,186,871)
8/1/2010	15,000	7,500	22,500	-	5,440	-	(27,940)	(1,214,811)
9/1/2010	15,000	7,500	22,500	-	5,568	-	(28,068)	(1,242,879)
10/1/2010	15,000	7,500	22,500	-	5,697	-	(28,197)	(1,271,076)
11/1/2010	15,000	7,500	22,500	-	5,826	-	(28,326)	(1,299,401)
12/1/2010	15,000	7,500	22,500	-	5,956	-	(28,456)	(1,327,857)
1/1/2011	15,000	7,500	22,500	-	6,086	-	(28,586)	(1,356,443)
2/1/2011	15,000	7,500	22,500	-	6,217	-	(28,717)	(1,385,160)
3/1/2011	15,000	7,500	22,500	-	6,349	-	(28,849)	(1,414,009)
4/1/2011	15,000	7,500	22,500	-	6,481	-	(28,981)	(1,442,990)
5/1/2011	15,000	7,500	22,500	-	6,614	-	(29,114)	(1,472,103)
6/1/2011	15,000	107,500	122,500	-	6,747	-	(129,247)	(1,601,350)
7/1/2011	-	305,417	305,417	-	7,340	-	(312,756)	(1,914,107)
8/1/2011	-	305,417	305,417	-	8,773	-	(314,190)	(2,228,296)
9/1/2011	-	305,417	305,417	-	10,213	-	(315,630)	(2,543,926)
10/1/2011	-	305,417	305,417	-	11,660	-	(317,076)	(2,861,002)
11/1/2011	-	205,417	205,417	-	13,113	-	(218,530)	(3,079,532)
12/1/2011	-	205,417	205,417	-	14,115	-	(219,531)	(3,299,063)
1/1/2012	-	205,417	205,417	-	15,121	-	(220,537)	(3,519,600)
2/1/2012	-	205,417	205,417	-	16,132	-	(221,548)	(3,741,149)
3/1/2012	-	205,417	205,417	-	17,147	-	(222,564)	(3,963,712)
4/1/2012	-	205,417	205,417	-	18,167	-	(223,584)	(4,187,296)
5/1/2012	-	205,417	205,417	-	19,192	-	(224,608)	(4,411,904)
6/1/2012	-	870,417	870,417	-	20,221	-	(890,638)	(5,302,542)
7/1/2012	-	-	-	562,500	24,303	-	538,197	(4,764,346)
8/1/2012	-	-	-	562,500	21,837	-	540,663	(4,223,682)
9/1/2012	-	-	-	562,500	19,359	-	543,141	(3,680,541)
10/1/2012	-	-	-	562,500	16,869	-	545,631	(3,134,910)
11/1/2012	-	-	-	562,500	14,368	-	548,132	(2,586,778)
12/1/2012	-	-	-	562,500	11,856	-	550,644	(2,036,134)
1/1/2013	-	-	-	562,500	9,332	-	553,168	(1,482,967)
2/1/2013	-	-	-	562,500	6,797	-	555,703	(927,263)
3/1/2013	-	-	-	562,500	4,250	-	558,250	(369,013)
4/1/2013	-	-	-	562,500	1,691	-	560,809	191,795
5/1/2013	-	-	-	562,500	-	-	562,500	754,295
6/1/2013	-	-	-	562,500	-	-	562,500	1,316,795
7/1/2013	-	-	-	-	-	-	-	1,316,795
8/1/2013	-	-	-	-	-	-	-	1,316,795
9/1/2013	-	-	-	-	-	-	-	1,316,795
10/1/2013	-	-	-	-	-	-	-	1,316,795
11/1/2013	-	-	-	-	-	-	-	1,316,795
12/1/2013	-	-	-	-	-	-	-	1,316,795
Total	\$ 1,150,000	\$ 3,855,000	\$ 5,005,000	\$ 6,750,000	\$ 428,205	\$ 1,316,795	\$ 1,316,795	\$ 1,316,795

TABLE 5  
 SCENARIO - 30 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 CALCULATION OF BONDED INDEBTEDNESS

Date	Cumulative Balance	Net Revenue Available to		Debt Service On Funding to	
		Retire Bonds		Owner	
			\$		\$ 18,000,000
1/1/2009	\$ (80,833)	\$ -	\$ -	\$ 89,948	
2/1/2009	(162,037)	-	-	89,948	
3/1/2009	(243,613)	-	-	89,948	
4/1/2009	(325,563)	-	-	89,948	
5/1/2009	(407,889)	-	-	89,948	
6/1/2009	(490,591)	-	-	89,948	
7/1/2009	(573,673)	-	-	89,948	
8/1/2009	(657,136)	-	-	89,948	
9/1/2009	(740,981)	-	-	89,948	
10/1/2009	(825,211)	-	-	89,948	
11/1/2009	(909,826)	-	-	89,948	
12/1/2009	(994,830)	-	-	89,948	
1/1/2010	(1,021,889)	-	-	89,948	
2/1/2010	(1,049,073)	-	-	89,948	
3/1/2010	(1,076,381)	-	-	89,948	
4/1/2010	(1,103,814)	-	-	89,948	
5/1/2010	(1,131,374)	-	-	89,948	
6/1/2010	(1,159,059)	-	-	89,948	
7/1/2010	(1,186,871)	-	-	89,948	
8/1/2010	(1,214,811)	-	-	89,948	
9/1/2010	(1,242,879)	-	-	89,948	
10/1/2010	(1,271,076)	-	-	89,948	
11/1/2010	(1,299,401)	-	-	89,948	
12/1/2010	(1,327,857)	-	-	89,948	
1/1/2011	(1,356,443)	-	-	89,948	
2/1/2011	(1,385,160)	-	-	89,948	
3/1/2011	(1,414,009)	-	-	89,948	
4/1/2011	(1,442,990)	-	-	89,948	
5/1/2011	(1,472,103)	-	-	89,948	
6/1/2011	(1,601,350)	-	-	89,948	
7/1/2011	(1,914,107)	-	-	89,948	
8/1/2011	(2,228,296)	-	-	89,948	
9/1/2011	(2,543,926)	-	-	89,948	
10/1/2011	(2,861,002)	-	-	89,948	
11/1/2011	(3,079,532)	-	-	89,948	
12/1/2011	(3,299,063)	-	-	89,948	
1/1/2012	(3,519,600)	-	-	89,948	
2/1/2012	(3,741,149)	-	-	89,948	
3/1/2012	(3,963,712)	-	-	89,948	
4/1/2012	(4,187,296)	-	-	89,948	
5/1/2012	(4,411,904)	-	-	89,948	
6/1/2012	(5,302,542)	-	-	89,948	
7/1/2012	(4,764,346)	-	-	89,948	
8/1/2012	(4,223,682)	-	-	89,948	
9/1/2012	(3,680,541)	-	-	89,948	
10/1/2012	(3,134,910)	-	-	89,948	
11/1/2012	(2,586,778)	-	-	89,948	
12/1/2012	(2,036,134)	-	-	89,948	
1/1/2013	(1,482,967)	-	-	104,948	
2/1/2013	(927,263)	-	-	104,879	
3/1/2013	(369,013)	-	-	104,810	
4/1/2013	191,795	191,795		104,742	
5/1/2013	754,295	754,295		104,673	
6/1/2013	1,316,795	1,316,795		104,604	
7/1/2013	1,316,795	1,316,795		104,535	
8/1/2013	1,316,795	1,316,795		104,467	
9/1/2013	1,316,795	1,316,795		104,398	
10/1/2013	1,316,795	1,316,795		104,329	
11/1/2013	1,316,795	1,316,795		104,260	
12/1/2013	1,316,795	1,316,795		104,192	
Total	\$ 1,316,795	\$ 1,316,795	\$ 1,316,795	\$ 5,572,338	

**TABLE 1**  
**SCENARIO - 30 Lots**  
**HALF MOON BAY - DEVELOPMENT MODEL**  
**ASSUMPTIONS**

**REVENUE ASSUMPTIONS**

Total Number of Lots	30
Below Market Rate ("BMR") Lots (20% of Total)	6
Net Sellable Lots	24

Sale Price Per Lot	\$	400,000
Total Project Revenue	\$	9,600,000

**DEVELOPMENT COST ASSUMPTIONS**

Engineering, Environmental and Traffic Cost

Engineering, Environmental and Traffic Cost Per Month	\$	58,333
Total Engineering, Environmental and Traffic Cost for 12 Months	\$	700,000

City Processing Cost

City Processing Cost Per Month	\$	15,000
Total City Processing Cost for 18 Months	\$	270,000

Coastal Commission Processing Cost

Coastal Commission Processing Cost Per Month	\$	15,000
Total Coastal Commission Processing Cost for 12 Months	\$	180,000

Infrastructure & Site Preparation Cost

Infrastructure & Site Preparation Cost Per Lot	\$	110,000
Total Infrastructure & Site Preparation	\$	3,300,000

Extraordinary Site Improvement Cost

Extraordinary Site Improvement Cost Per Month	\$	100,000
Total Extraordinary Site Improvement Cost for 5 Months	\$	500,000

Site Clearance & Maintenance Cost

Site Clearance & Maintenance Cost Per Month	\$	7,500
Total Site Clearance & Maintenance Cost for 42 Months	\$	315,000

Water Permitting Cost

Water Permitting Cost Per Lot	\$	35,000
Total Water Permitting Cost	\$	1,050,000

Cost of Carry

Annual Rate of Cost of Carry		5.500%
Total Cost of Carry	\$	466,615

Original Bond Issue	\$	19,625,000
Bonds Paid 1/1/2009-12/1/2013	\$	195,000
Bonds Outstanding on 1/1/2014	\$	19,430,000
Bonds Called on 1/1/2014	\$	2,815,000
Amount of Bonds Outstanding after 1/1/2014	\$	16,615,000
Total Forecast Beachwood Funding from City General Fund After 1/1/2014 Principal & Interest Until Debt Repaid	\$	37,784,544
Debt Service Paid 1/1/2009-12/1/2013	\$	(5,572,338)
Ending Development Balance (positive number = revenue, negative number = cost)	\$	3,385
Total Forecast Beachwood Funding from City General Fund After 1/1/2014	\$	(37,784,544)
Impact on General Fund (positive number = revenue, negative number = cost)	\$	(43,353,497)

TABLE 2  
 SCENARIO - 30 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 ENVIRONMENTAL ENTITLEMENT APPROVAL AND PERMITTING COSTS

Date	Engineering, Environmental, Traffic	City Processing	Costal Commission Processing	Total Enviornmental and Permitting Costs
	\$ 700,000	\$ 15,000	\$ 15,000	
1/1/2009	\$ 58,333	\$ 15,000	\$ -	\$ 73,333
2/1/2009	58,333	15,000	-	73,333
3/1/2009	58,333	15,000	-	73,333
4/1/2009	58,333	15,000	-	73,333
5/1/2009	58,333	15,000	-	73,333
6/1/2009	58,333	15,000	-	73,333
7/1/2009	58,333	15,000	-	73,333
8/1/2009	58,333	15,000	-	73,333
9/1/2009	58,333	15,000	-	73,333
10/1/2009	58,333	15,000	-	73,333
11/1/2009	58,333	15,000	-	73,333
12/1/2009	58,333	15,000	-	73,333
1/1/2010	-	15,000	-	15,000
2/1/2010	-	15,000	-	15,000
3/1/2010	-	15,000	-	15,000
4/1/2010	-	15,000	-	15,000
5/1/2010	-	15,000	-	15,000
6/1/2010	-	15,000	-	15,000
7/1/2010	-	-	15,000	15,000
8/1/2010	-	-	15,000	15,000
9/1/2010	-	-	15,000	15,000
10/1/2010	-	-	15,000	15,000
11/1/2010	-	-	15,000	15,000
12/1/2010	-	-	15,000	15,000
1/1/2011	-	-	15,000	15,000
2/1/2011	-	-	15,000	15,000
3/1/2011	-	-	15,000	15,000
4/1/2011	-	-	15,000	15,000
5/1/2011	-	-	15,000	15,000
6/1/2011	-	-	15,000	15,000
7/1/2011	-	-	-	-
8/1/2011	-	-	-	-
9/1/2011	-	-	-	-
10/1/2011	-	-	-	-
11/1/2011	-	-	-	-
12/1/2011	-	-	-	-
1/1/2012	-	-	-	-
2/1/2012	-	-	-	-
3/1/2012	-	-	-	-
4/1/2012	-	-	-	-
5/1/2012	-	-	-	-
6/1/2012	-	-	-	-
7/1/2012	-	-	-	-
8/1/2012	-	-	-	-
9/1/2012	-	-	-	-
10/1/2012	-	-	-	-
11/1/2012	-	-	-	-
12/1/2012	-	-	-	-
1/1/2013	-	-	-	-
2/1/2013	-	-	-	-
3/1/2013	-	-	-	-
4/1/2013	-	-	-	-
5/1/2013	-	-	-	-
6/1/2013	-	-	-	-
7/1/2013	-	-	-	-
8/1/2013	-	-	-	-
9/1/2013	-	-	-	-
10/1/2013	-	-	-	-
11/1/2013	-	-	-	-
12/1/2013	-	-	-	-
<b>Total</b>	\$ 700,000	\$ 270,000	\$ 180,000	\$ 1,150,000

TABLE 3  
 SCENARIO - 30 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 SITE MAINTENANCE AND PREPARATION COSTS

Date	Infrastructure & Site Prep.	Extraordinary Site Improvement	Site Clearance & Maintenance	Water Permits	Total Site Preparation Costs
	\$ 110,000	\$ 500,000	\$ 7,500	\$ 35,000	
1/1/2009	\$ -	\$ -	\$ 7,500	\$ -	\$ 7,500
2/1/2009	-	-	7,500	-	7,500
3/1/2009	-	-	7,500	-	7,500
4/1/2009	-	-	7,500	-	7,500
5/1/2009	-	-	7,500	-	7,500
6/1/2009	-	-	7,500	-	7,500
7/1/2009	-	-	7,500	-	7,500
8/1/2009	-	-	7,500	-	7,500
9/1/2009	-	-	7,500	-	7,500
10/1/2009	-	-	7,500	-	7,500
11/1/2009	-	-	7,500	-	7,500
12/1/2009	-	-	7,500	-	7,500
1/1/2010	-	-	7,500	-	7,500
2/1/2010	-	-	7,500	-	7,500
3/1/2010	-	-	7,500	-	7,500
4/1/2010	-	-	7,500	-	7,500
5/1/2010	-	-	7,500	-	7,500
6/1/2010	-	-	7,500	-	7,500
7/1/2010	-	-	7,500	-	7,500
8/1/2010	-	-	7,500	-	7,500
9/1/2010	-	-	7,500	-	7,500
10/1/2010	-	-	7,500	-	7,500
11/1/2010	-	-	7,500	-	7,500
12/1/2010	-	-	7,500	-	7,500
1/1/2011	-	-	7,500	-	7,500
2/1/2011	-	-	7,500	-	7,500
3/1/2011	-	-	7,500	-	7,500
4/1/2011	-	-	7,500	-	7,500
5/1/2011	-	-	7,500	-	7,500
6/1/2011	-	100,000	7,500	-	107,500
7/1/2011	275,000	100,000	7,500	-	382,500
8/1/2011	275,000	100,000	7,500	-	382,500
9/1/2011	275,000	100,000	7,500	-	382,500
10/1/2011	275,000	100,000	7,500	-	382,500
11/1/2011	275,000	-	7,500	-	282,500
12/1/2011	275,000	-	7,500	-	282,500
1/1/2012	275,000	-	7,500	-	282,500
2/1/2012	275,000	-	7,500	-	282,500
3/1/2012	275,000	-	7,500	-	282,500
4/1/2012	275,000	-	7,500	-	282,500
5/1/2012	275,000	-	7,500	-	282,500
6/1/2012	275,000	-	7,500	1,050,000	1,332,500
7/1/2012	-	-	-	-	-
8/1/2012	-	-	-	-	-
9/1/2012	-	-	-	-	-
10/1/2012	-	-	-	-	-
11/1/2012	-	-	-	-	-
12/1/2012	-	-	-	-	-
1/1/2013	-	-	-	-	-
2/1/2013	-	-	-	-	-
3/1/2013	-	-	-	-	-
4/1/2013	-	-	-	-	-
5/1/2013	-	-	-	-	-
6/1/2013	-	-	-	-	-
7/1/2013	-	-	-	-	-
8/1/2013	-	-	-	-	-
9/1/2013	-	-	-	-	-
10/1/2013	-	-	-	-	-
11/1/2013	-	-	-	-	-
12/1/2013	-	-	-	-	-
<b>Total</b>	<b>\$ 3,300,000</b>	<b>\$ 500,000</b>	<b>\$ 315,000</b>	<b>\$ 1,050,000</b>	<b>\$ 5,165,000</b>

TABLE 4  
 SCENARIO - 30 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 NET RESULT

Date	Total Expenses from		Total Expenses	Income from Sale		City Carry Cost	Income/(Expense)	Cumulative Balance
	Table 2	Table 3		of Property	5.500%			
1/1/2009	\$ 73,333	\$ 7,500	\$ 80,833	\$ -	\$ -	\$ -	\$ (80,833)	\$ (80,833)
2/1/2009	73,333	7,500	80,833	-	370	370	(81,204)	(162,037)
3/1/2009	73,333	7,500	80,833	-	743	743	(81,576)	(243,613)
4/1/2009	73,333	7,500	80,833	-	1,117	1,117	(81,950)	(325,563)
5/1/2009	73,333	7,500	80,833	-	1,492	1,492	(82,325)	(407,889)
6/1/2009	73,333	7,500	80,833	-	1,869	1,869	(82,703)	(490,591)
7/1/2009	73,333	7,500	80,833	-	2,249	2,249	(83,082)	(573,673)
8/1/2009	73,333	7,500	80,833	-	2,629	2,629	(83,463)	(657,136)
9/1/2009	73,333	7,500	80,833	-	3,012	3,012	(83,845)	(740,981)
10/1/2009	73,333	7,500	80,833	-	3,396	3,396	(84,229)	(825,211)
11/1/2009	73,333	7,500	80,833	-	3,782	3,782	(84,616)	(909,826)
12/1/2009	73,333	7,500	80,833	-	4,170	4,170	(85,003)	(994,830)
1/1/2010	15,000	7,500	22,500	-	4,560	4,560	(27,060)	(1,021,889)
2/1/2010	15,000	7,500	22,500	-	4,684	4,684	(27,184)	(1,049,073)
3/1/2010	15,000	7,500	22,500	-	4,808	4,808	(27,308)	(1,076,381)
4/1/2010	15,000	7,500	22,500	-	4,933	4,933	(27,433)	(1,103,814)
5/1/2010	15,000	7,500	22,500	-	5,059	5,059	(27,559)	(1,131,374)
6/1/2010	15,000	7,500	22,500	-	5,185	5,185	(27,685)	(1,159,059)
7/1/2010	15,000	7,500	22,500	-	5,312	5,312	(27,812)	(1,186,871)
8/1/2010	15,000	7,500	22,500	-	5,440	5,440	(27,940)	(1,214,811)
9/1/2010	15,000	7,500	22,500	-	5,568	5,568	(28,068)	(1,242,879)
10/1/2010	15,000	7,500	22,500	-	5,697	5,697	(28,197)	(1,271,076)
11/1/2010	15,000	7,500	22,500	-	5,826	5,826	(28,326)	(1,299,401)
12/1/2010	15,000	7,500	22,500	-	5,956	5,956	(28,456)	(1,327,857)
1/1/2011	15,000	7,500	22,500	-	6,086	6,086	(28,586)	(1,356,443)
2/1/2011	15,000	7,500	22,500	-	6,217	6,217	(28,717)	(1,385,160)
3/1/2011	15,000	7,500	22,500	-	6,349	6,349	(28,849)	(1,414,009)
4/1/2011	15,000	7,500	22,500	-	6,481	6,481	(28,981)	(1,442,990)
5/1/2011	15,000	7,500	22,500	-	6,614	6,614	(29,114)	(1,472,103)
6/1/2011	15,000	107,500	122,500	-	6,747	6,747	(129,247)	(1,601,350)
7/1/2011	-	382,500	382,500	-	7,340	7,340	(389,840)	(1,991,190)
8/1/2011	-	382,500	382,500	-	9,126	9,126	(391,626)	(2,382,816)
9/1/2011	-	382,500	382,500	-	10,921	10,921	(393,421)	(2,776,238)
10/1/2011	-	382,500	382,500	-	12,724	12,724	(395,224)	(3,171,462)
11/1/2011	-	282,500	282,500	-	14,536	14,536	(297,036)	(3,468,498)
12/1/2011	-	282,500	282,500	-	15,897	15,897	(298,397)	(3,766,895)
1/1/2012	-	282,500	282,500	-	17,265	17,265	(299,765)	(4,066,660)
2/1/2012	-	282,500	282,500	-	18,639	18,639	(301,139)	(4,367,799)
3/1/2012	-	282,500	282,500	-	20,019	20,019	(302,519)	(4,670,318)
4/1/2012	-	282,500	282,500	-	21,406	21,406	(303,906)	(4,974,224)
5/1/2012	-	282,500	282,500	-	22,799	22,799	(305,299)	(5,279,522)
6/1/2012	-	1,332,500	1,332,500	-	24,198	24,198	(1,356,698)	(6,636,220)
7/1/2012	-	-	-	800,000	30,416	30,416	769,584	(5,866,636)
8/1/2012	-	-	-	800,000	26,889	26,889	773,111	(5,093,525)
9/1/2012	-	-	-	800,000	23,345	23,345	776,655	(4,316,870)
10/1/2012	-	-	-	800,000	19,786	19,786	780,214	(3,536,656)
11/1/2012	-	-	-	800,000	16,210	16,210	783,790	(2,752,865)
12/1/2012	-	-	-	800,000	12,617	12,617	787,383	(1,965,483)
1/1/2013	-	-	-	800,000	9,008	9,008	790,992	(1,174,491)
2/1/2013	-	-	-	800,000	5,383	5,383	794,617	(379,874)
3/1/2013	-	-	-	800,000	1,741	1,741	798,259	418,385
4/1/2013	-	-	-	800,000	-	-	800,000	1,218,385
5/1/2013	-	-	-	800,000	-	-	800,000	2,018,385
6/1/2013	-	-	-	800,000	-	-	800,000	2,818,385
7/1/2013	-	-	-	-	-	-	-	2,818,385
8/1/2013	-	-	-	-	-	-	-	2,818,385
9/1/2013	-	-	-	-	-	-	-	2,818,385
10/1/2013	-	-	-	-	-	-	-	2,818,385
11/1/2013	-	-	-	-	-	-	-	2,818,385
12/1/2013	-	-	-	-	-	-	-	2,818,385
Total	\$ 1,150,000	\$ 5,165,000	\$ 6,315,000	\$ 9,600,000	\$ 466,615	\$ 466,615	\$ 2,818,385	\$ 2,818,385

TABLE 5  
 SCENARIO - 30 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 CALCULATION OF BONDED INDEBTEDNESS

Date	Cumulative Balance	Net Revenue Available to		Debt Service On Funding to	
		Retire Bonds		Owner	
			\$		\$ 18,000,000
1/1/2009	\$ (80,833)	\$ -	\$ -	\$ 89,948	
2/1/2009	(162,037)	-	-	89,948	
3/1/2009	(243,613)	-	-	89,948	
4/1/2009	(325,563)	-	-	89,948	
5/1/2009	(407,889)	-	-	89,948	
6/1/2009	(490,591)	-	-	89,948	
7/1/2009	(573,673)	-	-	89,948	
8/1/2009	(657,136)	-	-	89,948	
9/1/2009	(740,981)	-	-	89,948	
10/1/2009	(825,211)	-	-	89,948	
11/1/2009	(909,826)	-	-	89,948	
12/1/2009	(994,830)	-	-	89,948	
1/1/2010	(1,021,889)	-	-	89,948	
2/1/2010	(1,049,073)	-	-	89,948	
3/1/2010	(1,076,381)	-	-	89,948	
4/1/2010	(1,103,814)	-	-	89,948	
5/1/2010	(1,131,374)	-	-	89,948	
6/1/2010	(1,159,059)	-	-	89,948	
7/1/2010	(1,186,871)	-	-	89,948	
8/1/2010	(1,214,811)	-	-	89,948	
9/1/2010	(1,242,879)	-	-	89,948	
10/1/2010	(1,271,076)	-	-	89,948	
11/1/2010	(1,299,401)	-	-	89,948	
12/1/2010	(1,327,857)	-	-	89,948	
1/1/2011	(1,356,443)	-	-	89,948	
2/1/2011	(1,385,160)	-	-	89,948	
3/1/2011	(1,414,009)	-	-	89,948	
4/1/2011	(1,442,990)	-	-	89,948	
5/1/2011	(1,472,103)	-	-	89,948	
6/1/2011	(1,601,350)	-	-	89,948	
7/1/2011	(1,991,190)	-	-	89,948	
8/1/2011	(2,382,816)	-	-	89,948	
9/1/2011	(2,776,238)	-	-	89,948	
10/1/2011	(3,171,462)	-	-	89,948	
11/1/2011	(3,468,498)	-	-	89,948	
12/1/2011	(3,766,895)	-	-	89,948	
1/1/2012	(4,066,660)	-	-	89,948	
2/1/2012	(4,367,799)	-	-	89,948	
3/1/2012	(4,670,318)	-	-	89,948	
4/1/2012	(4,974,224)	-	-	89,948	
5/1/2012	(5,279,522)	-	-	89,948	
6/1/2012	(6,636,220)	-	-	89,948	
7/1/2012	(5,866,636)	-	-	89,948	
8/1/2012	(5,093,525)	-	-	89,948	
9/1/2012	(4,316,870)	-	-	89,948	
10/1/2012	(3,536,656)	-	-	89,948	
11/1/2012	(2,752,865)	-	-	89,948	
12/1/2012	(1,965,483)	-	-	89,948	
1/1/2013	(1,174,491)	-	-	104,948	
2/1/2013	(379,874)	-	-	104,879	
3/1/2013	418,385	418,385		104,810	
4/1/2013	1,218,385	1,218,385		104,742	
5/1/2013	2,018,385	2,018,385		104,673	
6/1/2013	2,818,385	2,818,385		104,604	
7/1/2013	2,818,385	2,818,385		104,535	
8/1/2013	2,818,385	2,818,385		104,467	
9/1/2013	2,818,385	2,818,385		104,398	
10/1/2013	2,818,385	2,818,385		104,329	
11/1/2013	2,818,385	2,818,385		104,260	
12/1/2013	2,818,385	2,818,385		104,192	
Total	\$ 2,818,385	\$ 2,818,385	\$ 2,818,385	\$ 5,572,338	

**TABLE 1**  
**SCENARIO - 50 Lots**  
**HALF MOON BAY - DEVELOPMENT MODEL**  
**ASSUMPTIONS**

**REVENUE ASSUMPTIONS**

Total Number of Lots	50
Below Market Rate ("BMR") Lots (20% of Total)	10
Net Sellable Lots	40

Sale Price Per Lot	\$	375,000
Total Project Revenue	\$	15,000,000

**DEVELOPMENT COST ASSUMPTIONS**

Engineering, Environmental and Traffic Cost

Engineering, Environmental and Traffic Cost Per Month	\$	58,333
Total Engineering, Environmental and Traffic Cost for 12 Months	\$	700,000

City Processing Cost

City Processing Cost Per Month	\$	15,000
Total City Processing Cost for 18 Months	\$	270,000

Coastal Commission Processing Cost

Coastal Commission Processing Cost Per Month	\$	15,000
Total Coastal Commission Processing Cost for 12 Months	\$	180,000

Infrastructure & Site Preparation Cost

Infrastructure & Site Preparation Cost Per Lot	\$	90,000
Total Infrastructure & Site Preparation	\$	4,500,000

Extraordinary Site Improvement Cost

Extraordinary Site Improvement Cost Per Month	\$	100,000
Total Extraordinary Site Improvement Cost for 5 Months	\$	500,000

Site Clearance & Maintenance Cost

Site Clearance & Maintenance Cost Per Month	\$	7,500
Total Site Clearance & Maintenance Cost for 42 Months	\$	315,000

Water Permitting Cost

Water Permitting Cost Per Lot	\$	35,000
Total Water Permitting Cost	\$	1,750,000

Cost of Carry

Annual Rate of Cost of Carry		5.500%
Total Cost of Carry	\$	509,365

Original Bond Issue	\$	19,625,000
Bonds Paid 1/1/2009-12/1/2013	\$	195,000
Bonds Outstanding on 1/1/2014	\$	19,430,000
Bonds Called on 1/1/2014	\$	6,275,000
Amount of Bonds Outstanding after 1/1/2014	\$	13,155,000
Total Forecast Beachwood Funding from City General Fund After 1/1/2014 Principal & Interest Until Debt Repaid	\$	29,916,081
Debt Service Paid 1/1/2009-12/1/2013	\$	(5,572,338)
Ending Development Balance (positive number = revenue, negative number = cost)	\$	635
Total Forecast Beachwood Funding from City General Fund After 1/1/2014	\$	(29,916,081)
Impact on General Fund (positive number = revenue, negative number = cost)	\$	(35,487,784)

TABLE 2  
 SCENARIO - 50 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 ENVIRONMENTAL ENTITLEMENT APPROVAL AND PERMITTING COSTS

Date	Engineering, Environmental, Traffic	City Processing	Costal Commission Processing	Total Enviornmental and Permitting Costs
	\$ 700,000	\$ 15,000	\$ 15,000	
1/1/2009	\$ 58,333	\$ 15,000	\$ -	\$ 73,333
2/1/2009	58,333	15,000	-	73,333
3/1/2009	58,333	15,000	-	73,333
4/1/2009	58,333	15,000	-	73,333
5/1/2009	58,333	15,000	-	73,333
6/1/2009	58,333	15,000	-	73,333
7/1/2009	58,333	15,000	-	73,333
8/1/2009	58,333	15,000	-	73,333
9/1/2009	58,333	15,000	-	73,333
10/1/2009	58,333	15,000	-	73,333
11/1/2009	58,333	15,000	-	73,333
12/1/2009	58,333	15,000	-	73,333
1/1/2010	-	15,000	-	15,000
2/1/2010	-	15,000	-	15,000
3/1/2010	-	15,000	-	15,000
4/1/2010	-	15,000	-	15,000
5/1/2010	-	15,000	-	15,000
6/1/2010	-	15,000	-	15,000
7/1/2010	-	-	15,000	15,000
8/1/2010	-	-	15,000	15,000
9/1/2010	-	-	15,000	15,000
10/1/2010	-	-	15,000	15,000
11/1/2010	-	-	15,000	15,000
12/1/2010	-	-	15,000	15,000
1/1/2011	-	-	15,000	15,000
2/1/2011	-	-	15,000	15,000
3/1/2011	-	-	15,000	15,000
4/1/2011	-	-	15,000	15,000
5/1/2011	-	-	15,000	15,000
6/1/2011	-	-	15,000	15,000
7/1/2011	-	-	-	-
8/1/2011	-	-	-	-
9/1/2011	-	-	-	-
10/1/2011	-	-	-	-
11/1/2011	-	-	-	-
12/1/2011	-	-	-	-
1/1/2012	-	-	-	-
2/1/2012	-	-	-	-
3/1/2012	-	-	-	-
4/1/2012	-	-	-	-
5/1/2012	-	-	-	-
6/1/2012	-	-	-	-
7/1/2012	-	-	-	-
8/1/2012	-	-	-	-
9/1/2012	-	-	-	-
10/1/2012	-	-	-	-
11/1/2012	-	-	-	-
12/1/2012	-	-	-	-
1/1/2013	-	-	-	-
2/1/2013	-	-	-	-
3/1/2013	-	-	-	-
4/1/2013	-	-	-	-
5/1/2013	-	-	-	-
6/1/2013	-	-	-	-
7/1/2013	-	-	-	-
8/1/2013	-	-	-	-
9/1/2013	-	-	-	-
10/1/2013	-	-	-	-
11/1/2013	-	-	-	-
12/1/2013	-	-	-	-
Total	\$ 700,000	\$ 270,000	\$ 180,000	\$ 1,150,000

TABLE 3  
 SCENARIO - 50 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 SITE MAINTENANCE AND PREPARATION COSTS

Date	Infrastructure & Site Prep.	Extraordinary Site Improvement	Site Clearance & Maintenance	Water Permits	Total Site Preparation Costs
	\$ 90,000	\$ 500,000	\$ 7,500	\$ 35,000	
1/1/2009	\$ -	\$ -	\$ 7,500	\$ -	\$ 7,500
2/1/2009	-	-	7,500	-	7,500
3/1/2009	-	-	7,500	-	7,500
4/1/2009	-	-	7,500	-	7,500
5/1/2009	-	-	7,500	-	7,500
6/1/2009	-	-	7,500	-	7,500
7/1/2009	-	-	7,500	-	7,500
8/1/2009	-	-	7,500	-	7,500
9/1/2009	-	-	7,500	-	7,500
10/1/2009	-	-	7,500	-	7,500
11/1/2009	-	-	7,500	-	7,500
12/1/2009	-	-	7,500	-	7,500
1/1/2010	-	-	7,500	-	7,500
2/1/2010	-	-	7,500	-	7,500
3/1/2010	-	-	7,500	-	7,500
4/1/2010	-	-	7,500	-	7,500
5/1/2010	-	-	7,500	-	7,500
6/1/2010	-	-	7,500	-	7,500
7/1/2010	-	-	7,500	-	7,500
8/1/2010	-	-	7,500	-	7,500
9/1/2010	-	-	7,500	-	7,500
10/1/2010	-	-	7,500	-	7,500
11/1/2010	-	-	7,500	-	7,500
12/1/2010	-	-	7,500	-	7,500
1/1/2011	-	-	7,500	-	7,500
2/1/2011	-	-	7,500	-	7,500
3/1/2011	-	-	7,500	-	7,500
4/1/2011	-	-	7,500	-	7,500
5/1/2011	-	-	7,500	-	7,500
6/1/2011	-	100,000	7,500	-	107,500
7/1/2011	375,000	100,000	7,500	-	482,500
8/1/2011	375,000	100,000	7,500	-	482,500
9/1/2011	375,000	100,000	7,500	-	482,500
10/1/2011	375,000	100,000	7,500	-	482,500
11/1/2011	375,000	-	7,500	-	382,500
12/1/2011	375,000	-	7,500	-	382,500
1/1/2012	375,000	-	7,500	-	382,500
2/1/2012	375,000	-	7,500	-	382,500
3/1/2012	375,000	-	7,500	-	382,500
4/1/2012	375,000	-	7,500	-	382,500
5/1/2012	375,000	-	7,500	-	382,500
6/1/2012	375,000	-	7,500	1,750,000	2,132,500
7/1/2012	-	-	-	-	-
8/1/2012	-	-	-	-	-
9/1/2012	-	-	-	-	-
10/1/2012	-	-	-	-	-
11/1/2012	-	-	-	-	-
12/1/2012	-	-	-	-	-
1/1/2013	-	-	-	-	-
2/1/2013	-	-	-	-	-
3/1/2013	-	-	-	-	-
4/1/2013	-	-	-	-	-
5/1/2013	-	-	-	-	-
6/1/2013	-	-	-	-	-
7/1/2013	-	-	-	-	-
8/1/2013	-	-	-	-	-
9/1/2013	-	-	-	-	-
10/1/2013	-	-	-	-	-
11/1/2013	-	-	-	-	-
12/1/2013	-	-	-	-	-
<b>Total</b>	<b>\$ 4,500,000</b>	<b>\$ 500,000</b>	<b>\$ 315,000</b>	<b>\$ 1,750,000</b>	<b>\$ 7,065,000</b>

TABLE 4  
 SCENARIO - 50 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 NET RESULT

Date	Total Expenses from		Total Expenses	Income from Sale		City Carry Cost	Income/(Expense)	Cumulative Balance
	Table 2	Table 3		of Property	5.500%			
1/1/2009	\$ 73,333	\$ 7,500	\$ 80,833	\$ -	\$ -	\$ -	\$(80,833)	\$(80,833)
2/1/2009	73,333	7,500	80,833	-	370	-	(81,204)	(162,037)
3/1/2009	73,333	7,500	80,833	-	743	-	(81,576)	(243,613)
4/1/2009	73,333	7,500	80,833	-	1,117	-	(81,950)	(325,563)
5/1/2009	73,333	7,500	80,833	-	1,492	-	(82,325)	(407,889)
6/1/2009	73,333	7,500	80,833	-	1,869	-	(82,703)	(490,591)
7/1/2009	73,333	7,500	80,833	-	2,249	-	(83,082)	(573,673)
8/1/2009	73,333	7,500	80,833	-	2,629	-	(83,463)	(657,136)
9/1/2009	73,333	7,500	80,833	-	3,012	-	(83,845)	(740,981)
10/1/2009	73,333	7,500	80,833	-	3,396	-	(84,229)	(825,211)
11/1/2009	73,333	7,500	80,833	-	3,782	-	(84,616)	(909,826)
12/1/2009	73,333	7,500	80,833	-	4,170	-	(85,003)	(994,830)
1/1/2010	15,000	7,500	22,500	-	4,560	-	(27,060)	(1,021,889)
2/1/2010	15,000	7,500	22,500	-	4,684	-	(27,184)	(1,049,073)
3/1/2010	15,000	7,500	22,500	-	4,808	-	(27,308)	(1,076,381)
4/1/2010	15,000	7,500	22,500	-	4,933	-	(27,433)	(1,103,814)
5/1/2010	15,000	7,500	22,500	-	5,059	-	(27,559)	(1,131,374)
6/1/2010	15,000	7,500	22,500	-	5,185	-	(27,685)	(1,159,059)
7/1/2010	15,000	7,500	22,500	-	5,312	-	(27,812)	(1,186,871)
8/1/2010	15,000	7,500	22,500	-	5,440	-	(27,940)	(1,214,811)
9/1/2010	15,000	7,500	22,500	-	5,568	-	(28,068)	(1,242,879)
10/1/2010	15,000	7,500	22,500	-	5,697	-	(28,197)	(1,271,076)
11/1/2010	15,000	7,500	22,500	-	5,826	-	(28,326)	(1,299,401)
12/1/2010	15,000	7,500	22,500	-	5,956	-	(28,456)	(1,327,857)
1/1/2011	15,000	7,500	22,500	-	6,086	-	(28,586)	(1,356,443)
2/1/2011	15,000	7,500	22,500	-	6,217	-	(28,717)	(1,385,160)
3/1/2011	15,000	7,500	22,500	-	6,349	-	(28,849)	(1,414,009)
4/1/2011	15,000	7,500	22,500	-	6,481	-	(28,981)	(1,442,990)
5/1/2011	15,000	7,500	22,500	-	6,614	-	(29,114)	(1,472,103)
6/1/2011	15,000	107,500	122,500	-	6,747	-	(129,247)	(1,601,350)
7/1/2011	-	482,500	482,500	-	7,340	-	(489,840)	(2,091,190)
8/1/2011	-	482,500	482,500	-	9,585	-	(492,085)	(2,583,275)
9/1/2011	-	482,500	482,500	-	11,840	-	(494,340)	(3,077,615)
10/1/2011	-	482,500	482,500	-	14,106	-	(496,606)	(3,574,220)
11/1/2011	-	382,500	382,500	-	16,382	-	(398,882)	(3,973,102)
12/1/2011	-	382,500	382,500	-	18,210	-	(400,710)	(4,373,812)
1/1/2012	-	382,500	382,500	-	20,047	-	(402,547)	(4,776,359)
2/1/2012	-	382,500	382,500	-	21,892	-	(404,392)	(5,180,751)
3/1/2012	-	382,500	382,500	-	23,745	-	(406,245)	(5,586,996)
4/1/2012	-	382,500	382,500	-	25,607	-	(408,107)	(5,995,103)
5/1/2012	-	382,500	382,500	-	27,478	-	(409,978)	(6,405,080)
6/1/2012	-	2,132,500	2,132,500	-	29,357	-	(2,161,857)	(8,566,937)
7/1/2012	-	-	-	1,250,000	39,265	-	1,210,735	(7,356,202)
8/1/2012	-	-	-	1,250,000	33,716	-	1,216,284	(6,139,918)
9/1/2012	-	-	-	1,250,000	28,141	-	1,221,859	(4,918,059)
10/1/2012	-	-	-	1,250,000	22,541	-	1,227,459	(3,690,600)
11/1/2012	-	-	-	1,250,000	16,915	-	1,233,085	(2,457,516)
12/1/2012	-	-	-	1,250,000	11,264	-	1,238,736	(1,218,779)
1/1/2013	-	-	-	1,250,000	5,586	-	1,244,414	25,635
2/1/2013	-	-	-	1,250,000	-	-	1,250,000	1,275,635
3/1/2013	-	-	-	1,250,000	-	-	1,250,000	2,525,635
4/1/2013	-	-	-	1,250,000	-	-	1,250,000	3,775,635
5/1/2013	-	-	-	1,250,000	-	-	1,250,000	5,025,635
6/1/2013	-	-	-	1,250,000	-	-	1,250,000	6,275,635
7/1/2013	-	-	-	-	-	-	-	6,275,635
8/1/2013	-	-	-	-	-	-	-	6,275,635
9/1/2013	-	-	-	-	-	-	-	6,275,635
10/1/2013	-	-	-	-	-	-	-	6,275,635
11/1/2013	-	-	-	-	-	-	-	6,275,635
12/1/2013	-	-	-	-	-	-	-	6,275,635
Total	\$ 1,150,000	\$ 7,065,000	\$ 8,215,000	\$ 15,000,000	\$ 509,365	\$ -	\$ 6,275,635	\$ 6,275,635

TABLE 5  
SCENARIO - 50 Lots  
HALF MOON BAY - DEVELOPMENT MODEL  
CALCULATION OF BONDED INDEBTEDNESS

Date	Cumulative Balance	Net Revenue Available to		Debt Service On Funding to	
		Retire Bonds		Owner	
			\$		\$ 18,000,000
1/1/2009	\$ (80,833)	\$ -	\$ -	\$ 89,948	
2/1/2009	(162,037)	-	-	89,948	
3/1/2009	(243,613)	-	-	89,948	
4/1/2009	(325,563)	-	-	89,948	
5/1/2009	(407,889)	-	-	89,948	
6/1/2009	(490,591)	-	-	89,948	
7/1/2009	(573,673)	-	-	89,948	
8/1/2009	(657,136)	-	-	89,948	
9/1/2009	(740,981)	-	-	89,948	
10/1/2009	(825,211)	-	-	89,948	
11/1/2009	(909,826)	-	-	89,948	
12/1/2009	(994,830)	-	-	89,948	
1/1/2010	(1,021,889)	-	-	89,948	
2/1/2010	(1,049,073)	-	-	89,948	
3/1/2010	(1,076,381)	-	-	89,948	
4/1/2010	(1,103,814)	-	-	89,948	
5/1/2010	(1,131,374)	-	-	89,948	
6/1/2010	(1,159,059)	-	-	89,948	
7/1/2010	(1,186,871)	-	-	89,948	
8/1/2010	(1,214,811)	-	-	89,948	
9/1/2010	(1,242,879)	-	-	89,948	
10/1/2010	(1,271,076)	-	-	89,948	
11/1/2010	(1,299,401)	-	-	89,948	
12/1/2010	(1,327,857)	-	-	89,948	
1/1/2011	(1,356,443)	-	-	89,948	
2/1/2011	(1,385,160)	-	-	89,948	
3/1/2011	(1,414,009)	-	-	89,948	
4/1/2011	(1,442,990)	-	-	89,948	
5/1/2011	(1,472,103)	-	-	89,948	
6/1/2011	(1,601,350)	-	-	89,948	
7/1/2011	(2,091,190)	-	-	89,948	
8/1/2011	(2,583,275)	-	-	89,948	
9/1/2011	(3,077,615)	-	-	89,948	
10/1/2011	(3,574,220)	-	-	89,948	
11/1/2011	(3,973,102)	-	-	89,948	
12/1/2011	(4,373,812)	-	-	89,948	
1/1/2012	(4,776,359)	-	-	89,948	
2/1/2012	(5,180,751)	-	-	89,948	
3/1/2012	(5,586,996)	-	-	89,948	
4/1/2012	(5,995,103)	-	-	89,948	
5/1/2012	(6,405,080)	-	-	89,948	
6/1/2012	(8,566,937)	-	-	89,948	
7/1/2012	(7,356,202)	-	-	89,948	
8/1/2012	(6,139,918)	-	-	89,948	
9/1/2012	(4,918,059)	-	-	89,948	
10/1/2012	(3,690,600)	-	-	89,948	
11/1/2012	(2,457,516)	-	-	89,948	
12/1/2012	(1,218,779)	-	-	89,948	
1/1/2013	25,635	25,635		104,948	
2/1/2013	1,275,635	1,275,635		104,879	
3/1/2013	2,525,635	2,525,635		104,810	
4/1/2013	3,775,635	3,775,635		104,742	
5/1/2013	5,025,635	5,025,635		104,673	
6/1/2013	6,275,635	6,275,635		104,604	
7/1/2013	6,275,635	6,275,635		104,535	
8/1/2013	6,275,635	6,275,635		104,467	
9/1/2013	6,275,635	6,275,635		104,398	
10/1/2013	6,275,635	6,275,635		104,329	
11/1/2013	6,275,635	6,275,635		104,260	
12/1/2013	6,275,635	6,275,635		104,192	
Total	\$ 6,275,635	\$ 6,275,635	\$ 6,275,635	\$ 5,572,338	

**TABLE 1**  
**SCENARIO - 83 Lots**  
**HALF MOON BAY - DEVELOPMENT MODEL**  
**ASSUMPTIONS**

**REVENUE ASSUMPTIONS**

Total Number of Lots	83
Below Market Rate ("BMR") Lots (20% of Total)	17
Net Sellable Lots	66

Sale Price Per Lot	\$	350,000
Total Project Revenue	\$	23,100,000

**DEVELOPMENT COST ASSUMPTIONS**

Engineering, Environmental and Traffic Cost

Engineering, Environmental and Traffic Cost Per Month	\$	58,333
Total Engineering, Environmental and Traffic Cost for 12 Months	\$	700,000

City Processing Cost

City Processing Cost Per Month	\$	15,000
Total City Processing Cost for 18 Months	\$	270,000

Coastal Commission Processing Cost

Coastal Commission Processing Cost Per Month	\$	15,000
Total Coastal Commission Processing Cost for 12 Months	\$	180,000

Infrastructure & Site Preparation Cost

Infrastructure & Site Preparation Cost Per Lot	\$	75,000
Total Infrastructure & Site Preparation	\$	6,225,000

Extraordinary Site Improvement Cost

Extraordinary Site Improvement Cost Per Month	\$	100,000
Total Extraordinary Site Improvement Cost for 5 Months	\$	500,000

Site Clearance & Maintenance Cost

Site Clearance & Maintenance Cost Per Month	\$	7,500
Total Site Clearance & Maintenance Cost for 42 Months	\$	315,000

Water Permitting Cost

Water Permitting Cost Per Lot	\$	35,000
Total Water Permitting Cost	\$	2,905,000

Cost of Carry

Annual Rate of Cost of Carry		5.500%
Total Cost of Carry	\$	583,170

Original Bond Issue	\$	19,625,000
Bonds Paid 1/1/2009-12/1/2013	\$	195,000
Bonds Outstanding on 1/1/2014	\$	19,430,000
Bonds Called on 1/1/2014	\$	11,420,000
Amount of Bonds Outstanding after 1/1/2014	\$	8,010,000
Total Forecast Beachwood Funding from City General Fund After 1/1/2014 Principal & Interest Until Debt Repaid	\$	18,215,721
Debt Service Paid 1/1/2009-12/1/2013	\$	(5,572,338)
Ending Development Balance (positive number = revenue, negative number = cost)	\$	1,830
Total Forecast Beachwood Funding from City General Fund After 1/1/2014	\$	(18,215,721)
Impact on General Fund (positive number = revenue, negative number = cost)	\$	(23,786,228)

TABLE 2  
 SCENARIO - 83 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 ENVIRONMENTAL ENTITLEMENT APPROVAL AND PERMITTING COSTS

Date	Engineering, Environmental, Traffic	City Processing	Costal Commission Processing	Total Enviornmental and Permitting Costs
	\$ 700,000	\$ 15,000	\$ 15,000	
1/1/2009	\$ 58,333	\$ 15,000	\$ -	\$ 73,333
2/1/2009	58,333	15,000	-	73,333
3/1/2009	58,333	15,000	-	73,333
4/1/2009	58,333	15,000	-	73,333
5/1/2009	58,333	15,000	-	73,333
6/1/2009	58,333	15,000	-	73,333
7/1/2009	58,333	15,000	-	73,333
8/1/2009	58,333	15,000	-	73,333
9/1/2009	58,333	15,000	-	73,333
10/1/2009	58,333	15,000	-	73,333
11/1/2009	58,333	15,000	-	73,333
12/1/2009	58,333	15,000	-	73,333
1/1/2010	-	15,000	-	15,000
2/1/2010	-	15,000	-	15,000
3/1/2010	-	15,000	-	15,000
4/1/2010	-	15,000	-	15,000
5/1/2010	-	15,000	-	15,000
6/1/2010	-	15,000	-	15,000
7/1/2010	-	-	15,000	15,000
8/1/2010	-	-	15,000	15,000
9/1/2010	-	-	15,000	15,000
10/1/2010	-	-	15,000	15,000
11/1/2010	-	-	15,000	15,000
12/1/2010	-	-	15,000	15,000
1/1/2011	-	-	15,000	15,000
2/1/2011	-	-	15,000	15,000
3/1/2011	-	-	15,000	15,000
4/1/2011	-	-	15,000	15,000
5/1/2011	-	-	15,000	15,000
6/1/2011	-	-	15,000	15,000
7/1/2011	-	-	-	-
8/1/2011	-	-	-	-
9/1/2011	-	-	-	-
10/1/2011	-	-	-	-
11/1/2011	-	-	-	-
12/1/2011	-	-	-	-
1/1/2012	-	-	-	-
2/1/2012	-	-	-	-
3/1/2012	-	-	-	-
4/1/2012	-	-	-	-
5/1/2012	-	-	-	-
6/1/2012	-	-	-	-
7/1/2012	-	-	-	-
8/1/2012	-	-	-	-
9/1/2012	-	-	-	-
10/1/2012	-	-	-	-
11/1/2012	-	-	-	-
12/1/2012	-	-	-	-
1/1/2013	-	-	-	-
2/1/2013	-	-	-	-
3/1/2013	-	-	-	-
4/1/2013	-	-	-	-
5/1/2013	-	-	-	-
6/1/2013	-	-	-	-
7/1/2013	-	-	-	-
8/1/2013	-	-	-	-
9/1/2013	-	-	-	-
10/1/2013	-	-	-	-
11/1/2013	-	-	-	-
12/1/2013	-	-	-	-
Total	\$ 700,000	\$ 270,000	\$ 180,000	\$ 1,150,000

TABLE 3  
 SCENARIO - 83 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 SITE MAINTENANCE AND PREPARATION COSTS

Date	Infrastructure & Site Prep.	Extraordinary Site Improvement	Site Clearance & Maintenance	Water Permits	Total Site Preparation Costs
	\$ 75,000	\$ 500,000	\$ 7,500	\$ 35,000	
1/1/2009	\$ -	\$ -	\$ 7,500	\$ -	\$ 7,500
2/1/2009	-	-	7,500	-	7,500
3/1/2009	-	-	7,500	-	7,500
4/1/2009	-	-	7,500	-	7,500
5/1/2009	-	-	7,500	-	7,500
6/1/2009	-	-	7,500	-	7,500
7/1/2009	-	-	7,500	-	7,500
8/1/2009	-	-	7,500	-	7,500
9/1/2009	-	-	7,500	-	7,500
10/1/2009	-	-	7,500	-	7,500
11/1/2009	-	-	7,500	-	7,500
12/1/2009	-	-	7,500	-	7,500
1/1/2010	-	-	7,500	-	7,500
2/1/2010	-	-	7,500	-	7,500
3/1/2010	-	-	7,500	-	7,500
4/1/2010	-	-	7,500	-	7,500
5/1/2010	-	-	7,500	-	7,500
6/1/2010	-	-	7,500	-	7,500
7/1/2010	-	-	7,500	-	7,500
8/1/2010	-	-	7,500	-	7,500
9/1/2010	-	-	7,500	-	7,500
10/1/2010	-	-	7,500	-	7,500
11/1/2010	-	-	7,500	-	7,500
12/1/2010	-	-	7,500	-	7,500
1/1/2011	-	-	7,500	-	7,500
2/1/2011	-	-	7,500	-	7,500
3/1/2011	-	-	7,500	-	7,500
4/1/2011	-	-	7,500	-	7,500
5/1/2011	-	-	7,500	-	7,500
6/1/2011	-	100,000	7,500	-	107,500
7/1/2011	518,750	100,000	7,500	-	626,250
8/1/2011	518,750	100,000	7,500	-	626,250
9/1/2011	518,750	100,000	7,500	-	626,250
10/1/2011	518,750	100,000	7,500	-	626,250
11/1/2011	518,750	-	7,500	-	526,250
12/1/2011	518,750	-	7,500	-	526,250
1/1/2012	518,750	-	7,500	-	526,250
2/1/2012	518,750	-	7,500	-	526,250
3/1/2012	518,750	-	7,500	-	526,250
4/1/2012	518,750	-	7,500	-	526,250
5/1/2012	518,750	-	7,500	-	526,250
6/1/2012	518,750	-	7,500	2,905,000	3,431,250
7/1/2012	-	-	-	-	-
8/1/2012	-	-	-	-	-
9/1/2012	-	-	-	-	-
10/1/2012	-	-	-	-	-
11/1/2012	-	-	-	-	-
12/1/2012	-	-	-	-	-
1/1/2013	-	-	-	-	-
2/1/2013	-	-	-	-	-
3/1/2013	-	-	-	-	-
4/1/2013	-	-	-	-	-
5/1/2013	-	-	-	-	-
6/1/2013	-	-	-	-	-
7/1/2013	-	-	-	-	-
8/1/2013	-	-	-	-	-
9/1/2013	-	-	-	-	-
10/1/2013	-	-	-	-	-
11/1/2013	-	-	-	-	-
12/1/2013	-	-	-	-	-
<b>Total</b>	<b>\$ 6,225,000</b>	<b>\$ 500,000</b>	<b>\$ 315,000</b>	<b>\$ 2,905,000</b>	<b>\$ 9,945,000</b>

TABLE 4  
 SCENARIO - 83 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 NET RESULT

Date	Total Expenses from		Total Expenses	Income from Sale		City Carry Cost	Income/(Expense)	Cumulative Balance
	Table 2	Table 3		of Property	5.500%			
1/1/2009	\$ 73,333	\$ 7,500	\$ 80,833	\$ -	\$ -	\$ -	\$(80,833)	\$(80,833)
2/1/2009	73,333	7,500	80,833	-	370	-	(81,204)	(162,037)
3/1/2009	73,333	7,500	80,833	-	743	-	(81,576)	(243,613)
4/1/2009	73,333	7,500	80,833	-	1,117	-	(81,950)	(325,563)
5/1/2009	73,333	7,500	80,833	-	1,492	-	(82,325)	(407,889)
6/1/2009	73,333	7,500	80,833	-	1,869	-	(82,703)	(490,591)
7/1/2009	73,333	7,500	80,833	-	2,249	-	(83,082)	(573,673)
8/1/2009	73,333	7,500	80,833	-	2,629	-	(83,463)	(657,136)
9/1/2009	73,333	7,500	80,833	-	3,012	-	(83,845)	(740,981)
10/1/2009	73,333	7,500	80,833	-	3,396	-	(84,229)	(825,211)
11/1/2009	73,333	7,500	80,833	-	3,782	-	(84,616)	(909,826)
12/1/2009	73,333	7,500	80,833	-	4,170	-	(85,003)	(994,830)
1/1/2010	15,000	7,500	22,500	-	4,560	-	(27,060)	(1,021,889)
2/1/2010	15,000	7,500	22,500	-	4,684	-	(27,184)	(1,049,073)
3/1/2010	15,000	7,500	22,500	-	4,808	-	(27,308)	(1,076,381)
4/1/2010	15,000	7,500	22,500	-	4,933	-	(27,433)	(1,103,814)
5/1/2010	15,000	7,500	22,500	-	5,059	-	(27,559)	(1,131,374)
6/1/2010	15,000	7,500	22,500	-	5,185	-	(27,685)	(1,159,059)
7/1/2010	15,000	7,500	22,500	-	5,312	-	(27,812)	(1,186,871)
8/1/2010	15,000	7,500	22,500	-	5,440	-	(27,940)	(1,214,811)
9/1/2010	15,000	7,500	22,500	-	5,568	-	(28,068)	(1,242,879)
10/1/2010	15,000	7,500	22,500	-	5,697	-	(28,197)	(1,271,076)
11/1/2010	15,000	7,500	22,500	-	5,826	-	(28,326)	(1,299,401)
12/1/2010	15,000	7,500	22,500	-	5,956	-	(28,456)	(1,327,857)
1/1/2011	15,000	7,500	22,500	-	6,086	-	(28,586)	(1,356,443)
2/1/2011	15,000	7,500	22,500	-	6,217	-	(28,717)	(1,385,160)
3/1/2011	15,000	7,500	22,500	-	6,349	-	(28,849)	(1,414,009)
4/1/2011	15,000	7,500	22,500	-	6,481	-	(28,981)	(1,442,990)
5/1/2011	15,000	7,500	22,500	-	6,614	-	(29,114)	(1,472,103)
6/1/2011	15,000	107,500	122,500	-	6,747	-	(129,247)	(1,601,350)
7/1/2011	-	626,250	626,250	-	7,340	-	(633,590)	(2,234,940)
8/1/2011	-	626,250	626,250	-	10,243	-	(636,493)	(2,871,433)
9/1/2011	-	626,250	626,250	-	13,161	-	(639,411)	(3,510,844)
10/1/2011	-	626,250	626,250	-	16,091	-	(642,341)	(4,153,186)
11/1/2011	-	526,250	526,250	-	19,035	-	(545,285)	(4,698,471)
12/1/2011	-	526,250	526,250	-	21,535	-	(547,785)	(5,246,256)
1/1/2012	-	526,250	526,250	-	24,045	-	(550,295)	(5,796,551)
2/1/2012	-	526,250	526,250	-	26,568	-	(552,818)	(6,349,369)
3/1/2012	-	526,250	526,250	-	29,101	-	(555,351)	(6,904,720)
4/1/2012	-	526,250	526,250	-	31,647	-	(557,897)	(7,462,616)
5/1/2012	-	526,250	526,250	-	34,204	-	(560,454)	(8,023,070)
6/1/2012	-	3,431,250	3,431,250	-	36,772	-	(3,468,022)	(11,491,092)
7/1/2012	-	-	-	1,925,000	52,668	-	1,872,332	(9,618,760)
8/1/2012	-	-	-	1,925,000	44,086	-	1,880,914	(7,737,846)
9/1/2012	-	-	-	1,925,000	35,465	-	1,889,535	(5,848,311)
10/1/2012	-	-	-	1,925,000	26,805	-	1,898,195	(3,950,116)
11/1/2012	-	-	-	1,925,000	18,105	-	1,906,895	(2,043,221)
12/1/2012	-	-	-	1,925,000	9,365	-	1,915,635	(127,585)
1/1/2013	-	-	-	1,925,000	585	-	1,924,415	1,796,830
2/1/2013	-	-	-	1,925,000	-	-	1,925,000	3,721,830
3/1/2013	-	-	-	1,925,000	-	-	1,925,000	5,646,830
4/1/2013	-	-	-	1,925,000	-	-	1,925,000	7,571,830
5/1/2013	-	-	-	1,925,000	-	-	1,925,000	9,496,830
6/1/2013	-	-	-	1,925,000	-	-	1,925,000	11,421,830
7/1/2013	-	-	-	-	-	-	-	11,421,830
8/1/2013	-	-	-	-	-	-	-	11,421,830
9/1/2013	-	-	-	-	-	-	-	11,421,830
10/1/2013	-	-	-	-	-	-	-	11,421,830
11/1/2013	-	-	-	-	-	-	-	11,421,830
12/1/2013	-	-	-	-	-	-	-	11,421,830
Total	\$ 1,150,000	\$ 9,945,000	\$ 11,095,000	\$ 23,100,000	\$ 583,170	\$ -	\$ 11,421,830	\$ 11,421,830

TABLE 5  
 SCENARIO - 83 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 CALCULATION OF BONDED INDEBTEDNESS

Date	Cumulative Balance	Net Revenue Available to		Debt Service On Funding to	
		Retire Bonds		Owner	
			\$		18,000,000
1/1/2009	\$ (80,833)	\$ -	\$ -	\$ 89,948	
2/1/2009	(162,037)	-	-	89,948	
3/1/2009	(243,613)	-	-	89,948	
4/1/2009	(325,563)	-	-	89,948	
5/1/2009	(407,889)	-	-	89,948	
6/1/2009	(490,591)	-	-	89,948	
7/1/2009	(573,673)	-	-	89,948	
8/1/2009	(657,136)	-	-	89,948	
9/1/2009	(740,981)	-	-	89,948	
10/1/2009	(825,211)	-	-	89,948	
11/1/2009	(909,826)	-	-	89,948	
12/1/2009	(994,830)	-	-	89,948	
1/1/2010	(1,021,889)	-	-	89,948	
2/1/2010	(1,049,073)	-	-	89,948	
3/1/2010	(1,076,381)	-	-	89,948	
4/1/2010	(1,103,814)	-	-	89,948	
5/1/2010	(1,131,374)	-	-	89,948	
6/1/2010	(1,159,059)	-	-	89,948	
7/1/2010	(1,186,871)	-	-	89,948	
8/1/2010	(1,214,811)	-	-	89,948	
9/1/2010	(1,242,879)	-	-	89,948	
10/1/2010	(1,271,076)	-	-	89,948	
11/1/2010	(1,299,401)	-	-	89,948	
12/1/2010	(1,327,857)	-	-	89,948	
1/1/2011	(1,356,443)	-	-	89,948	
2/1/2011	(1,385,160)	-	-	89,948	
3/1/2011	(1,414,009)	-	-	89,948	
4/1/2011	(1,442,990)	-	-	89,948	
5/1/2011	(1,472,103)	-	-	89,948	
6/1/2011	(1,601,350)	-	-	89,948	
7/1/2011	(2,234,940)	-	-	89,948	
8/1/2011	(2,871,433)	-	-	89,948	
9/1/2011	(3,510,844)	-	-	89,948	
10/1/2011	(4,153,186)	-	-	89,948	
11/1/2011	(4,698,471)	-	-	89,948	
12/1/2011	(5,246,256)	-	-	89,948	
1/1/2012	(5,796,551)	-	-	89,948	
2/1/2012	(6,349,369)	-	-	89,948	
3/1/2012	(6,904,720)	-	-	89,948	
4/1/2012	(7,462,616)	-	-	89,948	
5/1/2012	(8,023,070)	-	-	89,948	
6/1/2012	(11,491,092)	-	-	89,948	
7/1/2012	(9,618,760)	-	-	89,948	
8/1/2012	(7,737,846)	-	-	89,948	
9/1/2012	(5,848,311)	-	-	89,948	
10/1/2012	(3,950,116)	-	-	89,948	
11/1/2012	(2,043,221)	-	-	89,948	
12/1/2012	(127,585)	-	-	89,948	
1/1/2013	1,796,830	1,796,830		104,948	
2/1/2013	3,721,830	3,721,830		104,879	
3/1/2013	5,646,830	5,646,830		104,810	
4/1/2013	7,571,830	7,571,830		104,742	
5/1/2013	9,496,830	9,496,830		104,673	
6/1/2013	11,421,830	11,421,830		104,604	
7/1/2013	11,421,830	11,421,830		104,535	
8/1/2013	11,421,830	11,421,830		104,467	
9/1/2013	11,421,830	11,421,830		104,398	
10/1/2013	11,421,830	11,421,830		104,329	
11/1/2013	11,421,830	11,421,830		104,260	
12/1/2013	11,421,830	11,421,830		104,192	
Total	\$ 11,421,830	\$ 11,421,830	\$	\$ 5,572,338	

TABLE 1  
 SCENARIO - 129 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 ASSUMPTIONS

REVENUE ASSUMPTIONS

Total Number of Lots	129
Below Market Rate ("BMR") Lots (20% of Total)	26
Net Sellable Lots	103

Sale Price Per Lot	\$	325,000
Total Project Revenue	\$	33,475,000

DEVELOPMENT COST ASSUMPTIONS

Engineering, Environmental and Traffic Cost

Engineering, Environmental and Traffic Cost Per Month	\$	58,333
Total Engineering, Environmental and Traffic Cost for 12 Months	\$	700,000

City Processing Cost

City Processing Cost Per Month	\$	15,000
Total City Processing Cost for 18 Months	\$	270,000

Coastal Commission Processing Cost

Coastal Commission Processing Cost Per Month	\$	15,000
Total Coastal Commission Processing Cost for 12 Months	\$	180,000

Infrastructure & Site Preparation Cost

Infrastructure & Site Preparation Cost Per Lot	\$	65,000
Total Infrastructure & Site Preparation	\$	8,385,000

Extraordinary Site Improvement Cost

Extraordinary Site Improvement Cost Per Month	\$	100,000
Total Extraordinary Site Improvement Cost for 5 Months	\$	500,000

Site Clearance & Maintenance Cost

Site Clearance & Maintenance Cost Per Month	\$	7,500
Total Site Clearance & Maintenance Cost for 42 Months	\$	315,000

Water Permitting Cost

Water Permitting Cost Per Lot	\$	35,000
Total Water Permitting Cost	\$	4,515,000

Cost of Carry

Annual Rate of Cost of Carry		5.500%
Total Cost of Carry	\$	684,479

Original Bond Issue	\$	19,625,000
Bonds Paid 1/1/2009-12/1/2013	\$	195,000
Bonds Outstanding on 1/1/2014	\$	19,430,000
Bonds Called on 1/1/2014	\$	17,925,000
Amount of Bonds Outstanding after 1/1/2014	\$	1,505,000
Total Forecast Beachwood Funding from City General Fund After 1/1/2014 Principal & Interest Until Debt Repaid	\$	3,422,554
Debt Service Paid 1/1/2009-12/1/2013	\$	(5,572,338)
Ending Development Balance (positive number = revenue, negative number = cost)	\$	521
Total Forecast Beachwood Funding from City General Fund After 1/1/2014	\$	(3,422,554)
Impact on General Fund (positive number = revenue, negative number = cost)	\$	(8,994,371)

TABLE 2  
 SCENARIO - 129 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 ENVIRONMENTAL ENTITLEMENT APPROVAL AND PERMITTING COSTS

Date	Engineering, Environmental, Traffic	City Processing	Costal Commission Processing	Total Enviornmental and Permitting Costs
	\$ 700,000	\$ 15,000	\$ 15,000	
1/1/2009	\$ 58,333	\$ 15,000	\$ -	\$ 73,333
2/1/2009	58,333	15,000	-	73,333
3/1/2009	58,333	15,000	-	73,333
4/1/2009	58,333	15,000	-	73,333
5/1/2009	58,333	15,000	-	73,333
6/1/2009	58,333	15,000	-	73,333
7/1/2009	58,333	15,000	-	73,333
8/1/2009	58,333	15,000	-	73,333
9/1/2009	58,333	15,000	-	73,333
10/1/2009	58,333	15,000	-	73,333
11/1/2009	58,333	15,000	-	73,333
12/1/2009	58,333	15,000	-	73,333
1/1/2010	-	15,000	-	15,000
2/1/2010	-	15,000	-	15,000
3/1/2010	-	15,000	-	15,000
4/1/2010	-	15,000	-	15,000
5/1/2010	-	15,000	-	15,000
6/1/2010	-	15,000	-	15,000
7/1/2010	-	-	15,000	15,000
8/1/2010	-	-	15,000	15,000
9/1/2010	-	-	15,000	15,000
10/1/2010	-	-	15,000	15,000
11/1/2010	-	-	15,000	15,000
12/1/2010	-	-	15,000	15,000
1/1/2011	-	-	15,000	15,000
2/1/2011	-	-	15,000	15,000
3/1/2011	-	-	15,000	15,000
4/1/2011	-	-	15,000	15,000
5/1/2011	-	-	15,000	15,000
6/1/2011	-	-	15,000	15,000
7/1/2011	-	-	-	-
8/1/2011	-	-	-	-
9/1/2011	-	-	-	-
10/1/2011	-	-	-	-
11/1/2011	-	-	-	-
12/1/2011	-	-	-	-
1/1/2012	-	-	-	-
2/1/2012	-	-	-	-
3/1/2012	-	-	-	-
4/1/2012	-	-	-	-
5/1/2012	-	-	-	-
6/1/2012	-	-	-	-
7/1/2012	-	-	-	-
8/1/2012	-	-	-	-
9/1/2012	-	-	-	-
10/1/2012	-	-	-	-
11/1/2012	-	-	-	-
12/1/2012	-	-	-	-
1/1/2013	-	-	-	-
2/1/2013	-	-	-	-
3/1/2013	-	-	-	-
4/1/2013	-	-	-	-
5/1/2013	-	-	-	-
6/1/2013	-	-	-	-
7/1/2013	-	-	-	-
8/1/2013	-	-	-	-
9/1/2013	-	-	-	-
10/1/2013	-	-	-	-
11/1/2013	-	-	-	-
12/1/2013	-	-	-	-
Total	\$ 700,000	\$ 270,000	\$ 180,000	\$ 1,150,000

TABLE 3  
 SCENARIO - 129 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 SITE MAINTENANCE AND PREPARATION COSTS

Date	Infrastructure & Site Prep.	Extraordinary Site Improvement	Site Clearance & Maintenance	Water Permits	Total Site Preparation Costs
	\$ 65,000	\$ 500,000	\$ 7,500	\$ 35,000	
1/1/2009	\$ -	\$ -	\$ 7,500	\$ -	\$ 7,500
2/1/2009	-	-	7,500	-	7,500
3/1/2009	-	-	7,500	-	7,500
4/1/2009	-	-	7,500	-	7,500
5/1/2009	-	-	7,500	-	7,500
6/1/2009	-	-	7,500	-	7,500
7/1/2009	-	-	7,500	-	7,500
8/1/2009	-	-	7,500	-	7,500
9/1/2009	-	-	7,500	-	7,500
10/1/2009	-	-	7,500	-	7,500
11/1/2009	-	-	7,500	-	7,500
12/1/2009	-	-	7,500	-	7,500
1/1/2010	-	-	7,500	-	7,500
2/1/2010	-	-	7,500	-	7,500
3/1/2010	-	-	7,500	-	7,500
4/1/2010	-	-	7,500	-	7,500
5/1/2010	-	-	7,500	-	7,500
6/1/2010	-	-	7,500	-	7,500
7/1/2010	-	-	7,500	-	7,500
8/1/2010	-	-	7,500	-	7,500
9/1/2010	-	-	7,500	-	7,500
10/1/2010	-	-	7,500	-	7,500
11/1/2010	-	-	7,500	-	7,500
12/1/2010	-	-	7,500	-	7,500
1/1/2011	-	-	7,500	-	7,500
2/1/2011	-	-	7,500	-	7,500
3/1/2011	-	-	7,500	-	7,500
4/1/2011	-	-	7,500	-	7,500
5/1/2011	-	-	7,500	-	7,500
6/1/2011	-	100,000	7,500	-	107,500
7/1/2011	698,750	100,000	7,500	-	806,250
8/1/2011	698,750	100,000	7,500	-	806,250
9/1/2011	698,750	100,000	7,500	-	806,250
10/1/2011	698,750	100,000	7,500	-	806,250
11/1/2011	698,750	-	7,500	-	706,250
12/1/2011	698,750	-	7,500	-	706,250
1/1/2012	698,750	-	7,500	-	706,250
2/1/2012	698,750	-	7,500	-	706,250
3/1/2012	698,750	-	7,500	-	706,250
4/1/2012	698,750	-	7,500	-	706,250
5/1/2012	698,750	-	7,500	-	706,250
6/1/2012	698,750	-	7,500	4,515,000	5,221,250
7/1/2012	-	-	-	-	-
8/1/2012	-	-	-	-	-
9/1/2012	-	-	-	-	-
10/1/2012	-	-	-	-	-
11/1/2012	-	-	-	-	-
12/1/2012	-	-	-	-	-
1/1/2013	-	-	-	-	-
2/1/2013	-	-	-	-	-
3/1/2013	-	-	-	-	-
4/1/2013	-	-	-	-	-
5/1/2013	-	-	-	-	-
6/1/2013	-	-	-	-	-
7/1/2013	-	-	-	-	-
8/1/2013	-	-	-	-	-
9/1/2013	-	-	-	-	-
10/1/2013	-	-	-	-	-
11/1/2013	-	-	-	-	-
12/1/2013	-	-	-	-	-
<b>Total</b>	\$ 8,385,000	\$ 500,000	\$ 315,000	\$ 4,515,000	\$ 13,715,000

TABLE 4  
 SCENARIO - 129 Lots  
 HALF MOON BAY - DEVELOPMENT MODEL  
 NET RESULT

Date	Total Expenses from		Total Expenses	Income from Sale		City Carry Cost	Income/(Expense)	Cumulative Balance
	Table 2	Table 3		of Property	5.500%			
1/1/2009	\$ 73,333	\$ 7,500	\$ 80,833	\$ -	\$ -	\$ -	\$(80,833)	\$(80,833)
2/1/2009	73,333	7,500	80,833	-	370	-	(81,204)	(162,037)
3/1/2009	73,333	7,500	80,833	-	743	-	(81,576)	(243,613)
4/1/2009	73,333	7,500	80,833	-	1,117	-	(81,950)	(325,563)
5/1/2009	73,333	7,500	80,833	-	1,492	-	(82,325)	(407,889)
6/1/2009	73,333	7,500	80,833	-	1,869	-	(82,703)	(490,591)
7/1/2009	73,333	7,500	80,833	-	2,249	-	(83,082)	(573,673)
8/1/2009	73,333	7,500	80,833	-	2,629	-	(83,463)	(657,136)
9/1/2009	73,333	7,500	80,833	-	3,012	-	(83,845)	(740,981)
10/1/2009	73,333	7,500	80,833	-	3,396	-	(84,229)	(825,211)
11/1/2009	73,333	7,500	80,833	-	3,782	-	(84,616)	(909,826)
12/1/2009	73,333	7,500	80,833	-	4,170	-	(85,003)	(994,830)
1/1/2010	15,000	7,500	22,500	-	4,560	-	(27,060)	(1,021,889)
2/1/2010	15,000	7,500	22,500	-	4,684	-	(27,184)	(1,049,073)
3/1/2010	15,000	7,500	22,500	-	4,808	-	(27,308)	(1,076,381)
4/1/2010	15,000	7,500	22,500	-	4,933	-	(27,433)	(1,103,814)
5/1/2010	15,000	7,500	22,500	-	5,059	-	(27,559)	(1,131,374)
6/1/2010	15,000	7,500	22,500	-	5,185	-	(27,685)	(1,159,059)
7/1/2010	15,000	7,500	22,500	-	5,312	-	(27,812)	(1,186,871)
8/1/2010	15,000	7,500	22,500	-	5,440	-	(27,940)	(1,214,811)
9/1/2010	15,000	7,500	22,500	-	5,568	-	(28,068)	(1,242,879)
10/1/2010	15,000	7,500	22,500	-	5,697	-	(28,197)	(1,271,076)
11/1/2010	15,000	7,500	22,500	-	5,826	-	(28,326)	(1,299,401)
12/1/2010	15,000	7,500	22,500	-	5,956	-	(28,456)	(1,327,857)
1/1/2011	15,000	7,500	22,500	-	6,086	-	(28,586)	(1,356,443)
2/1/2011	15,000	7,500	22,500	-	6,217	-	(28,717)	(1,385,160)
3/1/2011	15,000	7,500	22,500	-	6,349	-	(28,849)	(1,414,009)
4/1/2011	15,000	7,500	22,500	-	6,481	-	(28,981)	(1,442,990)
5/1/2011	15,000	7,500	22,500	-	6,614	-	(29,114)	(1,472,103)
6/1/2011	15,000	107,500	122,500	-	6,747	-	(129,247)	(1,601,350)
7/1/2011	-	806,250	806,250	-	7,340	-	(813,590)	(2,414,940)
8/1/2011	-	806,250	806,250	-	11,068	-	(817,318)	(3,232,258)
9/1/2011	-	806,250	806,250	-	14,815	-	(821,065)	(4,053,323)
10/1/2011	-	806,250	806,250	-	18,578	-	(824,828)	(4,878,151)
11/1/2011	-	706,250	706,250	-	22,358	-	(728,608)	(5,606,759)
12/1/2011	-	706,250	706,250	-	25,698	-	(731,948)	(6,338,707)
1/1/2012	-	706,250	706,250	-	29,052	-	(735,302)	(7,074,009)
2/1/2012	-	706,250	706,250	-	32,423	-	(738,673)	(7,812,681)
3/1/2012	-	706,250	706,250	-	35,808	-	(742,058)	(8,554,740)
4/1/2012	-	706,250	706,250	-	39,209	-	(745,459)	(9,300,199)
5/1/2012	-	706,250	706,250	-	42,626	-	(748,876)	(10,049,075)
6/1/2012	-	5,221,250	5,221,250	-	46,058	-	(5,267,308)	(15,316,383)
7/1/2012	-	-	-	2,789,583	70,200	-	2,719,383	(12,597,000)
8/1/2012	-	-	-	2,789,583	57,736	-	2,731,847	(9,865,153)
9/1/2012	-	-	-	2,789,583	45,215	-	2,744,368	(7,120,785)
10/1/2012	-	-	-	2,789,583	32,637	-	2,756,946	(4,363,838)
11/1/2012	-	-	-	2,789,583	20,001	-	2,769,582	(1,594,256)
12/1/2012	-	-	-	2,789,583	7,307	-	2,782,276	1,188,021
1/1/2013	-	-	-	-	-	-	2,789,583	3,977,604
2/1/2013	-	-	-	-	-	-	2,789,583	6,767,187
3/1/2013	-	-	-	-	-	-	2,789,583	9,556,771
4/1/2013	-	-	-	-	-	-	2,789,583	12,346,354
5/1/2013	-	-	-	-	-	-	2,789,583	15,135,937
6/1/2013	-	-	-	-	-	-	2,789,583	17,925,521
7/1/2013	-	-	-	-	-	-	-	17,925,521
8/1/2013	-	-	-	-	-	-	-	17,925,521
9/1/2013	-	-	-	-	-	-	-	17,925,521
10/1/2013	-	-	-	-	-	-	-	17,925,521
11/1/2013	-	-	-	-	-	-	-	17,925,521
12/1/2013	-	-	-	-	-	-	-	17,925,521
Total	\$ 1,150,000	\$ 13,715,000	\$ 14,865,000	\$ 33,475,000	\$ 684,479	\$ -	\$ 17,925,521	\$ 17,925,521

TABLE 5  
SCENARIO - 129 Lots  
HALF MOON BAY - DEVELOPMENT MODEL  
CALCULATION OF BONDED INDEBTEDNESS

Date	Cumulative Balance	Net Revenue Available to		Debt Service On Funding to	
		Retire Bonds		Owner	
			\$		\$ 18,000,000
1/1/2009	\$ (80,833)	\$ -	\$ -	\$ 89,948	
2/1/2009	(162,037)	-	-	89,948	
3/1/2009	(243,613)	-	-	89,948	
4/1/2009	(325,563)	-	-	89,948	
5/1/2009	(407,889)	-	-	89,948	
6/1/2009	(490,591)	-	-	89,948	
7/1/2009	(573,673)	-	-	89,948	
8/1/2009	(657,136)	-	-	89,948	
9/1/2009	(740,981)	-	-	89,948	
10/1/2009	(825,211)	-	-	89,948	
11/1/2009	(909,826)	-	-	89,948	
12/1/2009	(994,830)	-	-	89,948	
1/1/2010	(1,021,889)	-	-	89,948	
2/1/2010	(1,049,073)	-	-	89,948	
3/1/2010	(1,076,381)	-	-	89,948	
4/1/2010	(1,103,814)	-	-	89,948	
5/1/2010	(1,131,374)	-	-	89,948	
6/1/2010	(1,159,059)	-	-	89,948	
7/1/2010	(1,186,871)	-	-	89,948	
8/1/2010	(1,214,811)	-	-	89,948	
9/1/2010	(1,242,879)	-	-	89,948	
10/1/2010	(1,271,076)	-	-	89,948	
11/1/2010	(1,299,401)	-	-	89,948	
12/1/2010	(1,327,857)	-	-	89,948	
1/1/2011	(1,356,443)	-	-	89,948	
2/1/2011	(1,385,160)	-	-	89,948	
3/1/2011	(1,414,009)	-	-	89,948	
4/1/2011	(1,442,990)	-	-	89,948	
5/1/2011	(1,472,103)	-	-	89,948	
6/1/2011	(1,601,350)	-	-	89,948	
7/1/2011	(2,414,940)	-	-	89,948	
8/1/2011	(3,232,258)	-	-	89,948	
9/1/2011	(4,053,323)	-	-	89,948	
10/1/2011	(4,878,151)	-	-	89,948	
11/1/2011	(5,606,759)	-	-	89,948	
12/1/2011	(6,338,707)	-	-	89,948	
1/1/2012	(7,074,009)	-	-	89,948	
2/1/2012	(7,812,681)	-	-	89,948	
3/1/2012	(8,554,740)	-	-	89,948	
4/1/2012	(9,300,199)	-	-	89,948	
5/1/2012	(10,049,075)	-	-	89,948	
6/1/2012	(15,316,383)	-	-	89,948	
7/1/2012	(12,597,000)	-	-	89,948	
8/1/2012	(9,865,153)	-	-	89,948	
9/1/2012	(7,120,785)	-	-	89,948	
10/1/2012	(4,363,838)	-	-	89,948	
11/1/2012	(1,594,256)	-	-	89,948	
12/1/2012	1,188,021	1,188,021	-	89,948	
1/1/2013	3,977,604	3,977,604	-	104,948	
2/1/2013	6,767,187	6,767,187	-	104,879	
3/1/2013	9,556,771	9,556,771	-	104,810	
4/1/2013	12,346,354	12,346,354	-	104,742	
5/1/2013	15,135,937	15,135,937	-	104,673	
6/1/2013	17,925,521	17,925,521	-	104,604	
7/1/2013	17,925,521	17,925,521	-	104,535	
8/1/2013	17,925,521	17,925,521	-	104,467	
9/1/2013	17,925,521	17,925,521	-	104,398	
10/1/2013	17,925,521	17,925,521	-	104,329	
11/1/2013	17,925,521	17,925,521	-	104,260	
12/1/2013	17,925,521	17,925,521	-	104,192	
Total	\$ 17,925,521	\$ 17,925,521	\$ -	\$ 5,572,338	