

Schedule I

INVESTMENT PERFORMANCE SUMMARY
USF&G REALTY
GOLF RESIDENTIAL REAL ESTATE PORTFOLIO
Quarter Ending June 30, 1990

06-Aug-90
[qsm2-90p]

Asset Description	Initial Funding Date	Outstanding Balance at 6/30/90	QE 6/30/90 Average Balance	Based on Avg outstanding Balance and GAAP income			Based on cash flows and outstanding balance			GAAP Income		
				Current Quarter Return	Year to Date Return	Holding Period Return	Current Quarter Return	Year to Date Return	Holding Period Return	Current Quarter	Year to Date	Holding Period
MORTGAGES:												
ENGLISH TURN	8/88	\$27,744,339	\$29,253,866	5.4%	6.0%	6.8%	7.8%	7.8%	8.6%	376,679	822,180	5,415,680
LA JOLLA	6/88	72,357,545	71,184,801	13.1%	13.2%	13.7%	13.2%	13.2%	13.8%	2,329,130	4,603,232	17,842,811
LAKE PLACID	7/88	11,385,589	11,243,686	10.1%	10.0%	9.7%	10.1%	10.1%	9.8%	283,019	556,017	1,862,438
FAMILY GOLF ORLANDO FACILITY	1/90	1,161,751	1,114,346	8.9%	9.1%	7.8%	8.8%	9.3%	9.3%	24,687	42,228	42,228
WYNSTONE	4/87	0	0	N/A	N/A	42.8%	N/A	N/A	31.7%	340,980	622,722	5,278,685
RIVER'S EDGE	3/89	0	0	N/A	N/A	11.4%	N/A	N/A	15.3%	0	0	21,344
BEAR CREEK	12/87	0	0	N/A	N/A	19.8%	N/A	N/A	19.4%	0	0	789,122
TOTAL MORTGAGES		\$112,649,224	\$112,796,498	12.1%	12.1%	12.6%	12.6%	12.6%	13.3%	\$3,354,495	\$6,646,379	\$31,252,208
OPERATING EQUITY INVESTMENTS:												
CASTLE PINES	8/88	\$63,044,778	\$62,053,858	-2.0%	-1.6%	-2.3%	-2.0%	-1.6%	-2.3%	(311,692)	(478,999)	(1,678,999)
ENGLISH TURN COUNTRY CLUB	8/88	18,705,716	18,746,093	-2.1%	-3.9%	-4.6%	-2.1%	-3.9%	-4.7%	(89,191)	(364,006)	(2,078,433)
FIDELITY/SIERRA	11/89	3,094,693	3,140,407	100.1%	47.0%	34.6%	109.1%	45.0%	32.8%	786,197	717,948	695,816
USF&G REALTY SOUTH	12/89	18,073,815	18,972,146	-0.3%	4.6%	4.0%	-0.3%	4.1%	4.0%	(14,805)	341,950	364,693
KEPNER-TREGOE BUILDING		3,419,327	3,422,473	8.6%	7.4%	7.0%	8.7%	7.4%	7.0%	73,684	124,354	647,944
TOTAL OPERATING EQUITY INVESTMENTS		\$107,338,327	\$106,334,977	1.6%	-1.8%	-1.5%	1.6%	0.7%	-1.5%	\$434,193	\$341,245	(\$2,048,979)
PRE-DEVELOPMENT EQUITY INVESTMENTS												
LA JOLLA	6/88	\$1,500,002	\$1,308,646							0	0	0
VENTURA - CHINA FLAT	3/87	4,891,996	4,436,533							0	0	16,210
VENTURA - LIBERTY CANYON	10/88	3,594,725	3,415,690							0	0	1,178
LAKE PLACID	7/88	7,131,654	6,720,541							0	0	(148,404)
KEPNER-TREGOE LAND		4,444,933	4,444,934							990	1,980	32,670
TOTAL-PRE DEVELOPMENT EQUITY INVESTMENTS		\$21,563,310	\$20,326,345							\$990	\$1,980	(\$98,347)
TOTAL ALL INVESTMENTS		241,550,800	239,457,820	6.4%	5.0%	7.0%	9.0%	7.3%	7.3%	3,789,678	6,989,604	29,104,882

Schedule II

INVESTMENT PERFORMANCE SUMMARY
USF&G REALTY
GOLF RESIDENTIAL REAL ESTATE PORTFOLIO
Quarter Ending June 30, 1990

06-Aug-90
[qem2-90p]

Asset Description	Initial Funding Date	Outstanding Balance at 6/30/90	QE 6/30/90 Average Balance	Based on Avg outstanding Balance and GAAP Income			Based on cash flows and outstanding balance			GAAP Income		
				Current Quarter Return	Year to Date Return	Holding Period Return	Current Quarter Return	Year to Date Return	Holding Period Return	Current Quarter	Year to Date	Holding Period
MORTGAGES:												
✓ ENGLISH TURN	8/86	\$0	\$0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0
LA JOLLA	8/88	72,357,545	71,184,601	13.1%	13.2%	13.7%	13.2%	13.2%	13.8%	2,329,130	4,803,232	17,842,811
LAKE PLACID	7/88	11,385,589	11,243,688	10.1%	10.0%	9.7%	10.1%	10.1%	9.8%	283,019	556,017	1,862,438
✓ FAMILY GOLF ORLANDO FACILITY	1/90	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0
WYNSTONE	4/87	0	0	N/A	N/A	42.8%	N/A	N/A	31.7%	340,980	622,722	6,278,685
RIVER'S EDGE	3/89	0	0	N/A	N/A	11.4%	N/A	N/A	15.3%	0	0	21,344
BEAR CREEK	12/87	0	0	N/A	N/A	19.8%	N/A	N/A	19.4%	0	0	789,122
TOTAL MORTGAGES		\$83,743,134	\$82,428,287	14.3%	14.3%	15.5%	14.4%	14.4%	15.7%	\$2,953,129	\$5,781,971	\$25,794,400
										0		
OPERATING EQUITY INVESTMENTS:												
✓ CASTLE PINES	8/88	\$0	\$0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0
✓ ENGLISH TURN COUNTRY CLUB	8/88	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0
FIDELITY/SIERRA	11/89	3,084,603	3,140,407	100.1%	47.0%	34.6%	109.1%	45.0%	32.8%	786,197	717,946	695,816
✓ USF&G REALTY SOUTH	12/89	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0
KEPNER-TREGOE BUILDING		3,419,327	3,422,473	8.6%	7.4%	7.0%	8.7%	7.4%	7.0%	73,684	124,354	647,944
TOTAL OPERATING EQUITY INVESTMENTS		\$6,514,020	\$6,562,881	52.4%	26.0%	12.1%	54.8%	25.6%	11.3%	\$859,881	\$842,300	\$1,343,760
PRE-DEVELOPMENT EQUITY INVESTMENTS												
LA JOLLA	6/88	\$1,500,002	\$1,308,646							0	0	0
VENTURA - CHINA FLAT	3/87	4,891,998	4,436,533							0	0	16,210
VENTURA - LIBERTY CANYON	10/88	3,594,725	3,415,690							0	0	1,178
LAKE PLACID	7/88	7,131,654	6,720,541							0	0	(148,404)
KEPNER-TREGOE LAND		4,444,933	4,444,934							990	1,980	32,670
TOTAL-PRE DEVELOPMENT EQUITY INVESTMENTS		\$21,563,310	\$20,326,345							\$990	\$1,980	(\$98,347)
TOTAL ALL INVESTMENTS		111,820,464	109,317,512	14.0%	14.2%	12.7%	14.0%	12.4%	12.5%	3,814,000	6,628,251	27,039,814

Schedule III

INVESTMENT PERFORMANCE SUMMARY
USF&G REALTY
GOLF RESIDENTIAL REAL ESTATE PORTFOLIO
Quarter Ending June 30, 1990

06-Aug-90
[qsm2-90p]

Asset Description	Based on Avg outstanding Balance and GAAP Income						Based on cash flows and outstanding balance			GAAP Income		
	Initial Funding Date	Outstanding Balance at 6/30/90	QE 6/30/90 Average Balance	Current Quarter Return	Year to Date Return	Holding Period Return	Current Quarter Return	Year to Date Return	Holding Period Return	Current Quarter	Year to Date	Holding Period
MORTGAGES:												
✓ ENGLISH TURN	8/88	\$0	\$0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0
LA JOLLA	8/88	72,357,645	71,184,601	13.1%	13.2%	13.7%	13.2%	13.2%	13.8%	2,329,130	4,603,232	17,842,811
LAKE PLACID	7/88	11,385,589	11,243,686	10.1%	10.0%	9.7%	10.1%	10.1%	9.8%	283,019	558,017	1,862,438
✓ FAMILY GOLF ORLANDO FACILITY	1/90	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0
WYNSTONE	4/87	0	0	N/A	N/A	42.8%	N/A	N/A	31.7%	340,980	622,722	5,278,685
✓ RIVER'S EDGE	3/89	0	0	N/A	N/A	0.0%	N/A	N/A	0.0%	0	0	0
BEAR CREEK	12/87	0	0	N/A	N/A	19.8%	N/A	N/A	19.4%	0	0	789,122
TOTAL MORTGAGES		\$83,743,134	\$82,428,287	14.3%	14.3%	15.5%	14.4%	14.4%	15.7%	\$2,953,129	\$5,781,971	\$25,773,058
OPERATING EQUITY INVESTMENTS:												
✓ CASTLE PINES	8/88	\$0	\$0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0
✓ ENGLISH TURN COUNTRY CLUB	8/88	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0
FIDELITY/SIERRA	11/89	3,094,693	3,140,407	100.1%	47.0%	34.6%	109.1%	45.0%	32.8%	788,197	717,946	895,816
✓ USF&G REALTY SOUTH	12/89	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0
✓ KEPNER-TREGOE BUILDING		0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0	0	0
TOTAL OPERATING EQUITY INVESTMENTS		\$3,094,693	\$3,140,407	100.1%	45.6%	35.3%	109.1%	45.0%	32.8%	\$788,197	\$717,946	\$895,816
PRE-DEVELOPMENT EQUITY INVESTMENTS												
LA JOLLA	6/88	\$1,500,002	\$1,308,646							0	0	0
VENTURA - CHINA FLAT	3/87	4,891,996	4,436,533							0	0	16,210
VENTURA - LIBERTY CANYON	10/88	3,594,725	3,415,690							0	0	1,171
LAKE PLACID	7/88	7,131,654	6,720,541							0	0	(148,400)
✓ KEPNER-TREGOE LAND		0	0							0	0	0
TOTAL-PRE DEVELOPMENT EQUITY INVESTMENTS		\$17,118,377	\$15,881,411							\$0	\$0	(\$131,010)
TOTAL ALL INVESTMENTS		103,956,204	101,450,105	14.7%	15.0%	13.8%	14.8%	13.1%	13.6%	3,739,328	6,499,917	26,337,854

SUMMARY OF CASH FLOWS

GOLF/RESORT/RESIDENTIAL PORTFOLIO

06-Aug-90

[cashflo2]

(000's omitted)

PROJECT	**	ACTUAL							REFORECAST							GRAND TOTAL
		JAN	FEB	MAR	APR	MAY	JUN	TOTAL	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL	
CASTLE PINES RE & C CLUB	E	(287)	(92)	(46)	(677)	(612)	(914)	(2,628)	(145)	(485)	0	1,260	(12,601)	(201)	(12,172)	(14,800)
ENGLISH TURN COUNTRY CLUB	E	(170)	20	(25)	(129)	15	34	(255)	23	(31)	(21)	3	(14)	(10)	(50)	(305)
FIDELITY/SIERRA (Project investigation)	E	(250)	0	(250)	0	884	11	395	0	0	0	0	(179)	(289)	(468)	(73)
KEPNER-TREGOE OFFICE	E/L	27	27	27	27	27	27	160	27	27	27	27	27	27	161	320
KEPNER-TREGOE LAND	E	1		1		1		3	1	1	1	1	1	1	6	9
LA JOLLA	E	(102)	(33)	(168)	0	0	0	(304)	0	0	0	0	0	0	0	(304)
LAKE PLACID	E	(243)	0	(72)	(180)	(275)	(305)	(1,075)	(488)	(488)	(488)	(488)	(488)	(488)	(2,925)	(4,000)
USF&G REALTY SOUTH	E	(2,067)	(12,216)	(49)	(98)	(39)	(36)	(14,506)	(21)	(21)	(21)	(21)	(1,521)	(21)	(1,626)	(16,132)
VENTURA - CHINA FLAT	E	0	0	(196)	0	0	(607)	(803)	(2,143)	0	0	(28)	0	0	(2,171)	(2,974)
VENTURA - LIBERTY CANYON	E	(159)	0	(174)	0	0	(239)	(571)	0	0	0	(441)			(441)	(1,012)
ENGLISH TURN REAL ESTATE	L	(57)	116	(68)	(169)	49	354	224	(141)	(856)	(138)	(246)	(319)	(177)	(1,877)	(1,653)
FAMILY GOLF ORLANDO FACILITY	L	0	(1,120)	0	0	0	0	(1,120)	0	0	0	0	0	0	0	(1,120)
FIDELITY/SIERRA (Project development)	L	0	0	0	0	0	0	0	(272)	(272)	(272)	(272)	(29,272)	(5,078)	(35,438)	(35,438)
LA JOLLA	L	0	0	(439)	0	(12)	0	(451)	0	0	0	0	(425)	0	(425)	(876)
LAKE PLACID	L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WYNSTONE COUNTRY CLUB	L	0	147	135	276	65	0	623	29	29	29	29	29	29	172	795
FAMILY GOLF LINE OF CREDIT	L	0	(50)	0	(50)	(50)	0	(150)	(315)	(273)	(136)	0	0	0	(725)	(875)
TOTAL		(3,307)	(13,203)	(1,325)	(1,001)	53	(1,676)	(20,458)	(3,445)	(2,370)	(1,019)	(176)	(44,762)	(6,207)	(57,979)	(78,438)

COMMENTS

CASTLE PINES RE & C CLUB

Reflects John Cicco's reforecast (7/23/90), \$1.7 MM additional cash outflow in second half 1990.

ENGLISH TURN COUNTRY CLUB

Includes additional \$165,000 for maint. building.

LAKE PLACID

Anticipate \$4 MM for entire 1990 year. \$4 MM less \$1,075 to date = \$2,925, over 6 months, \$488 per month.

USF&G REALTY SOUTH

Note, Family Golf Line of Credit reported separately.

Includes purchase of Sawgrass property for \$1.5MM, not confirmed at 7/25/90.

Does not include sale of Daniels Road property, option currently outstanding for \$5MM.

Does not include potential acquisition of third Orlando parcel. F&G Consultants has option on this parcel.

Does not include purchase of Orioles parcels, \$15MM. Anticipate that this transaction will occur outside of current funding plans.

ENGLISH TURN REAL ESTATE

Includes purchase of Dreyfous tract (\$1.3 MM) and development of Phase 2 (\$990)

FIDELITY/SIERRA (Project development)

Includes Palm Beach land purchase of \$46 MM, less \$17 MM mortgage. Ignores potential third party financing.

SUMMARY OF GAAP INCOME

GOLF/RESORT/RESIDENTIAL PORTFOLIO

06-Aug-90

(000's omitted)

[forst2]

PROJECT	**	ACTUAL							REFORECAST							GRAND TOTAL
		JAN	FEB	MAR	APR	MAY	JUN	TOTAL	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL	
CASTLE PINES RE & C CLUB	E	200	0	(367)	(99)	(58)	(155)	(479)	(205)	(198)	(225)	(350)	(280)	79	(1,179)	(1,658)
ENGLISH TURN COUNTRY CLUB	E	(97)	(63)	(105)	(79)	(19)	(39)	(401)	(48)	(79)	(72)	(47)	(63)	(58)	(366)	(767)
FIDELITY/SIERRA (Project investigation)	E	0	(9)	(60)	(49)	839	(15)	707	(15)	(16)	(18)	(20)	(21)	(21)	(111)	596
KEPNER-TREGOE OFFICE	E/L	27	27	27	27	27	27	160	27	27	27	27	27	27	161	320
KEPNER-TREGOE LAND	E	1		1		1		3	1	1	1	1	1	1	6	9
LA JOLLA	E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LAKE PLACID	E	0	0	0	0	0	0	0	(8)	(8)	(8)	(8)	(8)	(8)	(50)	(50)
USF&G REALTY SOUTH	E	(14)	8	363	(2)	(11)	(1)	342	0	0	0	0	0	0	0	342
VENTURA - CHINA FLAT	E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VENTURA - LIBERTY CANYON	E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ENGLISH TURN REAL ESTATE	L	117	138	155	176	116	120	822	130	146	164	146	130	130	845	1,667
FAMILY GOLF ORLANDO FACILITY	L	0	9	9	9	9	6	42	10	10	10	10	10	10	58	100
FIDELITY/SIERRA (Project development)	L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LA JOLLA	L	753	757	764	775	776	781	4,606	785	790	795	799	804	808	4,781	9,387
LAKE PLACID	L	93	85	95	93	96	94	556	98	99	96	101	98	102	593	1,149
WYNSTONE COUNTRY CLUB	L	0	147	135	276	65	0	623	29	29	29	29	29	29	172	795
FAMILY GOLF LINE OF CREDIT	L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL		1,080	1,098	1,016	1,126	1,842	819	6,981	803	799	798	686	727	1,098	4,910	11,891

COMMENTS

CASTLE PINES RE & C CLUB

E Reflects John Cisco's reforecast (7/23/90), additional loss of \$397.

KEPNER-TREGOE OFFICE

E/L Excludes monthly depreciation of \$12,000

LAKE PLACID

E Minimal income/loss anticipated from operating golf course.

USF&G REALTY SOUTH

E Due to 1% ownership position, no income forecasted.

ENGLISH TURN REAL ESTATE

L Includes \$48 additional interest earned from funding Dreyfous parcel and Phase 2.

FAMILY GOLF LINE OF CREDIT

L Due to 1% ownership position, no income forecasted.

SUMMARY OF ASSETS UNDER MANAGEMENT - GOLF/RESIDENTIAL/RESORT PORTFOLIO

Asset Description	Initial Investment Date	Total Commitment	Total Funded @ 6/30/90	Investment Balance @ 6/30/90	Projected Income 1990	YTD Income 6/30/90	6/90 Annualized Yields (1)	Projected Realized Gain 1990	Location	Asset Description
MORTGAGES:										
ENGLISH TURN (2)	8/86	25,500,000	22,328,759	\$27,744,339	\$1,514,342	\$822,180	6.0%	\$0	New Orleans	Participating mortgage (10%) on Nicklaus/Sierra Golf C
A JOLLA (3)	6/88	79,125,000	54,514,734	72,357,545	7,235,755	4,603,232	13.2%	0	San Diego	15% loan on 4600 acre parcel planned for golf course c
LAKE PLACID	7/88	12,300,000	9,523,151	11,385,589	1,150,483	556,017	10.0%	0	Lake Placid, NY	10% mortgage on property purchase and development
FAMILY GOLF ORLANDO FACILITY	1/90	1,700,000	1,119,523	1,161,751	106,846	42,228	9.1%	0	Orlando	10.5% mortgage on 20 acre parcel planned for the first
LYNSTONE (4)	4/87	2,744,295	0	0	1,100,000	622,722	n/a	0	Chicago	Participating mortgage on Nicklaus/Sierra Golf Course
EVER'S EDGE	3/89	0	0	0	0	0	n/a	0	Atlanta	\$4 million commitment on public golf course facility. Ni
SUBTOTAL		121,369,295	87,486,167	112,649,224	11,107,426	6,646,379	12.1%	0		
OPERATING EQUITY INVESTMENTS:										
CASTLE PINES (5)	8/88	75,000,000	64,723,775	63,044,776	(2,262,261)	(478,999)	-1.6%	0	Denver	Debt assumption on 925 acre golf course community in
ENGLISH TURN COUNTRY CLUB	8/86	20,915,000	20,784,149	18,705,716	(717,680)	(364,006)	-3.9%	0	New Orleans	50% partner in Jack Nicklaus signature golf course and
IDEALITY/SIERRA	11/89	36,000,000	2,398,877	3,094,693	(206,071)	717,946	47.0%	895,000	Various	Joint venture with Nicklaus/Sierra to investigate potenti
SF&G REALTY SOUTH (6)	12/89	40,000,000	18,709,122	19,073,815	350,000	341,950	4.6%	0	South Florida	Partner in venture to invest in land acquired for quick t
KEPNER TREGOE OFFICE (7)	3/87	2,771,383	2,771,383	3,419,327	255,084	124,354	7.4%	0	Princeton, NJ	20,000 square foot office building on 5 acres. Adjacent
SUBTOTAL		174,686,383	109,387,306	107,338,327	(2,580,928)	341,245	-1.8%	895,000		
RE-DEVELOPMENT EQUITY INVESTMENTS										
A JOLLA	6/88	1,500,000	1,500,002	1,500,002	0	0		0	San Diego	50% limited partner in 4600 acre parcel planned for gol
VENTURA - CHINA FLAT	3/87	5,890,212	4,875,786	4,891,996	0	0		0	Ventura Cty, CA	21.4% limited partner in 2300 acre parcel planned for g
VENTURA - LIBERTY CANYON	10/88	4,034,957	3,593,547	3,594,725	0	0		0	Los Angeles, CA	21.4% limited partner in 450 acre parcel planned golf c
LAKE PLACID	7/88	10,500,000	7,280,058	7,131,654	0	0		0	Lake Placid, NY	50% general partner in development of 5 star luxury rei
KEPNER TREGOE LAND (8)	3/87	4,412,263	4,412,263	4,444,933	11,880	1,980		0	Princeton, NJ	159 acres of undeveloped land acquired in the Kepner-
SUBTOTAL		26,337,432	21,661,656	21,563,310	11,880	1,980		0		
TOTAL PORTFOLIO		\$322,393,110	\$218,535,129	\$241,550,861	\$8,538,378	\$6,989,604	5.9%	\$895,000		

FOOTNOTES

- Total Funded represents balance of cash investment, ignoring equity in earnings or accrued interest.
- Investment Balance represents net cash investment plus equity in earnings and accrued interest.
- Based on GAAP income and average year-to-date investment balance.
- English Turn Projected Income includes \$2,280,712 of interest income, less \$766,371, USF&G's share of projected loss per participating position.
- Calculated yield is less than 10% as loan is non-compounding and GAAP requires pickup of current period loss per participating position of mortgage.
- Only 7% of 15% rate is compounded, resulting in lower effective yield.
- Year-to-date return not applicable as loan is paid off. Holding period return equals 27.7%.
- Includes \$40 MM of assumed debt.
- Projected income does not include \$1,922,000 of projected Third Party interest expense.
- YTD loss does not include \$432,000 of Third Party interest expense
- Income represents a gain on sale of Goodlette Road option, booked as income for partnership.
- Investment balance includes \$500,000, 10%, note receivable and \$250,000 account receivable for building renovations.
- YTD projected income includes \$12,000 per month depreciation expense.
- Payment on note receivable will begin in August 1990. Account receivable balance is due currently.
- Income represents rent on farmhouse on property.

SUMMARY OF ASSETS UNDER MANAGEMENT – GOLF/RESIDENTIAL/RESORT PORTFOLIO

Asset Description	Initial Investment Date	Investment Balance @ 3/31/90	Projected Income 1990	YTD Income 3/31/90	3/90 Annualized Yields (1)	Projected Realized Gain 1990	Location	Asset Description
MORTGAGES:								
ENGLISH TURN (2)	8/86	\$28,956,363	\$1,514,342	\$409,490	6.0%	\$0	New Orleans	Participating mortgage (10%) on Nicklaus/Sierra Golf Course Comm
LA JOLLA (3)	6/88	70,016,249	7,001,625	2,274,102	13.3%	0	San Diego	15% loan on 4600 acre parcel planned for golf course community
LAKE PLACID	7/88	11,102,570	1,150,483	272,998	10.0%	0	Lake Placid, NY	10% mortgage on property purchase and development start-up co
FAMILY GOLF ORLANDO FACILITY	1/90	1,017,577	106,846	17,577	10.5%	0	Orlando	10.5% mortgage on 20 acre parcel planned for the first Family Gol
WYNSTONE (4)	4/87	0	1,100,000	281,742	n/a	0	Chicago	Participating mortgage on Nicklaus/Sierra Golf Course Community
RIVER'S EDGE	3/89	0	0	0	n/a	0	Atlanta	\$4 million commitment on public golf course facility. Not to be fun
SUBTOTAL		111,092,759	10,873,296	3,255,909	12.7%	0		
OPERATING EQUITY INVESTMENTS:								
CASTLE PINES (5)	8/88	61,153,788	(2,262,261)	(167,307)	-0.3%	0	Denver	Debt assumption on 925 acre golf course community including J. I
ENGLISH TURN COUNTRY CLUB	8/86	18,725,177	(717,680)	(264,815)	-5.6%	0	New Orleans	50% partner in Jack Nicklaus signature golf course and country cl
FIDELITY/SIERRA	11/89	3,203,531	(206,071)	(68,251)	-2.0%	895,000	Various	Joint venture with Nicklaus/Sierra to investigate potential golf cour
USF&G REALTY SOUTH (6)	12/89	19,286,340	350,000	476,289	15.6%	0	South Florida	Partner in venture to invest in land acquired for quick turnaround s
KEPNER TREGOE OFFICE (7)	3/87	3,425,602	255,084	50,669	6.1%	0	Princeton, NJ	20,000 square foot office building on 5 acres. Adjacent to 159 acre
SUBTOTAL		105,794,438	(2,580,928)	26,585	-0.2%	895,000		
PRE-DEVELOPMENT EQUITY INVESTMENTS								
LA JOLLA	6/88	1,138,251	0	0		0	San Diego	50% limited partner in 4600 acre parcel planned for golf course co
VENTURA – CHINA FLAT	3/87	4,284,712	0	0		0	Ventura Cty, CA	21.4% limited partner in 2300 acre parcel planned for golf course c
VENTURA – LIBERTY CANYON	10/88	3,356,012	0	0		0	Los Angeles, CA	21.4% limited partner in 450 acre parcel planned golf course comr
LAKE PLACID	7/88	6,372,212	0	0		0	Lake Placid, NY	50% general partner in development of 5 star luxury resort. Guine
KEPNER TREGOE LAND (8)	3/87	4,367,164	11,880	2,970		0	Princeton, NJ	159 acres of undeveloped land acquired in the Kepner–Tregoe acc
SUBTOTAL		19,518,351	11,880	2,970		0		
TOTAL PORTFOLIO		<u>\$236,405,548</u>	<u>\$8,304,248</u>	<u>\$3,285,464</u>		<u>\$895,000</u>		

FOOTNOTES

- (1) Based on GAAP income and average year-to-date investment balance.
- (2) English Turn Projected Income includes \$2,280,712 of interest income, less \$766,371, USF&G's share of projected loss per participating position.
Calculated yield is less than 10% as loan is non-compounding and GAAP requires pickup of current period loss per participating position of mortgage.
- (3) Only 7% of 15% rate is compounded, resulting in lower effective yield.
- (4) Year-to-date return not applicable as loan is paid off. Holding period return equals 27.7%.
- (5) Includes \$40 MM of assumed debt.
Projected income does not include \$1,922,000 of projected Third Party interest expense.
YTD loss does not include \$432,000 of Third Party interest expense
- (6) Income represents a gain on sale of Goodlette Road option, booked as income for partnership.
- (7) Investment balance includes \$500,000, 10%, note receivable and \$250,000 account receivable for building renovations.
YTD projected income includes \$12,000 per month depreciation expense.
Payment on note receivable will begin in August 1990. Account receivable balance is due currently.
- (8) Income represents rental of farmhouse on property.

Castle Pines

CASTLE PINES
Denver, Colorado
Equity Investment
Planned Unit Development of
approximately 1,250 acres

SECOND QUARTER 1990 SUMMARY

Efforts to promote the real estate through a Summer Home Show were successful with four of the five "Show" Homes sold. Additionally, a number of quality leads were contacted. The golf season started with the grand opening of the renovated temporary clubhouse facilities. This was used to kickoff a major membership drive. For the first six months, 60 memberships were sold.

Working jointly with the Metropolitan District Board, there is currently a refinancing effort of the Metropolitan District's sewer and water bonds headed by Miller & Schroeder. This will enable the USF&G "Keepwell" Agreement to extend through the potential development phase of this property.

**CASTLE PINES
SUMMARY**

Property Information

Investment Type:	Debt Assumption/Partnership
Investment Status:	Formed Partnership May, 1989
Location:	Denver, Colorado
Controlling Entity:	Colorado Castle Pines Realty, Inc.
Description:	<ul style="list-style-type: none">o Golf Course Communityo 745 building lots at completiono 925 acreso Jack Nicklaus Signature Golf Courseo Private Secure, gated community
Other Features:	Excellent access to Denver Tech Center Area
Borrower/Developer/ Partner:	Developer – Fidelity Castle Pines Ltd. Partner – Castle Pines Estates Ltd.
Most Recent Property Appraisal:	\$53,280,000 (9/89)

CASTLE PINES

Financing Summary

Loan Commitment:

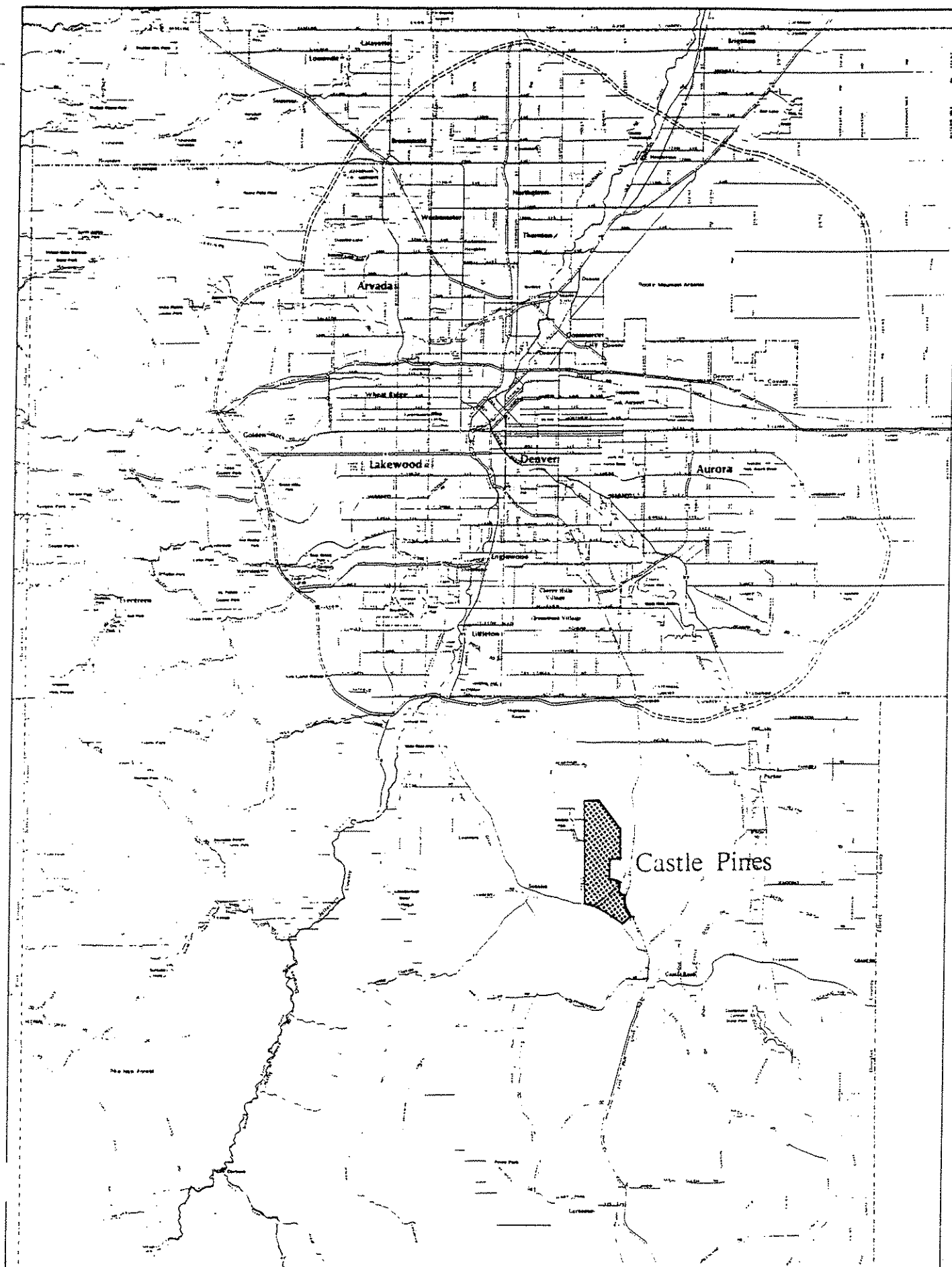
Equity Commitment: \$100,000,000

Investment by Entity: Colorado Castle Pines Realty, Inc.

Funding Date: As required

Amount Funded at

December 31, 1989: \$19,713,000 Capital
\$40,000,000 Barclay's note



CASTLE PINES 4J

EQUITY - OPERATING

	CASH ADVANCED	CASH RECEIVED	INCOME (LOSS)	ENDING BALANCE	NET CF PTD	NET CF YTD	NET CF QTD
					0		
					0		
					0		
					0		
					0		
1987					0		
					0		
					0		
					0		
					0		
				0	0		
				0	0		
				0	0		
				0	0		
				0	0		
				0	0		
				0	0		
				0	0		
				0	0		
1988					0		
					0		
					0		
					0		
					0		
					0		
					0		
					0		
	1,252,555			1,252,555	(1,252,555)		
	(10,654)			1,241,901	10,654		
	15,000			1,256,901	(15,000)		
	385,000			1,641,901	(385,000)		
	0			1,641,901	0		
89	725,634			2,367,535	(725,634)		
				2,367,535	0		
				2,367,535	0		
				2,885,343	(517,808)		
	517,808						
	56,504,487		(120,000)	59,269,830	(56,504,487)		
	401,418	(110,054)	(120,000)	59,441,194	(291,364)		
	428,726	(266,531)	(120,000)	59,483,389	(162,195)		
	652,681		(120,000)	60,016,070	(652,681)		
	195,633	(112,561)	(120,000)	59,979,142	(83,072)		
	274,942	(135,364)		60,118,720	(139,578)		
	186,320	(75,125)	(100,000)	60,129,915	(111,195)		
	1,367,960	(101,920)	(500,000)	60,895,955	(1,266,040)		
1990	442,204	(155,627)	200,000	61,382,532	(286,577)	(61,182,532)	
	92,358			61,474,890	(92,358)	(92,358)	
	163,993	(117,788)	(367,307)	61,153,788	(46,205)	(46,205)	
	676,748		(99,336)	61,731,200	(676,748)	(676,748)	(61,830,536)
	612,009		(57,543)	62,285,666	(612,009)	(612,009)	(612,009)
	913,923		(154,813)	63,044,776	(913,923)	(913,923)	(913,923)
				63,044,776	63,044,776	63,044,776	63,044,776

IRR RETURNS GAAP RETURNS

PTD (EB = AVG)	(1,678,999)	37,714,355	(64,723,775)	-2.32%	-2.32%
YTD (EB = AVG)	(478,999)	61,709,830	(2,627,820)	-1.55%	-1.55%
QTD (EB = AVG)	(311,692)	62,053,858	(2,202,680)	-2.00%	-2.01%

cludes acquisition costs of \$459,187

Fined

China Flat

CHINA FLAT

SECOND QUARTER 1990 SUMMARY

Ventura, California

Limited Partnership

2,300 acres unimproved residential property

Potomac Investment Associates was successful in negotiating a new option contract with Bob Hope that involves two additional pieces of Hope property, Corral Canyon and Runkle Ranch. It is anticipated that this expanded agreement will facilitate both zoning and the Federal Park Land Exchange by delivering Corral Canyon and Runkle Ranch to the Mountains Recreation and Conservation Authority. PIA has positioned itself as the controlling factor that can accomplish all of these purposes if all goes according to plan. Moreover, there is a \$10 million advantage to the Conservancy if our zoning is achieved before the end of 1990.

**CHINA FLAT
SUMMARY**

Property Information

Investment Type: 21.4285% limited partnership interest

Investment Status: Initial funding 3/27/87

Location: Ventura County, California

Controlling Entity: China Flat Associates LP

Description:

- o 2300 acres of unimproved real estate
- o Development plans include luxury lots and one (1) tournament-class (PGA-Tour, Inc.) golf course
- o Currently undergoing zoning and permitting
- o 944 building lots at completion
- o Partnership owns an option to purchase property

Other Features:

- o Excellent access to I-101

**Borrower/Developer/
Partner:** Developer & Partner - Potomac Investment L P

**Most Recent
Property Appraisal:**

CHINA FLAT

Financing Summary

Loan Commitment:

Equity Commitment: \$3,891,713

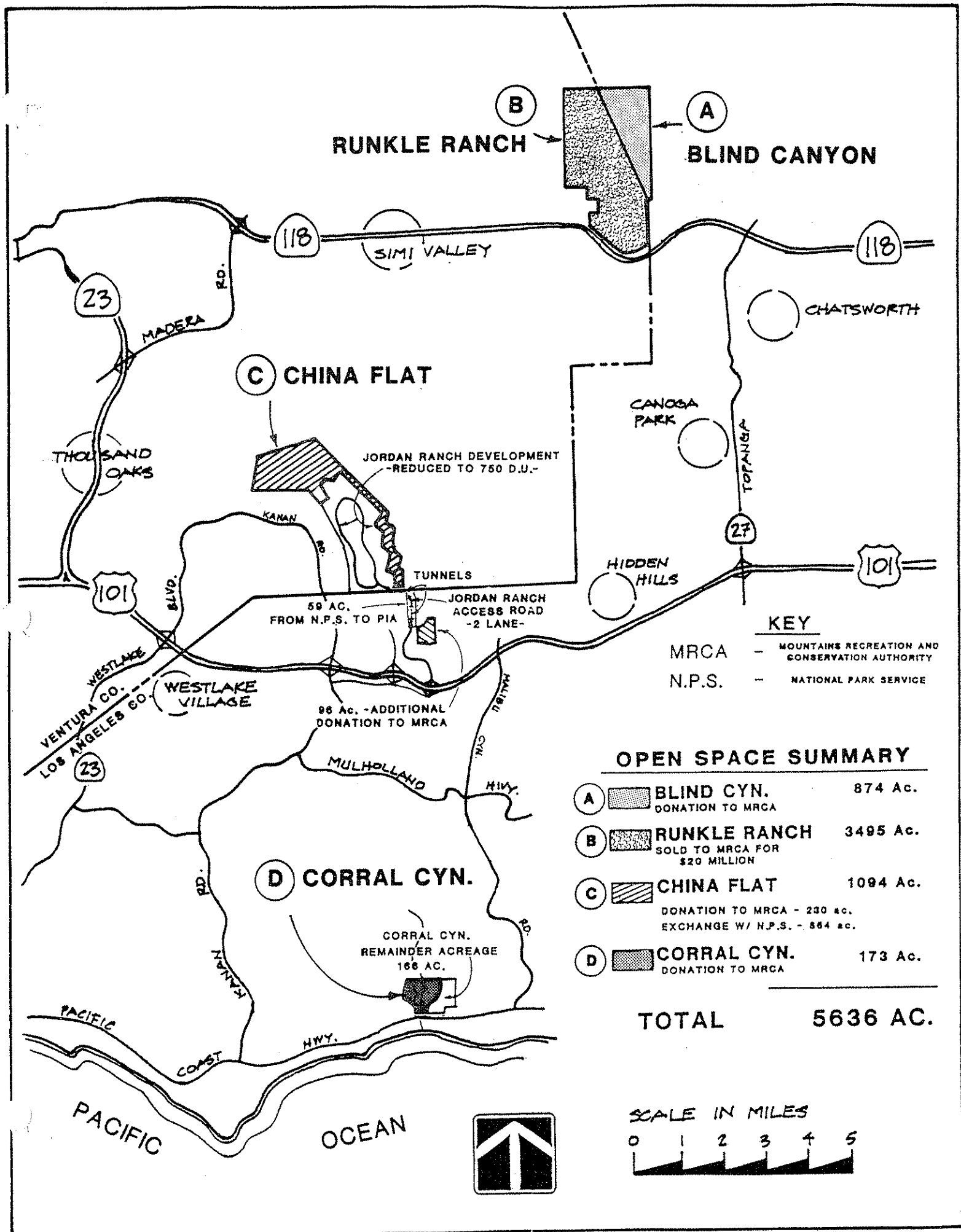
Investment by Entity: USF&G Ventura California Realty, Inc

Funding Date: 1987

Amount Funded at
December 31, 1989: \$3,875,504 EQUITY

Distribution Scheme:

- 1) Preferred return after partnership expenses of 1% of Citibank commercial rate.
- 2) Return of unreturned cash contributions of partners.
- 3) Pro-rata share of remaining cash.



CHINA FLAT

4C

EQUITY - PREDEVELOPMENT

	CASH ADVANCED	CASH RECEIVED	INCOME (LOSS) *	ENDING BALANCE	NET CF PTD	NET CF YTD	NET CF QTD
					0		
					0		
					0		
					0		
					0		
					0		
					0		
					0		
1987	3	3,000,000		3,000,000	(3,000,000)		
1987	4			3,000,000	0		
	5			3,000,000	0		
	6			3,000,000	0		
	7			3,000,000	0		
	8			3,000,000	0		
	9			3,000,000	0		
	10			3,000,000	0		
	11			3,000,000	0		
	12		2,615	3,002,615	0		
1988	1		1,487	3,004,102	0		
	2		1,487	3,005,590	0		
	3		1,487	3,007,077	0		
	4		1,487	3,008,564	0		
	5		1,487	3,010,052	0		
	6		1,487	3,011,539	0		
	7		624	3,012,163	0		
	8		624	3,012,787	0		
	9	642,855	624	3,656,266	(642,855)		
	10		624	3,656,889	0		
	11		624	3,657,513	0		
	12	661,219	624	4,319,356	(661,219)		
1989	1	196,714	155	4,516,225	(196,714)		
	2		155	4,516,379	0		
	3		155	4,516,534	0		
	4		155	4,516,688	0		
	5		155	4,516,843	0		
	6		155	4,516,998	0		
	7			4,516,998	0		
	8			4,516,998	0		
**	9	(428,570)		4,088,428	428,570		
	10			4,088,428	0		
	11			4,088,428	0		
	12			4,088,428	0		
1990	1	0	0	4,088,428	0	(4,088,428)	
	2	0	0	4,088,428	0	0	
	3	196,285	0	4,284,713	(196,285)	(196,285)	
	4	0		4,284,713	0	0	(4,284,713)
	5	0		4,284,713	0	0	0
	6	607,283		4,891,996	(607,283)	(607,283)	(607,283)
	7			4,891,996	4,891,996	4,891,996	4,891,996
			****		ERR		
					IRR RETURNS	GAAP RETURN	
PTD (EB = AVG)			16,210	3,694,372	(4,875,786)	0.13%	0.13%
YTD (EB = AVG)			0	4,287,345	(803,568)	0.00%	0.00%
QTD (EB = AVG)			0	4,436,533	(607,283)	0.00%	0.00%

* Per J. Erbe, no earnings in second half '89 or first quarter '90.
Transfer capital to Liberty Canyon

Funded

4,891,996

-16,210

4,875,786

CHINA FLAT ASSOCIATES LIMITED PARTNERSHIP
Jordan Ranch Cashflow Projections in 1990 \$Z Annual Inflated U. S. Dollars
Starting in 1991 (000's Omitted)

Exhibit A

	2	3	4	5	6	7	8	9	10	11	12	13	14	15
CHINA FLAT-Jordan Ranch 1	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	TOTAL	Rate	Assume
Lot Sales & Units	2	0	0	0	0	0	137	137	134	134	133	675		Exhibit A-4
Lot Sales Proceeds	4	0	0	0	0	0	93,932	98,016	100,650	104,676	110,039	507,313		Exhibit A-4
Interest & other income	5	42	29	4	0	0	0	0	0	0	0	75		
Total Sales & other	7	42	29	4	0	0	93,932	98,016	100,650	104,676	110,039	507,388		
Costs & Expenses:	9													
Land Acquisition	10	6,000			37,250							43,250		Revised Contract
LCLP access fees	11	0	0	0	0	0	5,480	5,480	5,360	5,360	5,320	27,000	40	thousand/lot
PGA Tour fees	12	250			1,000							1,250		per agreement
Land Devel. Cost	13	0	0	0	20,538	41,357	22,345	6,188	5,366	2,393	0	98,187		Exhibit A-5 (R24)
Golf Cost, Net	14	0	0	0	2,688	5,630	-8,366	0	0	0	0	-48		Exhibit A-6 (R27)
Arch. & Land Plan	15	51	36	163	100	53	58	60	0	0	0	576		Exhibit A-5 (R29)
Engineering	16	239	292	319	1,000	1,575	3,300	1,150	600	260	130	0	8,865	Exhibit A-5 (R34)
Insurance	17	2	2	6	6	21	55	58	60	63	65	406		Estimate
Project Admin.	18	66	92	119	150	263	330	345	360	375	325	270	2,695	Direct Overhead
Legal & Prof. Fees	19	161	255	626	900	131	138	115	120	31	33	0	2,510	Exhibit A-5 (R47)
Marketing Costs	20	0	0	131	150	210	220	3,757	3,921	4,026	4,187	4,402	21,004	.04 lot sales+start-up
Devel. Fees to PIA	21	0	0	0	0	0	0	4,697	4,901	5,033	5,234	5,502	25,367	.05 lot sales
Realty Taxes	22	0	0	0	0	433	676	1,145	2,426	1,620	815	0	7,115	.0100 value
Contingency	23	0	0	0	323	4,135	8,320	3,611	1,108	914	442	51	18,904	.15 gross cost R13-19
Costs & Expenses Subtotal	25	6,779	677	1,364	2,629	68,297	60,081	34,395	25,224	23,048	18,984	15,613	257,091	
Cashflow before Capital	27	-6,737	-648	-1,360	-2,629	-68,297	-60,081	59,537	72,792	77,602	85,692	94,426	250,297	
Add Equity Capital	28	7,200	500	1,543	2,242								11,485	Contributed+Cash
Working capital	29	-647	332	-619	934								0	Need thru 1990
Cashflow before Debt	31	-184	184	-436	547	-68,297	-60,081	59,537	72,792	77,602	85,692	94,426	261,782	
Can Cashflow before Debt	33	-184	0	-436	111	-68,186	-128,267	-68,730	4,062	81,664	167,356	261,782		
Beginning Debt	35	0	184	0	481	0	72,954	147,080	103,540	39,904	0	0	0	
Debt Drawn/Repaid, Net	36	184	-184	481	-481	72,954	74,126	-43,540	-63,636	-39,904	0	0	0	
Ending Debt	38	184	0	481	0	72,954	147,080	103,540	39,904	0	0	0	0	
Cashflow from Debt	40	184	-184	481	-481	72,954	74,126	-43,540	-63,636	-39,904	0	0	0	
Finance Cost @ 12%	41			-45	-66	-4,657	-14,045	-15,997	-9,156	-5,441	0	0	-49,407	
Cashflow before PGA share	43	0	0	0	0	0	0	0	32,257	85,692	94,426	212,375		
PGA devel. profit share	44	0	0	0	0	0	0	0	580	5,454	8,704	14,738		Exhibit A-1
Net Cashflow	46	0	0	0	0	0	0	0	31,677	80,238	85,722	197,637		
Can Net Cashflow	48	0	0	0	0	0	0	0	31,677	111,915	197,637			
Net Cashflow to Equity	50	-7,200	-500	-1,543	-2,242	0	0	0	31,677	80,238	85,722	186,152		

Assumes additional capital contributed 1990; cash needs before development
Financed by PIA or partner loans--finance cost averages 12%; 675 finished
lots; \$40M per lot Liberty Canyon; lease fee. (Model 4; D18; 04/24/90; MCC)

CHINA FLAT ASSOCIATES LIMITED PARTNERSHIP Exhibit A-1
Calculation of PGA Tour Share of Profits and Allocated Cashflow to Equity
in 1990 5% Annual Inflated U. S. Dollars Starting in 1991 (000's Omitted)

	2	3	4	5	6	7	8	9	10	11	12	13	14	15
CHINA FLAT-Jordan Ranch 1	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	TOTAL	Rate	Assume
Inflation Factor	52	1.00	1.00	1.00	1.00	1.05	1.10	1.15	1.20	1.25	1.30	1.35	.05 Annual Inflation	
Value for R.E.Tax	54	0	0	0	43,250	67,560	114,457	242,550	162,030	81,510	0		.0100 Est. California	
Calc PGA profit share:	56													
Cashflow before PGA share	57	0	0	0	0	0	0	0	32,257	85,692	94,426	212,375	Exhibit A	
Less Partners capital	58	-7,200	-500	-1,543	-2,242	0	0	0	0	0	0	-11,485	Exhibit A	
Less Int. on L/P capital	59	-500	-785	-1,054	-1,392	-1,652	-1,833	-2,035	-2,259	-2,508	0	-14,018	Exhibits A-7 & A-8	
Less Golf membership	60	0	0	0	0	-2,300	-4,600	-4,600	0	0	0	-11,500	Exhibit A-6	
Less PGA option payment	61	0	0	0	0	0	0	-3,766	0	0	0	-3,766	Exhibit A-6	
Add Golf operating loss	62	0	0	0	0	0	0	0	0	0	0	0	N/A Exhibit A-6	
Development Profits	64	-7,700	-1,285	-2,597	-3,634	-3,952	-6,433	-10,401	-2,259	29,749	25,692	94,426	171,606	PGA Tour Agree.
50% to PIA	66	-3,850	-643	-1,299	-1,817	-1,976	-3,217	-5,201	-1,130	14,875	42,846	47,213	85,801	Partnership Agree.
Less PIA O/H @ 25k/mo.	67	-225	-300	-300	-300	-300	-300	-300	-300	-300	-300	-300	-3,225	PGA Tour Agree.
Add PIA Developers' fee	68	0	0	0	0	0	0	4,697	4,901	5,033	5,234	5,502	25,367	Exhibit A
Less int. on PIA capital	69	-13	-20	-26	-27	-29	-32	-36	-39	-43	0	0	-265	Exhibit A-9
Shared Devel. Profits	71	-4,068	-963	-1,625	-2,144	-2,305	-3,549	-840	3,432	19,565	47,780	52,415	107,678	PGA Tour Agree.
Can Devel. Profits	72	-4,068	-5,051	-6,676	-8,820	-11,125	-14,674	-15,514	-12,082	7,483	55,263	107,678		PGA Tour Agree.
Can PGA share @ 10%	74									580	2,400	2,400		.10 PGA Tour Agree.
PGA share/year @ 10%	75	0	0	0	0	0	0	0	0	580	1,820	0	2,400	.10
Can Excess over \$25MM	76										27,863	80,278		after PGA cost@10%
Can PGA share @ 15%	78										3,634	3,750		.15 PGA Tour Agree.
PGA share/year @ 15%	79	0	0	0	0	0	0	0	0	0	3,634	116	3,750	.15
Can Excess over \$50MM	80											51,528		after cost@10%&15%
Can PGA share @ 20%	82											8,588		.20 excess over \$50MM
PGA share/year @ 20%	83	0	0	0	0	0	0	0	0	0		8,588	8,588	
Total PGA share/year	85	0	0	0	0	0	0	0	0	580	5,454	8,704	14,738	to Exhibit A
Equity Partners Cashflow:	87													
PIA GP capital & return	88	-200								200			0	
PIA share of profits	89									3,087	40,119	42,861	86,067	
PIA total	91	-200	0	0	0	0	0	0	0	3,287	40,119	42,861	86,067	
LP capital & return	93	-7,000	-500	-1,543	-2,242					11,285			0	
LP preferred return	94									14,018			14,018	
LP share of profits	95									3,087	40,119	42,861	86,067	
Limited Partners total	97	-7,000	-500	-1,543	-2,242	0	0	0	0	28,390	40,119	42,861	100,085	31.67 % IRR
Net Cashflow to Partners	99	-7,200	-500	-1,543	-2,242	0	0	0	0	31,677	80,238	85,722	186,152	39.70 % IRR
	100													

(Exhibit A-3 includes inflation factor or rate used, and land value used to calculate realty taxes.) Assumes land cost @ \$43.25 Million.

(Model 4;1 4/24/90;RCC)

CHINA FLAT ASSOCIATES LIMITED PARTNERSHIP
Jordan Ranch Cashflow Projections in 1990 Constant U. S. Dollars
(000's Omitted) No Annual Inflation

Exhibit A-2

	2	3	4	5	6	7	8	9	10	11	12	13	14	15
CHINA FLAT-Jordan Ranch 1	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	TOTAL	Rate	Assume
Lot Sales # Units	2	0	0	0	0	0	137	137	134	134	133	675		Exhibit A-4
Lot Sales Proceeds	3													
Interest & other income	4	0	0	0	0	0	81,680	81,680	80,520	80,520	81,510	405,910		Exhibit A-4
	5	42	29	4	0	0	0	0	0	0	0	75		
	6													
Total Sales & other	7	42	29	4	0	0	81,680	81,680	80,520	80,520	81,510	405,985		
	8													
Costs & Expenses:	9													
Land Acquisition	10	6,000			37,250							43,250		Revised Contract
LCLP access fees	11	0	0	0	0	0	5,480	5,480	5,360	5,360	5,320	27,000		40 thousand/lot
PGA Tour fees	12	260			1,000							1,260		per Agreement
Land Devel. Cost	13	0	0	0	19,560	37,597	19,430	5,157	4,293	1,841	0	87,878		Exhibit A-5 (R24)
Golf Cost, Net	14	0	0	0	2,450	4,700	-7,198	0	0	0	0	-48		Exhibit A-6 (R27)
Arch. & Land Plan	15	51	36	163	100	50	50	50				550		Exhibit A-5 (R29)
Engineering	16	239	292	319	1,000	1,500	3,000	1,000	500	208	100	8,158		Exhibit A-5 (R34)
Insurance	17	2	2	6	6	20	50	50	50	50	50	336		Estimate
Project Admin.	18	66	92	119	150	250	300	300	300	250	200	2,327		Direct Overhead
Legal & Prof. Fees	19	161	255	626	900	125	125	100	100	25	25	2,442		Exhibit A-5 (R47)
Marketing Costs	20	0	0	131	150	200	200	3,267	3,221	3,221	3,260	16,917		.04 lot sales+start-up
Devel. Fees to PIA	21	0	0	0	0	0	0	4,084	4,026	4,026	4,076	20,296		.05 lot sales
Realty Taxes	22	0	0	0	0	433	676	1,145	2,426	1,620	815	7,115		.0100 value
Contingency	23	0	0	0	323	3,938	7,563	3,140	924	731	340	16,997		.15 gross cost R13-19
	24													
Costs & Expenses Subtotal	25	6,779	677	1,364	2,629	66,776	54,261	30,848	22,338	19,834	16,028	12,944	234,478	
	26													
Cashflow before Capital	27	-6,737	-648	-1,360	-2,629	-66,776	-54,261	50,832	59,342	60,686	64,492	68,566	171,507	
Add Equity Capital	28	7,200	500	1,543	2,242								11,485	Contributed Cash
Working capital	29	-647	332	-619	934								0	Need thru 1990
	30													
Cashflow before Debt	31	-184	184	-436	547	-66,776	-54,261	50,832	59,342	60,686	64,492	68,566	182,992	
	32													
Cum Cashflow before Debt	33	-184	0	-436	111	-66,665	-120,926	-70,094	-10,752	49,934	114,426	182,992		
	34													
Beginning Debt	35	0	184	0	481	0	71,329	139,016	103,675	54,424	1,159	0	0	
Debt Drawn/Repaid-, Net	36	184	-184	481	-481	71,329	67,687	-35,341	-49,251	-53,265	-1,159	0	0	
	37													
Ending Debt	38	184	0	481	0	71,329	139,016	103,675	54,424	1,159	0	0	0	
	39													
Cashflow from Debt	40	184	-184	481	-481	71,329	67,687	-35,341	-49,251	-53,265	-1,159	0	0	
Finance Cost @ 12%	41			-45	-66	-4,553	-13,426	-15,491	-10,091	-7,421	-158	0	-51,251	
	42													
Cashflow before PGA share	43	0	0	0	0	0	0	0	0	63,175	68,566	131,741		
PGA devel. profit share	44	0	0	0	0	0	0	0	0	2,025	5,006	7,031		Exhibit A-3
	45													
Net Cashflow	46	0	0	0	0	0	0	0	0	61,150	63,560	124,710		
	47													
Cum Net Cashflow	48	0	0	0	0	0	0	0	0	61,150	124,710			
	49													
Net Cashflow to Equity	50	-7,200	-500	-1,543	-2,242	0	0	0	0	61,150	63,560	113,225		

Assumes additional capital contributed 1990; cash needs before development financed by PIA or partner loans; finance cost averages 12%; 675 finished lots; \$40M per lot Liberty Canyon as fee. (Model 4; D18; 04/24/90; RCC)

CHINA FLAT ASSOCIATES LIMITED PARTNERSHIP Exhibit A-3
Calculation of PGA Tour Share of Profits and Allocated Cashflow to Equity
in 1990 Constant (No Annual Inflation) U. S. Dollars (000's Omitted)

Calculation of PGA Share of Profits														
	2	3	4	5	6	7	8	9	10	11	12	13	14	15
CHINA FLAT-Jordan Ranch 1	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	TOTAL	Rate	Assume
Inflation Factor	52	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00			.00 Annual Inflation
Value for R.E.Tax	53	0	0	0	0	43,250	67,560	114,457	242,550	162,030	81,510	0		.0100 Est. California
Calc PGA profit share:	54													
Cashflow before PGA share:	55	0	0	0	0	0	0	0	0	63,175	68,566	131,741		Exhibit A-2
Less Partners capital	56	-7,200	-500	-1,543	-2,242	0	0	0	0	0	0	0	-11,485	Exhibit A-2
Less Int. on L/P capital	57	-500	-785	-1,054	-1,392	-1,652	-1,833	-2,035	-2,259	-2,508	-2,783	0	-16,801	Exhibits A-7 & A-8
Less Golf membership	58	0	0	0	0	-2,300	-4,600	-4,600	0	0	0	0	-11,500	Exhibit A-6
Less PGA option payment	59	0	0	0	0	0	0	-2,598	0	0	0	0	-2,598	Exhibit A-6
Add Golf operating loss	60	0	0	0	0	0	0	0	0	0	0	0	0	N/A Exhibit A-6
Development Profits	61	-7,700	-1,285	-2,597	-3,634	-3,952	-6,433	-9,233	-2,259	-2,508	60,392	68,566	89,357	PGA Tour Agree.
50% to PIA	62	-3,850	-643	-1,299	-1,817	-1,976	-3,217	-4,617	-1,130	-1,254	30,196	34,283	44,676	Partnership Agree.
Less PIA O/W @ 25%/ao.	63	-225	-300	-300	-300	-300	-300	-300	-300	-300	-300	-300	-3,225	PGA Tour Agree.
Add PIA Developers' fee	64	0	0	0	0	0	0	4,084	4,084	4,026	4,026	4,076	20,296	Exhibit A-2
Less int. on PIA capital	65	-13	-20	-26	-27	-29	-32	-36	-39	-43	-48	0	-313	Exhibit A-9
Shared Devel. Profits	66	-4,088	-963	-1,625	-2,144	-2,305	-3,549	-869	2,615	2,429	33,874	38,059	61,434	PGA Tour Agree.
Can Devel. Profits	67	-4,088	-5,051	-6,676	-8,820	-11,125	-14,674	-15,543	-12,928	-10,499	23,375	61,434		PGA Tour Agree.
Can PGA share @ 10%	68										2,025	2,400		.10 PGA Tour Agree.
PGA share/year @ 10%	69	0	0	0	0	0	0	0	0	0	2,025	375	2,400	.10 after PGA cost@10%
Can Excess over \$25MM	70													
Can PGA share @ 15%	71											3,750		.15 PGA Tour Agree.
PGA share/year @ 15%	72	0	0	0	0	0	0	0	0	0	3,750	3,750		.15 after cost@10%&15%
Can Excess over \$50MM	73													
Can PGA share @ 20%	74											881		.20 excess over \$50MM
PGA share/year @ 20%	75	0	0	0	0	0	0	0	0	0	881	881		
Total PGA share/year	76	0	0	0	0	0	0	0	0	0	2,025	5,006	7,031	to Exhibit A-2
Equity Partners Cashflow:	77													
PIA GP capital & return	78	-200								0	200	0		
PIA share of profits	79									0	16,432	31,780	48,212	
PIA total	80	-200	0	0	0	0	0	0	0	0	16,632	31,780	48,212	
LP capital & return	81	-7,000	-500	-1,543	-2,242						11,285		0	
LP preferred return	82										16,801		16,801	
LP share of profits	83									0	16,432	31,780	48,212	
Limited Partners total	84	-7,000	-500	-1,543	-2,242	0	0	0	0	0	44,518	31,780	65,013	24.78 % IRR
Net Cashflow to Partners	85	-7,200	-500	-1,543	-2,242	0	0	0	0	0	61,150	63,560	113,225	31.27 % IRR
	100													

(Exhibit A-3 includes inflation factor or rate used, and land value used to calculate realty taxes.) Assumes land cost @ \$43.25 Million.

(Model 4); 04/21/90;WCC)

CHINA FLAT ASSOCIATES LIMITED PARTNERSHIP
Sales Absorption 700 Units in 1990 Constant U. S. Dollars
(000's Omitted) No Inflation

Exhibit A-4

		2	3	4	5	6	7	8	9	10	11	12	13	14	15
China Flat	1	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	Total	Price	Assume
Lot Mix & Absorption:															
Cluster attached	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0 M per lot
Production SFD	4	0	0	0	0	0	0	50	50	48	48	48	244	295	M per lot
Custom lots(golf)	5	0	0	0	0	0	0	35	35	35	35	33	173	720	M per lot
Custom (non-golf)	6	0	0	0	0	0	0	39	39	38	38	37	191	570	M per lot
Estate lots	7	0	0	0	0	0	0	13	13	13	13	15	67	1,500	M per lot
	8														
Total Lots	9	0	0	0	0	0	0	137	137	134	134	133	675	601	M/lot ave.
	10														
	11														
Lot Sales:															
Cluster attached	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Production SFD	14	0	0	0	0	0	0	14,750	14,750	14,160	14,160	14,160	71,980		
Custom lots(golf)	15	0	0	0	0	0	0	25,200	25,200	25,200	25,200	23,760	124,560		
Custom (non-golf)	16	0	0	0	0	0	0	22,230	22,230	21,660	21,660	21,090	108,870		
Estate lots	17	0	0	0	0	0	0	19,500	19,500	19,500	19,500	22,500	100,500		
	18														
Total Lot Sales	19	0	0	0	0	0	0	81,680	81,680	80,520	80,520	81,510	405,910		
	20														
Cumulative Sales	21	0	0	0	0	0	0	81,680	163,360	243,880	324,400	405,910			
	22														

Based on Robert Charles Lesser marketing report updated by Wayne Hill for
land plan developed by Sandy & Babcock reduced to 675 units.
(Model 2;D1B;042490;WCC)

CHINA FLAT ASSOCIATES LIMITED PARTNERSHIP Exhibit A-5
Land Development; Architecture; Engineering; Zoning & Professional Fees
in 1990 Constant U. S. Dollars (000's Omitted)

Land Development; Architecture; Engineering; in 1990 Constant U. S. Dollars (000's Omitted)													
	2	3	4	5	6	7	8	9	10	11	12	13	
Land Development	1	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	Total
Offsite access	2	0	0	0	0	4,206	3,240	0	0	0	0	0	7,446
Onsite grading	3	0	0	0	0	7,000	14,153	7,000	0	0	0	0	28,153
Onsite streets	4	0	0	0	0	948	2,160	1,080	0	0	0	0	4,188
Onsite drainage	5	0	0	0	0	1,350	3,243	1,350	0	0	0	0	5,943
Onsite water	6	0	0	0	0	1,387	3,240	1,404	0	0	0	0	6,031
Onsite sewer	7	0	0	0	0	1,080	3,042	1,080	0	0	0	0	5,202
Onsite utilities	8	0	0	0	0	389	1,080	389	0	0	0	0	1,858
Fire Station	9	0	0	0	0	0	0	540	0	0	0	0	540
NPS improvements	10	0	0	0	0	270	270	270	270	0	0	0	1,080
Swim/tennis	11	0	0	0	0	324	324	0	0	0	0	0	648
Lot finishing	12	0	0	0	0	0	3,240	3,240	3,240	3,240	1,247	0	14,207
Landscaping	13	0	0	0	0	270	540	540	540	540	270	0	2,700
Oak tree replace	14	0	0	0	0	1,580	1,580	1,430	0	0	0	0	4,590
Info/bldg.Sales	15	0	0	0	0	216	648	108	108	0	0	0	1,080
Lighting	16	0	0	0	0	135	270	270	270	135	0	0	1,080
Signage	17	0	0	0	0	54	54	54	54	0	0	0	216
Irrigation	18	0	0	0	0	135	135	135	135	0	0	0	540
Landscape main.	19	0	0	0	0	0	54	108	108	108	54	0	432
Repairs	20	0	0	0	0	0	108	108	108	108	108	0	540
Bonds, permits, fees	21	0	0	0	0	162	162	162	162	0	0	0	648
Security	22	0	0	0	0	54	54	162	162	162	162	0	756
Land dev.ex.cont.	23	0	0	0	0	19,560	37,597	19,430	5,157	4,293	1,841	0	87,878
15% contingency	24	0	0	0	0	2,934	5,640	2,915	774	644	276	0	13,183
Total Land Development	25	0	0	0	0	22,494	43,237	22,345	5,931	4,937	2,117	0	101,061
Architecture & Land Plan	26	51	36	163	100	50	50	50	50	0	0	0	550
15% contingency	27	0	0	0	15	8	8	8	8	0	0	0	47
Total Arch.& Land Plan	28	51	36	163	115	58	58	58	58	0	0	0	597
Engineering	29	239	292	319	1,000	1,500	3,000	1,000	500	208	100	0	8,158
15% contingency	30	34	292	319	150	225	450	150	75	31	15	0	1,096
Total Engineering	31	239	292	319	1,150	1,725	3,450	1,150	575	239	115	0	9,254
Zoning, Legal, Prof. Fees:	32												
Ventura EIR consultant	33			202	200								402
Ventura County Staff	34				55								55
Zoning Applic.& fees	35	13	155	3									171
NPS exchange consultant	36			343	75								418
Sec404 eval&permit su	37				70								70
Legal & professional	38	148	100	78	500	125	125	100	100	25	25	0	1,326
Zoning, Legal & prof.fee	39	161	255	626	900	125	125	100	100	25	25	0	2,442
15% contingency	40				135	19	19	15	15	4	4	0	211
Total Professional Fees	41	161	255	626	1,035	144	144	115	115	29	29	0	2,653

Assumes 700 lots; costs based on data provided by Wayne Hill & Peter Kyros
based on architecture estimates from Sandy & Babcock & engineering estimates
from Raaland & Associates. (el 1; B18; Updated 04/21/90; MCC)

CHINA FLAT ASSOCIATES LIMITED PARTNERSHIP
Golf Course Costs; Contingency and Recovery in thousands (000's omitted)
(Model 3; D18; 04/11/90; WCC)

Exhibit A-6

Golf Course Costs; Contingency and Recovery in thousands																
(Model 3; D18; 04/11/90; WCD)																
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CHINA FLAT GOLF COST	1	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	Total	Rate	Fees	Dues
Golf Course & Club Costs	2					3,000	3,000						6,000			
Course Construction	3					300							300			
Architecture & Consult	4					1,000							1,000			
Site work	5					450							450			
Clubhouse Design	6						3,300						3,300			
Clubhouse	7						1,750						1,750			
Furn., fix. & equip.	8						350						350			
Pre-opening expenses	9						900						900			
Opening expenses	10												0		N/A	
Operating expenses	11															
	12					4,750	9,300	0	0	0	0	0	14,050			
Golf Costs	13	0	0	0	0	713	1,395	0	0	0	0	0	2,108			
15% Contingency	14	0	0	0	0											
	15					5,463	10,695	0	0	0	0	0	16,158			
Total Golf Costs	16	0	0	0	0											
	17															
Golf Cost Recovery:	18					2,300	4,600	4,600	0	0	0	0	11,500			
Memberships	19														N/A	
Dues	20														N/A	
Guest & member rounds	21														N/A	
Pro Shop	22							2,598					2,598			
TPC purchase	23															
	24					2,300	4,600	7,198	0	0	0	0	14,098			
Golf Course Recovery	25	0	0	0	0											
	26					2,450	4,700	-7,198	0	0	0	0	-48			
Net Costs before cont.	27	0	0	0	0	713	1,395	0	0	0	0	0	2,108			
Cost contingency	28	0	0	0	0											
	29					3,163	6,095	-7,198	0	0	0	0	2,060			
Net Golf Cost	30	0	0	0	0	0	0	0	0	0	0	0	0			
Operating profit/loss	31	0	0	0	0											
	32					100	200	200	0	0	0	0	500		23	
Memberships per year	33					100	300	500	500	500	500	500	500			
Total memberships	34															
	35							5	10	10	10	10	45		45	2,025
Paying member rounds	36							10	10	15	15	15	65		45	2,925
Guest rounds	37							15	20	25	25	25	110		10	1,100
Free rounds (cart rental)	38															
	39					0	0	30	40	50	50	50	220		28	6,050
Total rounds	40															
	41															
Membership Mix:	42															
Multiple corporate	43					20	20	10					50		85.0	4,250 2.0 100
Corporate	44					20	20	10					50		45.0	2,250 2.0 100
Charter	45					20	20	10					50		35.0	1,750 2.0 100
Charter resident	46					10	20	20					50		25.0	1,250 2.0 100
Resident	47					10	100	140					250		9.0	2,250 .3 75
Associate	48					20	20	10					50		12.5	625 .3 15
	49															
Total Memberships	50					100	200	200	0	0	0	0	500		25	12,375 1 490

Notes: 1. Operating costs; 15%

Costs based on PSA estimate (Britt Stenson) excludes operating costs; 15% contingency allocated from overall costs; assumes TPC exercises purchase option in first year after opening; very based on Avenel prices.

CHINA FLAT ASSOCIATES LIMITED PARTNERSHIP
 Calculated Preferred Return on Partners' Capital
 January 1, 1988 through December 31, 1989 and Cum Balance from Inception

Exhibit A-7

DESCRIPTION	DATE	DAYS	P+1%	TOTAL CAPITAL	USF&E	CAVENDISH	COTICARD	LOWMYER	PIA	L/P's Daily
12/31/87 Balance	01/01/88		.0975	7,713,764.35	3,214,068.49	3,214,068.49	535,678.07	535,678.07	214,271.23	7,499,493.12
Prime @ 9%	05/11/88	131	.1000	269,191.42	112,163.09	112,163.09	18,693.85	18,693.85	7,477.54	261,713.88
Prime @ 9.5%	07/14/88	64	.1050	134,885.50	56,202.29	56,202.29	9,367.05	9,367.05	3,746.82	131,138.68
Prime @ 10%	08/11/88	28	.1100	61,963.04	25,817.93	25,817.93	4,302.99	4,302.99	1,721.20	60,241.84
Accrued preference	09/01/88	21		48,685.23	20,285.51	20,285.51	3,380.92	3,380.92	1,352.37	47,332.86
Capital Call	09/01/88			500,000.00	214,285.00	214,285.00	35,715.00	35,715.00	.00	500,000.00
Balance for Pref.	09/01/88		.1100	8,213,764.35	3,428,353.49	3,428,353.49	571,393.07	571,393.07	214,271.23	7,999,493.12
Prime @ 10.5%	11/28/88	88	.1150	217,238.34	90,673.39	90,673.39	15,112.25	15,112.25	5,667.06	211,571.28
1988 Year end	01/01/89	34		73,634.06	36,625.31	36,625.31	161.45	161.45	60.54	73,573.52
1988 preferred	01/01/89	366		805,597.59	341,767.52	341,767.52	51,018.51	51,018.51	20,025.53	785,572.06
Cum Balance	01/01/89		.1150	9,019,361.94	3,770,121.01	3,770,121.01	622,411.58	622,411.58	234,296.76	8,785,065.18
Prime @ 11%	02/10/89	40	.1200	113,668.66	47,513.85	47,513.85	7,844.09	7,844.09	2,952.78	110,715.88
Prime @ 11.5%	03/03/89	21	.1250	62,270.67	26,029.33	26,029.33	4,297.20	4,297.20	1,617.61	60,653.06
Prime @ 11%	06/05/89	94	.1200	290,349.33	121,366.91	121,366.91	20,036.54	20,036.54	7,542.43	282,806.90
Prime @ 10.5%	08/01/89	57	.1150	169,020.36	70,651.03	70,651.03	11,663.82	11,663.82	4,390.66	164,629.70
Accrued Pref.	12/08/89	129		366,581.46	153,232.18	153,232.18	25,297.19	25,297.19	9,522.72	357,058.74
Capital call	12/08/89			1,542,850.00	661,219.00	661,219.00	110,206.00	110,206.00	.00	1,542,850.00
Balance for Pref.	12/08/89		.1150	10,562,211.94	4,431,340.01	4,431,340.01	732,617.58	732,617.58	234,296.76	10,327,915.18
1989 Year end	01/01/90	24		79,867.67	33,508.21	33,508.21	5,539.79	5,539.79	1,771.67	78,096.00
1989 Preferred	01/01/90	365		1,081,758.15	452,301.51	452,301.51	74,678.63	74,678.63	27,797.87	1,053,960.28
Cum Balance	01/01/90		.1150	11,643,970.09	4,883,641.52	4,883,641.52	807,296.21	807,296.21	262,094.63	11,381,875.46

Calculations based on Prime Rate plus 1% per Partnership Agreement; that agreement does not permit a preference return on PIA's capital, which is reflected for information only. Model 69; Disk D18; Report #1 (04/12/90) WCC

CHINA FLAT ASSOCIATES LIMITED PARTNERSHIP
Pro-Forma Calculated Preferred Return on Partners' Capital
January 1, 1990 through December 31, 1996

Exhibit A-8

DESCRIPTION	DATE	DAYS	P+1%	TOTAL CAPITAL	USF&G	CAVENDISH	COFICARD	LOWMYER	PIA	L/P's Only
Cam Balance	01/01/90		.1150	11,643,970.09	4,983,641.52	4,883,641.52	807,296.21	807,296.21	262,094.63	11,381,875.46
Prime @ 10%	01/08/90	7	.1100	25,680.54	10,770.77	10,770.77	1,780.48	1,780.48	578.04	25,102.50
Accrued Pref.	02/01/90	24		84,219.40	35,322.78	35,322.78	5,839.07	5,839.07	1,895.70	82,323.70
Capital Call	02/01/90			459,000.00	196,714.00	196,714.00	32,786.00	32,786.00	.00	459,000.00
Balance for Pref.	02/01/90		.1100	12,102,970.09	5,080,355.52	5,080,355.52	840,082.21	840,082.21	262,094.63	11,840,875.46
Accrued Pref.	04/01/90	59		215,200.76	90,332.90	90,332.90	14,937.35	14,937.35	4,660.26	210,540.50
Capital Call	04/01/90			458,000.00	196,285.00	196,285.00	32,715.00	32,715.00	.00	458,000.00
Pro-Forma Balance	04/01/90		.1100	12,560,970.09	5,276,640.52	5,276,640.52	872,797.21	872,797.21	262,094.63	12,298,875.46
Accrued Pref.	07/01/90	91		344,480.30	144,710.06	144,710.06	23,936.16	23,936.16	7,187.86	337,292.44
Capital Call	07/01/90			662,500.00	283,928.00	283,928.00	47,322.00	47,322.00	.00	662,500.00
Pro-Forma Balance	07/01/90		.1100	13,223,470.09	5,560,568.52	5,560,568.52	920,119.21	920,119.21	262,094.63	12,961,375.46
Accrued Pref.	10/01/90	92		366,634.30	154,172.48	154,172.48	25,511.25	25,511.25	7,266.84	359,367.46
Capital Call	10/01/90			662,500.00	283,928.00	283,928.00	47,322.00	47,322.00	.00	662,500.00
Pro-Forma Balance	10/01/90		.1100	13,885,970.09	5,844,496.52	5,844,496.52	967,441.21	967,441.21	262,094.63	13,623,875.46
Accrued Pref.	01/01/91	92		385,002.78	162,044.67	162,044.67	26,823.30	26,823.30	7,266.84	377,735.94
1990 Preferred		365		1,421,218.08	597,353.66	597,353.66	98,827.61	98,827.61	28,855.54	1,392,362.54
Pro-Forma Balance	01/01/91		.1100	15,307,188.17	6,441,850.18	6,441,850.18	1,066,268.82	1,066,268.82	290,950.17	15,016,238.00
Accrued Pref.	12/31/91	365		1,683,790.70	708,603.52	708,603.52	117,289.57	117,289.57	32,004.52	1,651,786.18
Pro-Forma Balance	01/01/92		.1100	16,990,978.87	7,150,453.70	7,150,453.70	1,183,558.39	1,183,558.39	322,954.69	16,668,024.18
Accrued Pref.	12/31/92	366		1,869,007.68	786,549.91	786,549.91	130,191.42	130,191.42	35,525.02	1,833,482.66
Pro-Forma Balance	01/01/93		.1100	18,859,986.55	7,937,003.61	7,937,003.61	1,313,749.81	1,313,749.81	358,479.71	18,501,506.84
Accrued Pref.	12/31/93	365		2,074,598.53	873,070.40	873,070.40	144,512.48	144,512.48	39,432.77	2,035,165.76
Pro-Forma Balance	01/01/94		.1100	20,934,585.08	8,810,074.01	8,810,074.01	1,458,262.29	1,458,262.29	397,912.48	20,536,672.60
Accrued Pref.	12/31/94	365		2,302,804.35	969,108.14	969,108.14	160,408.85	160,408.85	43,770.37	2,259,033.98
Pro-Forma Balance	01/01/95		.1100	23,237,389.43	9,779,182.15	9,779,182.15	1,618,671.14	1,618,671.14	441,682.85	22,795,706.58
Accrued Pref.	12/31/95	365		2,556,112.85	1,075,710.04	1,075,710.04	178,053.83	178,053.83	48,585.11	2,507,527.74
Pro-Forma Balance	01/01/96		.1100	25,793,502.28	10,854,892.19	10,854,892.19	1,796,724.97	1,796,724.97	490,267.96	25,303,234.32
Accrued Pref.	12/31/96	365		2,837,285.26	1,194,038.14	1,194,038.14	197,639.75	197,639.75	53,929.48	2,783,355.78

Calculations based on 10% Prime Rate plus 1% per Partnership Agreement; that agreement does not permit a preference return on PIA's capital, which is reflected for information only. Model 69; Disk D18; Report #2 (04/21/90) RCC

CHINA FLAT ASSOCIATES LIMITED PARTNERSHIP
Interest on PIA Capital
Model 5; D18; 04/21/90; MCC

Exhibit A-9

Description	Date	XYear	Prime	Plus	Rate	PIA Cap.	PIA Int.	Cum Int.	Year
Capital Balances	33187	.75	.0844	.0025	.0869	200,000.00	13,035.00	13,035.00	1987
Calc. Base 1988	10188	1.00	.0932	.0025	.0957	213,035.00	20,387.45	33,422.45	1988
Calc. Base 1989	10189	1.00	.1086	.0025	.1111	233,422.45	25,933.23	59,355.68	1989
Calc. Base 1990	10190	1.00	.1001	.0025	.1026	259,355.68	26,609.89	85,965.57	1990
Calc. Base 1991	10191	1.00	.1000	.0025	.1025	285,965.57	29,311.47	115,277.04	1991
Calc. Base 1992	10192	1.00	.1000	.0025	.1025	315,277.04	32,315.90	147,592.94	1992
Calc. Base 1993	10193	1.00	.1000	.0025	.1025	347,592.94	35,628.28	183,221.22	1993
Calc. Base 1994	10194	1.00	.1000	.0025	.1025	383,221.22	39,280.18	222,501.40	1994
Calc. Base 1995	10195	1.00	.1000	.0025	.1025	422,501.40	43,306.39	265,807.79	1995
Calc. Base 1996	10196	1.00	.1000	.0025	.1025	465,807.79	47,745.30	313,553.09	1996
Calc. Base 1997	10197	1.00	.1000	.0025		513,553.09			

PIA Tour Agreement allows PIA to earn interest on invested capital at Floating Prime Rate plus .25% (25 basis points) compounded annually; calculations project interest through 1996 without repayment until the end of 1996.

ENGLISH TURN

SECOND QUARTER 1990 SUMMARY

New Orleans, Louisiana
Participating Mortgage/Country Club Partnership
450 lot real estate development
18-hole championship golf course

The construction of English Turn Golf & Country Club was begun in August, 1986, at the same time the real estate development was started. New Orleans has been a victim of the economic downturn created by falling oil prices. However, the economy appears to have stabilized, with the sale of twenty eight lots in the first six months of 1990.

For the second quarter of 1990, sixteen lots were closed. USF&G is providing a guarantee for the construction of "spec" homes in an effort to stimulate the market.

For the second quarter of 1990, thirty club memberships were sold. A membership drive in the spring was successful after the USF&G Classic, in recruiting new members.

**ENGLISH TURN
SUMMARY**

Property Information

Investment Type: 50% Partnership, Golf & Country Club
Participating Mortgage Real Estate Development

Investment Status: Funding began August, 1986

Location: New Orleans, Louisiana

Controlling Entity: Nicklaus/Sierra Development Corp

Description:

- o Golf Course Community
- o 450 building lots at completion
- o Jack Nicklaus Signature Golf Club
Venue for USF&G Golf Classic

Other Features: 15 minutes from the CBD

**Borrower/Developer/
Partner:** Developer - Nicklaus/Sierra Dev Corp
Partner- English Turn Joint Venture

**Most Recent
Property Appraisal:** \$20,200,000 (1/13/90) Golf course & country club
\$34,825,000 (1/23/90) Real Estate

ENGLISH TURN

Financing Summary

Loan Commitment: \$25,500,000
Equity Commitment: \$20,915,000

Investment by Entity: Loan: USF&G Realty
 Partnership: English Turn Fidelity Realty

Funding Date: August, 1986

Amount Funded at
December 31, 1989: \$22,552,587 DEBT
 \$20,525,228 EQUITY

Interest Rate:

Interest Rate:

Pay Rate: 0% - 1st ten years
 Maturity Aug 96

Accrued Interest: Ten per cent

Additional Interest:

Operations: 25% of Partnership Distribution

Sale or Refinancing:

Additional Security:

Prepayment:

Lender Call Option: Capital call with dilution for country club
 partnership.

ENGLISH TURN

LOAN		CASH ADVANCED	CASH RECEIVED	INTEREST INCOME	EQUITY PICKUP	ENDING BALANCE (w/equity)	ENDING BALANCE (wo/equity)	NET CF PTD	NET CF YTD	NET CF QTD
								0		
86	8	6,734,906		56,491		6,791,397	6,791,397	(6,734,906)		
*	9	3,343,327		85,818		10,220,542	10,220,542	(3,343,327)		
	10	286,179		91,142		10,597,863	10,597,863	(286,179)		
	11	549,652		92,783		11,240,298	11,240,298	(549,652)		
	12	616,259		101,182		11,957,739	11,957,739	(616,259)		
1987	1	1,057,562		110,290		13,125,591	13,125,591	(1,057,562)		
	2	700,585		105,065		13,931,241	13,931,241	(700,585)		
	3	111,761		117,285		14,160,287	14,160,287	(111,761)		
	4	51,592		112,371		14,324,250	14,324,250	(51,592)		
	5	29,850		116,370		14,470,470	14,470,470	(29,850)		
	6	31,529		112,875		14,614,874	14,614,874	(31,529)		
	7	43,465		116,922		14,775,261	14,775,261	(43,465)		
	8	82,016		107,067		14,964,344	14,964,344	(82,016)		
	9	212,343		115,128		15,291,815	15,291,815	(212,343)		
	10	396,193		122,004		15,810,012	15,810,012	(396,193)		
	11	252,785		120,363		16,183,160	16,183,160	(252,785)		
	12	92,081		125,573		16,400,814	16,400,814	(92,081)		
1988	1	290,845		127,395	(28,296)	16,790,758	16,819,054	(290,845)		
	2	166,692		120,908	(28,296)	17,050,063	17,106,654	(166,692)		
	3	839,491		131,032	(28,296)	17,992,290	18,077,177	(839,491)		
	4	755,978		130,714	(28,296)	18,850,686	18,963,869	(755,978)		
	5	657,987		141,166	(28,296)	19,621,543	19,763,022	(657,987)		
	6	840,191		142,402	(28,296)	20,575,841	20,745,615	(840,191)		
	7	537,318		153,660	(28,296)	21,238,523	21,436,593	(537,318)		
	8	874,264		159,200	(28,296)	22,243,691	22,470,057	(874,264)		
	9	513,533		159,658	(28,296)	22,888,586	23,143,248	(513,533)		
	10	604,445	(131,461)	170,429	(28,296)	23,503,704	23,786,661	(472,984)		
	11	631,545	(261,127)	168,781	(28,296)	24,014,607	24,325,860	(370,418)		
	12	561,304	(119,451)	176,718	(28,296)	24,604,882	24,944,431	(441,853)		
1989	1	663,262	(76,085)	181,732	(75,319)	25,298,472	25,713,340	(587,177)		
	2	517,396	(80,162)	167,687	(75,319)	25,828,073	26,318,261	(437,234)		
	3	33,906	(52,985)	190,309	(75,319)	25,923,984	26,489,491	19,079		
	4	378,124	(117,295)	185,057	(75,319)	26,294,550	26,935,377	(260,829)		
	5	149,651	(60,891)	192,574	(75,319)	26,500,565	27,216,711	(88,760)		
	6	167,974	(128,442)	187,164	(75,319)	26,651,941	27,443,407	(39,532)		
	7	137,015	(135,286)	194,478	(75,319)	26,772,829	27,639,614	(1,729)		
	8	127,478	(136,713)	190,978	(75,319)	26,879,253	27,821,357	9,235		
	9	163,728	(261,050)	186,141	(75,319)	26,892,752	27,910,176	97,322		
	10	163,728	(158,776)	193,558	(75,319)	27,015,943	28,108,686	(4,952)		
	11	105,555	(264,448)	184,990	(75,319)	26,966,720	28,134,783	158,893		
	12	117,187	(54,223)	191,322	(75,319)	27,145,687	28,389,069	(62,964)		
1990	1	313,787	(256,625)	191,756	(75,181)	27,319,424	28,637,987	(57,162)	(28,446,231)	
	2	169,773	(285,531)	174,515	(36,950)	27,341,231	28,696,744	115,758	115,758	
	3	135,487	(67,229)	191,361	(36,011)	27,564,839	28,956,363	(68,258)	(68,258)	
	4	178,625	(9,169)	186,453	(10,014)	27,910,734	29,312,272	(169,456)	(169,456)	(29,125,819)
	5	253,002	(301,614)	193,759	(77,914)	27,977,967	29,457,419	48,612	48,612	48,612
	6		(354,034)	186,024	(65,618)	27,744,339	29,289,409	354,034	354,034	354,034
	7					27,744,339	29,289,409	29,289,409	29,289,409	29,289,409
ERR										
ERR										
IRR RETURNS GAAP RETURNS										
PTD (EB = AVG)				6,960,650	(1,545,070)	20,473,711	20,913,035	8.62%	6.75%	
YTD (EB = AVG)				1,123,868	(301,688)	27,572,032	28,962,752	7.79%	5.96%	
QTD (EB = AVG)				566,236	(189,557)	27,799,470	29,253,866	7.77%	5.42%	

* *219,000 adjustment in order for balance to reconcile to N/S books.

Effect of adjustment on IRR is immaterial.

Reconcile to N/S books: Ending balance per above
Ending balance per N/S books

** Difference should = PTD equity pickup ***

Cash flow balance for IRR represents principal plus accrued interest.

27,564,839
27,564,839
(1,545,070)
26,019,769

Funded 27,744,339
+ 1,545,070
- 6,960,650

ENGLISH TURN

ENGLISH TURN FIDELITY REALTY

CO 46

06-Aug-90

EQUITY - OPERATING

		CASH ADVANCED	CASH RECEIVED	INCOME (LOSS)	ENDING BALANCE	NET CF PTD	NET CF YTD	NET CF QTD
						0		
1986	8	63,366			63,366	(63,366)		
	9	63,366			126,732	(63,366)		
	10	63,366			190,097	(63,366)		
	11	63,366			253,463	(63,366)		
	12	63,366			316,829	(63,366)		
1987	1	638,472			955,301	(638,472)		
	2	638,472			1,593,772	(638,472)		
	3	638,472			2,232,244	(638,472)		
	4	638,472			2,870,716	(638,472)		
	5	638,472			3,509,187	(638,472)		
	6	638,472			4,147,659	(638,472)		
	7	638,472			4,786,131	(638,472)		
	8	638,472			5,424,602	(638,472)		
	9	638,472			6,063,074	(638,472)		
	10	638,472			6,701,546	(638,472)		
	11	638,472			7,340,017	(638,472)		
	12	638,472			7,978,489	(638,472)		
1988	1	457,340		(3,981)	8,431,848	(457,340)		
	2	457,340		(3,981)	8,885,206	(457,340)		
	3	330,892	(374,280)	(3,981)	8,837,837	43,388		
	4	523,963	(917,516)	(3,981)	8,440,303	393,553		
	5	955,296	(180,000)	(3,981)	9,211,617	(775,296)		
	6	1,285,744	(100,000)	(3,981)	10,393,380	(1,185,744)		
	7	1,010,990	0	(3,981)	11,400,388	(1,010,990)		
	8	1,322,867	(30,000)	(3,981)	12,689,274	(1,292,867)		
	9	1,247,151	0	(3,981)	13,932,444	(1,247,151)		
	10	1,137,958	0	(3,981)	15,066,420	(1,137,958)		
	11	1,062,683	0	(3,981)	16,125,122	(1,062,683)		
	12	1,216,877	(200,000)	(32,509)	17,109,490	(1,016,877)		
1989	1	984,387	(30,000)	(54,115)	18,009,762	(954,387)		
	2	842,093	(29,371)	(51,116)	18,771,368	(812,722)		
	3	560,553	0	(50,601)	19,281,320	(560,553)		
	4	674,921	(80,000)	(129,135)	19,747,106	(594,921)		
	5	303,176	(70,000)	(39,685)	19,940,597	(233,176)		
	6	29,235	0	(57,861)	19,911,971	(29,235)		
	7	49,158		(161,884)	19,799,245	(49,158)		
	8	28,936	(70,000)	(111,510)	19,646,671	41,064		
	9	80,754	0	(92,257)	19,635,168	(80,754)		
	10	24,923	(30,021)	(66,155)	19,563,915	5,098		
	11	106,441	0	(90,066)	19,580,290	(106,441)		
	12	23,886	(55,000)	(733,738)	18,815,438	31,114		
1990	1	169,554	0	(96,583)	18,888,409	(169,554)	(18,984,992)	
	2		(20,000)	(62,911)	18,805,498	20,000	20,000	
	3	25,000	0	(105,321)	18,725,177	(25,000)	(25,000)	
	4	128,989		(79,174)	18,774,992	(128,989)	(128,989)	(18,854,166)
	5	65,090	(80,110)	18,515	18,778,487	15,020	15,020	15,020
	6	54,369	(88,608)	(38,532)	18,705,716	34,239	34,239	34,239
	7				18,705,716	18,705,716	18,705,716	18,705,716
				*****		ERR		
				(2,078,433)	11,499,100	(20,784,149)	-4.71%	-4.61%
				(364,006)	18,784,817	(254,284)	-3.85%	-3.88%
				(99,191)	18,746,093	(79,730)	-2.11%	-2.12%
PTD (EB = AVG)								
YTD (EB = AVG)								
QTD (EB = AVG)								

Funded



NICKLAUS/SIERRA DEVELOPMENT CORPORATION

JUL 31 1990

July 30, 1990

VIA AIRBORNE

Mr. Thomas Burton
USF&G Realty, Inc.
100 Light Street
Baltimore, MD 21202

RE: DREYFOUS PROPERTY - ENGLISH TURN AMENDMENT TO A&D LOAN AGREEMENT

Dear Tom:

Based upon recent discussions with executives of your organization, this letter will represent a formal request to amend the English Turn Joint venture land acquisition and development loan to allow for the purchase and development of the Dreyfous property as follows:

- 1) Increase the maximum allowable loan balance outstanding (the loan cap) by \$3,000,000 from the current cap of \$25,500,000 to an amended loan cap of \$28,500,000.
- 2) Increase total draws allowable under the loan by \$9,460,500 from \$50,326,231 to \$59,786,731.

We have enclosed an updated Draw Request Summary (Exhibit A) with summary cost assumptions. The summary indicates, by job, the original loan balance, budget revisions, revised budget, Dreyfous increases and the revised loan budget including Dreyfous. Amounts drawn to date against each line item and unexpended balances are also included.

The increase in total allowable draws relating to Dreyfous is attributable to the following which represents the master budget (in thousands):

	\$

Land Cost	1,865
Common Cost:	
Site Preparation	305
Master Drainage	235
Master Sewerage	291
Master Engineering	50
Estate Entrance	81
Fencing	219

Total Common	1,181

Development Cost	4,349

Dreyfous

- 2 -

July 30, 1990

	\$

Soft Cost:	
Selling & Marketing	1,048
General & Administrative	420
Real Estate Taxes	265

Total Soft	1,733

Interest (On Mortgage)	332

Total Cost	9,460
	=====

We have also enclosed one set of projections which represents the build-out and sale of all lots attributable to the Dreyfous tract (Exhibit B). Another set of projections is also included which combines the original land with the Dreyfous tract (Exhibit C).

The requested increase in the loan cap of \$3,000,000 would allow for closing the land with the take-down of sufficient acreage to develop 18 estate lots. Additionally, principally all common cost requirements for the tract and development and soft cost requirements for the 18 lots could also be met.

Cash requirements (to be drawn from the Dreyfous master loan detailed above) to complete the common cost elements and develop the 18 lots over the next twelve to eighteen months are as follows:

	\$	Comments
	-----	-----
Land Cost (less amounts previously funded)	415	Down Payment (\$73), R/E Taxes (\$20), Legal (\$20) and land 26 acres @ \$11,500/acre (\$300)
Common Cost:		
Site Preparation	305	See attached assumptions
Master Drainage	235	See attached assumptions
Master Sewerage	291	See attached assumptions
Master Engineering	50	See attached assumptions
Estate Entrance	81	See attached assumptions
Fencing	100	Partial

Total Common	1,062	

Dreyfous

- 3 -

July 30, 1990

	\$	Comments
Development Cost	630	See attached assumptions
Soft Cost:		
Selling & Marketing	75	Estimates "piggyback" current
General & Administrative	104	G&A and S&M structure in
Real Estate Taxes	77	place

Total Soft	256	

Interest (On Mortgage)	175	

Total Cost	2,538	
	=====	

If you have any questions relative to the revised loan requirements, please call. Tim Kenny, of our organization will be proceeding with the appropriate legal documentation for the amendment to the loan agreements, subject to Fidelity's formal approval. Your expeditious attention to obtaining the appropriate Fidelity approvals is appreciated.

Best Regards,

JACK NICKLAUS DEVELOPMENT CORPORATION OF NEW ORLEANS

L. A. Sticco

Lewis A. Sticco
Vice President
Chief Financial Officer

cc: J. Brothers
 T. Danahy
 T. Kenny
 J. Kilbride
 A. Raymond
 J. Sierra
 D. Waltemath
 H. York

29-Jul-90

ENGLISH TURN - DREYFOUS TRACT

JOB	DESCRIPTION	ORIGINAL LOAN BUDGET	BUDGET REVISIONS	CURRENT REVISED LOAN BUDGET	DREYFOUS REVISION	TOTAL REVISED BUDGET	PREVIOUSLY FUNDED	UNEXPENDED BUDGET
DREYFOUS TRACT HARD COSTS:								
50	LAND ACQUISITION	0.00	0.00	0.00	1,865,000.00	1,865,000.00	200,000.00	1,665,000.00
52	DREYFOUS SITE PREPARATION	0.00	0.00	0.00	305,000.00	305,000.00	0.00	305,000.00
54	DREYFOUS MASTER DRAINAGE	0.00	0.00	0.00	235,000.00	235,000.00	0.00	235,000.00
56	DREYFOUS MASTER SEWERAGE	0.00	0.00	0.00	291,500.00	291,500.00	0.00	291,500.00
58	DREYFOUS MASTER ENGINEERING	0.00	0.00	0.00	50,000.00	50,000.00	2,082.91	47,917.09
60	DREYFOUS ESTATE ENTRANCE	0.00	0.00	0.00	81,000.00	81,000.00	0.00	81,000.00
62	DREYFOUS FENCE	0.00	0.00	0.00	219,000.00	219,000.00	0.00	219,000.00
64	PHASE III (18 LOTS)	0.00	0.00	0.00	630,000.00	630,000.00	0.00	630,000.00
66	FUTURE DEVELOPMENT	0.00	0.00	0.00	3,219,000.00	3,219,000.00	0.00	3,219,000.00
TOTAL DREYFOUS		0.00	0.00	0.00	7,395,500.00	7,395,500.00	202,082.91	7,193,417.09
OTHER HARD COSTS:								
99	LAND	8,706,400.00	(430,593.55)	8,275,806.45	0.00	8,275,806.45	8,275,806.45	0.00
100	PRELIM PROJECT COSTS PHASE I	293,600.00	(9,427.00)	284,173.00	0.00	284,173.00	278,297.00	5,176.00
201	MASTER ENGINEERING	53,750.00	(23,750.00)	30,000.00	0.00	30,000.00	22,080.00	7,920.00
202	MASTER & OFFSITE SEWER	400,500.00	(103,000.00)	305,500.00	0.00	305,500.00	253,207.24	52,292.76
204	MASTER DRAINAGE	404,200.00	0.00	404,200.00	0.00	404,200.00	304,847.87	99,352.13
205	MASTER & OFFSITE WATER	111,800.00	61,000.00	172,800.00	0.00	172,800.00	144,980.03	27,819.97
206	MASTER POWER	161,250.00	(247.75)	161,002.25	0.00	161,002.25	161,002.25	0.00
207	FINISHING DETAIL	406,838.00	(8,000.00)	598,838.00	0.00	598,838.00	186,972.18	411,865.82
208	ENGLISH TURN PKWY PHASE I	1,240,000.00	(271,821.10)	968,178.90	0.00	968,178.90	968,178.90	0.00
209	ENGLISH TURN PKWY PHASE II	825,000.00	0.00	825,000.00	0.00	825,000.00	97,987.63	727,012.37
210	STANTON ROAD NORTH	184,366.00	0.00	184,366.00	0.00	184,366.00	30,508.86	153,857.14
211	STANTON ROAD SOUTH	873,743.00	(525,864.98)	347,878.02	0.00	347,878.02	347,878.02	0.00
212	JOB TRAILER	75,000.00	(42,953.00)	32,047.00	0.00	32,047.00	32,047.00	0.00
213	ACCESS ROADS	0.00	99,980.00	99,980.00	0.00	99,980.00	98,083.09	1,896.91
214	HIGHWAY 406	0.00	0.00	0.00	0.00	0.00	104,997.65	(104,997.65)
220	ENTRY/GATEHOUSE - MAIN	700,000.00	(27,922.00)	672,078.00	0.00	672,078.00	580,019.19	91,978.81
221	ENTRY SECONDARY	100,000.00	0.00	100,000.00	0.00	100,000.00	0.00	100,000.00
222	ENGLISH TURN PKWY FENCE	671,875.00	80,000.00	751,875.00	0.00	751,875.00	429,365.35	252,509.65
223	EAST BOUNDARY FENCE	25,800.00	0.00	25,800.00	0.00	25,800.00	0.00	25,800.00
224	WEST BOUNDARY FENCE	59,125.00	0.00	59,125.00	0.00	59,125.00	0.00	59,125.00
225	SOUTH BOUNDARY FENCE	172,000.00	0.00	172,000.00	0.00	172,000.00	0.00	172,000.00
360	SALES CENTER	506,500.00	144,618.00	651,118.00	0.00	651,118.00	435,442.68	15,675.32
370	COMMUNITY RECREATION CENTER	200,000.00	0.00	200,000.00	0.00	200,000.00	0.00	200,000.00
380	POA BUILDING	330,350.00	42,953.00	373,303.00	0.00	373,303.00	0.00	373,303.00
390	CAPITAL EQUIPMENT MAINTENANCE	200,000.00	0.00	200,000.00	0.00	200,000.00	19,072.29	180,927.71
411	LOT DEVELOPMENT PHASE I	2,680,773.00	(160,320.00)	2,520,453.00	0.00	2,520,453.00	2,555,933.24	(35,480.24)
413	LOT DEVELOPMENT PHASE II	4,000.00	926,970.00	930,970.00	0.00	930,970.00	20,079.50	910,890.50
414	LOT DEVELOPMENT PHASE I POD C	0.00	75,169.12	75,169.12	0.00	75,169.12	75,169.12	0.00
449	FUTURE DEVELOPMENT POD COSTS	7,429,905.00	(1,003,370.00)	6,426,535.00	0.00	6,426,535.00	3,973.24	6,422,561.76
450	MITIGATION	50,000.00	98,851.29	98,851.29	0.00	98,851.29	98,851.29	0.00
499	MASTER CONTINGENCY	227,778.00	1,162,727.97	1,390,505.97	0.00	1,390,505.97	0.00	1,390,505.97
TOTAL OTHER HARD COSTS		27,302,553.00	35,000.00	27,337,553.00	0.00	27,337,553.00	15,815,560.57	11,521,992.43
TOTAL HARD COSTS		27,302,553.00	35,000.00	27,337,553.00	7,395,500.00	34,733,053.00	16,017,643.48	18,715,409.52

29-Jul-90

GLISH TURN - DREYFOUS TRACT

JOB	DESCRIPTION	ORIGINAL	BUDGET	CURRENT		TOTAL	PREVIOUSLY	UNEXPENDED
		LOAN	REVISIONS	REVISED	DREYFOUS	REVISED	FUNDED	BUDGET
		BUDGET		LOAN BUDGET	REVISION	BUDGET		
SOFT COSTS:								
587	1987 REAL ESTATE TAXES	7,828.00	0.00	7,828.00	0.00	7,828.00	7,828.00	0.00
588	1988 REAL ESTATE TAXES	11,862.00	0.00	11,862.00	0.00	11,862.00	11,862.00	0.00
589	1989 REAL ESTATE TAXES	0.00	39,619.83	39,619.83	0.00	39,619.83	39,619.83	0.00
590	1990 REAL ESTATE TAXES	0.00	115,000.00	115,000.00	0.00	115,000.00	102,221.53	5,278.47
599	REAL ESTATE TAXES	400,310.00	(154,619.83)	245,690.17	265,000.00	510,690.17	0.00	510,690.17
686	1986 SELLING & MARKETING	150,000.00	(130,163.00)	19,837.00	0.00	19,837.00	19,837.00	0.00
687	1987 SELLING & MARKETING	0.00	71,686.00	71,686.00	0.00	71,686.00	71,686.00	0.00
688	1988 SELLING & MARKETING	0.00	543,118.72	543,118.72	0.00	543,118.72	543,118.72	0.00
689	1989 SELLING & MARKETING	0.00	877,959.31	877,959.31	0.00	877,959.31	877,959.31	0.00
690	1990 SELLING & MARKETING	0.00	450,781.00	450,781.00	0.00	450,781.00	212,131.69	203,649.31
699	SELLING & MARKETING	4,309,006.00	(1,848,382.03)	2,460,623.97	1,048,000.00	3,508,623.97	0.00	3,508,623.97
819	POA OPERATIONS	352,808.00	78,596.04	431,404.04	0.00	431,404.04	0.00	431,404.04
820	1988 POA OPERATIONS	0.00	36,785.03	36,785.03	0.00	36,785.03	36,785.03	0.00
821	1989 POA OPERATIONS	395,280.00	(115,381.07)	279,898.91	0.00	279,898.91	279,898.91	0.00
824	1990 POA OPERATIONS	311,912.00	0.00	311,912.00	0.00	311,912.00	169,500.00	142,412.00
886	1986 GENERAL & ADMINISTRATIVE	270,240.00	(70,064.00)	200,176.00	0.00	200,176.00	200,176.00	0.00
887	1987 GENERAL & ADMINISTRATIVE	0.00	122,980.00	122,980.00	0.00	122,980.00	122,980.00	0.00
888	1988 GENERAL & ADMINISTRATIVE	0.00	597,194.93	597,194.93	0.00	597,194.93	597,194.93	0.00
889	1989 GENERAL & ADMINISTRATIVE	0.00	434,250.97	434,250.97	0.00	434,250.97	434,250.97	0.00
890	1990 GENERAL & ADMINISTRATIVE	0.00	364,748.00	364,748.00	0.00	364,748.00	138,550.51	226,197.49
899	GENERAL & ADMINISTRATIVE	3,046,010.00	(1,449,109.90)	1,596,900.10	420,000.00	2,016,900.10	0.00	2,016,900.10
900	CLUB CAPITAL CONTRIBUTIONS	4,000,000.00	0.00	4,000,000.00	0.00	4,000,000.00	4,000,000.00	0.00
910	CLUB OPERATIONS FUTURE	1,500,000.00	(1,269,996.74)	230,003.26	0.00	230,003.26	0.00	230,003.26
911	1988 CLUB OPERATIONS	0.00	382,996.63	382,996.63	0.00	382,996.63	382,996.63	0.00
912	1989 CLUB OPERATIONS	0.00	605,445.61	605,445.61	0.00	605,445.61	605,445.61	0.00
913	1990 CLUB OPERATIONS	0.00	281,554.50	281,554.50	0.00	281,554.50	196,010.50	85,544.00
920	PARTNERSHIP ADVANCE	300,000.00	0.00	300,000.00	0.00	300,000.00	300,000.00	0.00
988	1988 INTEREST	959.32	0.00	959.32	0.00	959.32	959.32	0.00
989	1989 INTEREST	16,225.25	0.00	16,225.25	0.00	16,225.25	16,225.25	0.00
990	INTEREST	7,921,237.43	0.00	7,921,237.43	0.00	7,921,237.43	7,912.74	7,913,324.69
999	FUTURE INTEREST	0.00	0.00	0.00	332,000.00	332,000.00	0.00	332,000.00
TOTAL SOFT COSTS		23,023,678.00	(35,000.00)	22,988,678.00	2,065,000.00	25,053,678.00	9,447,650.48	15,606,027.52
=====								
GRAND TOTAL		50,326,231.00	0.00	50,326,231.00	9,460,500.00	59,786,731.00	25,465,293.96	34,321,437.04
=====								

M E M O R A N D U M

TO: LEW STICCO
FROM: ART RAYMOND
SUBJECT: DREYFOUS TRACT COST PROJECTIONS
DATE: July 24, 1990

As per our conversation, the following are presented for your review.

COST ASSUMPTIONS

- 52 Site Preparation \$305,000
- Canal Excavation -- The Donner and Delacroix canals contiguous to the Dreyfous property will be widened to the Sewerage & Water Board's Master Drainage Plan specifications. This is approximately 8000 l.f. of canal. (Based on cost of previous canal excavation)
- COST: \$215,000
- Clearing -- Approximately one Hundred feet (100') of the canal bank will require clearing so that the material removed from the canal can be stacked for future fill.
- COST: \$ 50,000
- 54 Master Drainage -- Box culverts - One across Delacroix Canal and on across canal by 15th tee. (Based on cost of previous work with City of New Orleans paying one-half).
- COST: \$235,000
- 56 Master Sewerage/Dreyfous -- The major lift station and force main for the estate section.
- COST: \$291,000
- 58 Dreyfous Master Engineering -- Surveying and engineering support.
- COST: \$ 50,000
- 60 Dreyfous Estate Entrance Landscape -- Erect signage and fence/wall for statement entrance to estate lot section.
- COST: \$ 81,000

- 62 Fence -- Based on approximately 3700 l.f. of fence on North and Eastern Boundary at \$50/l.f.
COST: \$219,000
- 64 Phase III -- Develop eighteen estate lots in Phase III.
COST: \$630,000
- 66 Future Development -- Cost based on the development of 120 lots @ \$22,000/Golf lots and \$35,000/Estate lots.
COST: \$3,719,000

Proposed Job-Line Item breakdown:

050	<u>Land Acquisition</u>		\$1,865,000
	Land	\$1,825,000	
	Legal Fees	\$ 20,000	
	Property Tax	\$ 20,000	
052	<u>Dreyfous Site Preparation</u>		\$ 305,000
	Clearing	\$ 50,000	
	Canal Excavation	\$215,000	
	Engineering	\$ 10,000	
	Contingency	\$ 30,000	
054	<u>Dreyfous Master Drainage</u>		\$ 235,000
	Box Culvert	\$200,000	
	Engineering	\$ 15,000	
	Contingency	\$ 20,000	
056	<u>Dreyfous Master Sewerage</u>		\$ 291,500
	Sewer Lift Station	\$150,000	
	Force Main	\$100,000	
	Engineering	\$ 15,000	
	Contingency	\$ 26,500	
058	<u>Dreyfous Master Engineering</u>		\$ 50,000
	Survey Preparation	\$ 10,000	
	Survey Support	\$ 20,000	
	Engineering Support	\$ 20,000	
060	<u>Dreyfous Estate Entrance</u>		\$ 81,000
	Wall	\$ 25,000	
	Site Lighting	\$ 8,000	
	Drainage	\$ 3,000	
	Landscaping	\$ 20,000	
	Signage	\$ 10,000	
	Irrigation	\$ 5,000	
	Design Support	\$ 10,000	

062	<u>Dreyfous Fence</u>		\$ 219,000
	Fence	\$185,000	
	Engineering	\$ 14,000	
	Contingency	\$ 20,000	
064	<u>Phase III (18 lots Dreyfous Estate section)</u>		\$ 630,000
	R/W Clearing	\$ 7,071	
	Water	\$ 40,000	
	Sewer	\$ 90,000	
	Storm Drainage	\$ 90,000	
	Sand Base	\$ 60,000	
	Paving	\$180,000	
	Lot Fill	\$ 21,600	
	Lot Clearing	\$ 9,000	
	Underground Electric Installation	\$ 18,000	
	Gas System Installation	\$ 14,400	
	Street Lights	\$ 4,000	
	Signage (Speed, Stop, Street)	\$ 1,200	
	Landscaping	\$ 5,000	
	Engineering	\$ 27,014	
	Testing	\$ 3,500	
	Owners Contingency	\$ 52,215	
066	<u>Future Development</u>		\$3,719,000

	89/90	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
Absorption Rate	0%	7%	14%	16%	14%	21%	17%	10%	0%	0%	0%	100%
Unit Sales (Closed)	0	10	20	22	19	29	24	14	0	0	0	138
LOT SALES:	0	1,500	2,627	3,167	2,918	4,440	3,965	2,346	0	0	0	20,962
Total Revenues	0	1,500	2,627	3,167	2,918	4,440	3,965	2,346	0	0	0	20,962
LAND COSTS:	650	150	300	765								1,865
Total Land Cost	650	150	300	765	0	0	0	0	0	0	0	1,865
COMMON COSTS:												305
Site Preparation	305											235
Master Drainage		235										291
Master Sewerage	40	251										50
Master Engineering	25	25										81
Estate Entrance		81										219
Fence		100	119									
Total Common Cost	370	692	119	0	0	0	0	0	0	0	0	1,181
DEVELOPMENT COSTS:												630
Phase III	200	430			0							3,719
Future Development		200	614	700	700	735	770					
Total Development Costs	200	630	614	700	700	735	770	0	0	0	0	4,349
Total Hard Costs	570	1,322	733	700	700	735	770	0	0	0	0	5,530
SOFT COSTS:												1,048 (1)
Selling & Marketing		75	131	158	146	222	198	117	0	0	0	420 (1)
General & Administrative	52	52	52	52	52	54	54	52	0	0	0	265
Real Estate Taxes		77	65	52	40	23	8	0				
Total Soft Cost	52	204	248	262	238	299	261	169	0	0	0	1,733
INTEREST	61	114	92	398	(28)	(0)	0	0	0	0	0	637
Total Other	61	114	92	398	(28)	(0)	0	0	0	0	0	637
Total Cost	1,333	1,790	1,373	2,125	910	1,034	1,031	169	0	0	0	9,765
CASH FLOW (OUTLAY)	(1,333)	(290)	1,254	1,042	2,007	3,406	2,934	2,177	0	0	0	11,197

Based upon ASP of \$152

Based upon sales @ 5.0%
Based upon sales @ 2.0%
Based upon \$600 Per Lot/Yr

(1) Selling & Marketing and general and general & administrative expenses are lower than would be expected as a certain amount of these costs are already being incurred by English Turn. The Drayfous transaction would "piggyback" the marketing and management structure already in place.

(EXHIBIT B)

	89/90	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	total
BORROWING ANALYSIS:												
Beginning Balance	0	1,333	1,623	369	(0)	0	0	0	0	0	0	0
Borrowings	1,333	1,790	1,373	2,125	0	0	0	0	0	0	0	6,620
Repayments	0	1,500	2,627	2,494	(0)	0	0	0	0	0	0	6,620
Ending Balance	1,333	1,623	369	(0)	0	0	0	0	0	0	0	0
Interest Incurred	67	148	100	18	(0)	0	0	0	0	0	0	332
Interest Payments				360	(28)	(0)	0	0	0	0	0	332
Accrued Interest Balance	67	214	314	(28)	(0)	0	0	0	0	0	0	(0)
Purchase Money Mortgage												
Beginning Balance	0	1,215	1,065	765	0	0	0	0	0	0	0	0
Borrowings	1,865											1,865
Releases	650	150	300	765	0	0	0	0	0	0	0	1,865
Ending Balance	1,215	1,065	765	0	0	0	0	0	0	0	0	0
Purchase Money Mortgage Interest												
PMI Interest Incurred	61	114	92	38	0	0	0	0	0	0	0	305
Interest Payments	61	114	92	38	0	0	0	0	0	0	0	305
	0	0	0	0	0	0	0	0	0	0	0	0

SALES DETAIL												
Unit Sales Analysis												
Golf Course View Lots			10	7	4	9	4	3				37
Estate Lots		10	10	15	15	20	20	11				101
Total Lot Sales		10	20	22	19	29	24	14	0	0	0	138
Average Sales Price												
Golf Course View Lots		\$105	\$108	\$111	\$115	\$118	\$122	\$125	\$129	\$133	\$137	
Estate Lots		\$150	\$155	\$159	\$164	\$169	\$174	\$179	\$184	\$190	\$196	
\$ Sales Analysis												
Golf Course View Lots		0	1,082	780	459	1,064	487	376	0	0	0	4,247
Estate Lots		1,500	1,545	2,387	2,459	3,377	3,478	1,970	0	0	0	16,715
Total Sales Volume		1,500	2,627	3,167	2,918	4,440	3,965	2,346	0	0	0	20,962

Interest rate of 10.0%

	Thru 1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
Absorption	2%	3%	4%	8%	12%	13%	10%	14%	11%	9%	8%	7%	0%	100%
Lot Sales (Closed)	13	18	25	49	77	81	62	89	66	54	47	43	0	624
Revenues:														
Lot Sales	1,107	2,023	2,752	6,245	9,306	9,602	7,407	11,367	9,515	6,636	3,903	3,700	0	73,563
Other	0	0	0	0	596	1,818	1,818	3,140	2,478	443	1,212	0	0	11,504
Financed Sales	(595)	(446)		767	274									0
Total Revenues	512	1,577	2,752	7,012	10,176	11,420	9,225	14,507	11,993	7,078	5,115	3,700	0	85,067
Land:														
At Closing	8,264	12	650	150	300	765								10,141
Mortgage Release														0
Participation														0
Total Land Cost	8,264	12	650	150	300	765	0	0	0	0	0	0	0	10,141
Hard Cost:														
Development Cost	1,577	240	2,998	2,570	2,725	2,035	2,364	2,111	1,797	869	342			25,628
Total Hard Cost	1,577	240	2,998	2,570	2,725	2,035	2,364	2,111	1,797	869	342	0	0	25,628
Soft Cost:														
Selling & Marketing	552	645	466	525	579	652	525	777	725	411	300	300	0	6,457
General & Administrative	713	434	458	402	402	402	402	404	404	352	250	200		4,823
Real Estate Taxes	50	40	113	147	130	107	85	58	33	15	5	5		788
POA Deficit	32	302	312	305	270	243	217	220	206	183	154	75		2,519
Club Capital Contribution	4,001													4,001
Club Operations Contribution	276	632	361	231										1,500
Total Soft Cost	5,624	2,053	1,710	1,610	1,381	1,404	1,229	1,459	1,368	961	709	580	0	20,088
Other:														
Cash to Accrual Adjust.	59	811	(87)	(87)	(87)	(87)	(87)	(87)	(87)	(87)	(87)	(87)		0
Interest (USF&G)			61	114	92	38	0	11,024	3,355	0	0	0	0	14,684
Total Other	59	811	(26)	27	5	(49)	(87)	10,937	3,268	(87)	(87)	(87)	0	14,684
Total Cost	21,524	3,116	5,332	4,357	4,411	4,155	3,506	14,507	6,433	1,743	964	493	0	70,541
Cash Flow (Outlay)	(21,012)	(1,539)	(2,580)	2,655	5,766	7,265	5,719	0	5,560	5,335	4,151	3,207	0	14,526

Based upon ASP of \$118

DISTRIBUTIONS

USF&G 20%	2,905
JNDC/NO 60%	8,716
CLASSIC 20%	2,905
	14,526

(EXHIBIT C)

	Thru 1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
Borrowing Analysis:														
--Equity/A&D Loan--														
Beginning Balance	0	21,012	22,552	25,132	22,177	15,646	8,381	2,663	0	0	0	0	0	0
Borrowings	21,524	3,116	5,332	4,057	3,646	4,155	3,506	0	0	0	0	0	0	45,337
Repayments	512	1,577	2,752	7,012	10,176	11,420	9,225	2,663	0	0	0	0	0	45,337
Ending Balance	21,012	22,552	25,132	22,177	15,646	8,381	2,663	0	0	0	0	0	0	0
Interest Incurred	3,590	2,262	2,384	2,365	1,891	1,201	552	133	0	0	0	0	0	14,379
Beginning Balance	0	3,590	5,852	8,236	10,602	12,493	13,694	14,246	3,355	0	0	0	0	0
Payments	0	0	0	0	0	0	0	11,024	3,355	0	0	0	0	14,379
Ending Balance	3,590	5,852	8,236	10,602	12,493	13,694	14,246	3,355	0	0	0	0	0	(0)
Purchase Money Mortgage														
Beginning Balance			0	1,215	1,065	765	0	0	0	0	0	0	0	0
Borrowings			1,865											1,865
Releases			650	150	300	765	0	0	0	0	0	0	0	1,865
Ending Balance			1,215	1,065	765	0	0	0	0	0	0	0	0	0
Purchase Money Mortgage Interest														
PMI Interest Incurred			61	114	92	38	0	0	0	0	0	0	0	305
Interest Payments			61	114	92	38	0	0	0	0	0	0	0	305
			0	0	0	0	0	0	0	0	0	0	0	0

Interest rate of 10.0%

Interest rate of 10.0%

	Thru 1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
--	-----------	------	------	------	------	------	------	------	------	------	------	------	------	-------

UNIT SALES ANALYSIS

SFL - Original	13	18	25	38	50	52	37	46	34	32	47	43		435
SFL - Dreyfous				10	20	22	19	29	24	14				138
Corp Villas				1	1	1	1							4
Mall Villas								9	8	8				25
Club Villas					6	6	5	5						22
Total Lots	13	18	25	49	77	81	62	89	66	54	47	43	0	624
Multi-Family (Acres)					6	18	18							42
Commercial (Acres)								8.00	8.40	1.50	4.30			22
Outparcels (Acres)								26						26
Total Acres	0	0	0	0	6	18	18	34	8	2	4	0	0	90

AVERAGE SALES PRICE

SFL - Original	\$85	\$112	\$110	\$116	\$112	\$103	\$96	\$111	\$134	\$103	\$83	\$86		
SFL - Dreyfous				\$150	\$131	\$144	\$154	\$153	\$165	\$168				
Corp Villas				\$335	\$225	\$225	\$225							
Mall Villas								\$124	\$124	\$124				
Club Villas					\$142	\$142	\$142	\$142						
Multi-Family (Acres)					\$101	\$101	\$101							
Commercial (Acres)								\$295	\$295	\$295	\$295			
Outparcels (Acres)								\$30						

SALES ANALYSIS

	Thru 1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
SFL - Original	1,101	2,023	2,752	4,410	5,602	5,358	3,554	5,108	4,558	3,298	3,903	3,700	0	45,373
SFL - Dreyfous				1,500	2,621	3,167	2,918	4,440	3,965	2,346				20,963
Corp Villas	0	0	0	335	225	225	225	0	0	0	0	0	0	1,010
Wall Villas	0	0	0	0	0	0	0	1,112	992	992	0	0	0	3,096
Club Villas	0	0	0	0	852	852	710	707	0	0	0	0	0	3,121
	1,101	2,023	2,752	6,245	9,306	9,602	7,407	11,367	9,515	6,536	3,903	3,700	0	73,563
Multi-Family (Acres)	0	0	0	0	596	1,818	1,818	0	0	0	0	0	0	4,232
Commercial (Acres)	0	0	0	0	0	0	0	2,360	2,478	443	1,212	0	0	6,492
Outparcels (Acres)	0	0	0	0	0	0	0	780	0	0	0	0	0	780
	0	0	0	0	596	1,818	1,818	3,140	2,478	443	1,212	0	0	11,504
	1,101	2,023	2,752	6,245	9,902	11,420	9,225	14,507	11,993	7,078	5,115	3,700	0	85,067

Prepared from projections provided by Lew Sticco - Nicklaus/Sierra Development Co.

	Partic %	1990	1991	1992	1993	1994	1995	1996	1997	Total	IRR
Free cash flow		0	0	0	341	2,007	3,406	2,934	2,177	10,865	
Net loan pmts		(1,333)	(290)	1,254	369					0	
Interest pmts			0		332					332	
Cash flow partic	20%	0	0	0	68	401	681	587	435	2,173	
Total Cash Flow		(1,333)	(290)	1,254	769	401	681	587	435	2,505	31.4%

Family Self
Orlando Fac.

SECOND QUARTER 1990 SUMMARY

FAMILY GOLF & SPORTS CLUB, ORLANDO FACILITY

Orlando, Florida

Mortgage

Driving Range & Club

In January 1990, USF&G funded the acquisition of 20 acres for the first Family Golf & Sports Center, located on the intersection of Alafaya Trail and Iron Bridge Road in Orlando, Florida. The facility will be open to the public and will also be offering private memberships. The Family Golf Club will offer a clean, controlled, fun environment year round. The highest operating standards will be maintained under a friendly, club-like atmosphere.

The facility began construction of a lighted practice driving range with target greens, separate chipping greens, sand traps, a huge master putting green, miniature golf, baseball & softball batting cages, a game room, pro shop, and restaurant in the second quarter. The estimated completion date is September, 1990.

**FAMILY GOLF ORLANDO FACILITY
SUMMARY**

Property Information

Investment Type: Golf Driving Range and Club

Investment Status: Funded

Location: Orlando, Florida

Description: 20 acre parcel purchased by Family Golf & Sports Club, Inc.

Loan represents both acquisition (\$1MM) and improvements (\$700,000). Family Golf & Sports Clubs plans to build a family golf and recreation center on the property.

Financing Summary

Loan Commitment: \$1,700,000

Investment by Entity: F&G Life Insurance Company

Funding Date: 1/90

**Amount Funded at
December 31, 1989:** \$0

Interest Rate: 10.5%

Other: Loan is for 10 years, interest only during term.

USF&G Financial Services owns \$10,000 of preferred shares of Family Golf & Sports Clubs, Inc.

7-20-90

- Per Dana Lang
Bal = 1.119,523

Fundel

1,161,751
- 42,228
<hr/>
1,119,523

Fidelity
Sierra JV

FIDELITY/SIERRA JOINT VENTURE
Tampa, Florida
Partnership
Golf Communities Developments

SECOND QUARTER 1990 SUMMARY

In October, 1989, USF&G through Golf Communities Realty formed a partnership with Nicklaus-Sierra Development Corporation, known as Fidelity/Sierra Joint Venture. The goals of this joint venture are to develop Jack Nicklaus "Signature" golf real estate communities. With the initial funding, the following projects were included in the Joint Venture: Nicklaus-Sierra Development of Ft. Lauderdale, Washington, D.C. (Moore Property), Brighton Property in Detroit, Michigan, Princeton, New Jersey AT&T Property, along with several projects which were under evaluation. Subsequent to closing, Frenchmen's Creek in North Palm Beach, Florida has become available and currently is in the due diligence process.

Highlights since the closing are as follows:

- * Reached verbal agreement to sell back to Arvida/JMB 200 acres in the Weston project and cancel all rights to the 700 acres under option. A letter of intent to this effect was executed in early January subject to approval by JMB corporate office in Chicago. Estimated profit will be \$2,000,000.
- * Worked on preliminary site planning for the North Palm Beach property. Also contracted with Southeastern Marketing for a market study.
- * Stepped up efforts to swap a portion of the Washington, D.C. (Moore) property.
- * Efforts continued to acquire the remaining 150 acre parcel necessary for the assemblage in Detroit (Brighton property).
- * In anticipation of the imminent signing of a new agreement with AT&T, we recommenced approval process efforts in New Jersey.
- * Additional consideration has been given to the acquisition of property across the street from Country Club of the South in Atlanta, Georgia for an additional phase to this project.
- * The basic terms of a joint venture on the N.V. Land property in Washington have been agreed to. A final agreement will be formulated in the near future.

**FIDELITY/SIERRA JOINT VENTURE
SUMMARY**

Property Information

Investment Type: Joint Venture

Investment Status: Currently funding working capital
Initial funding – November, 1989

Location: Washington, D. C., Ft Lauderdale
Palm Beach, Detroit, Princeton

Controlling Entity: Fidelity/Sierra J. V.

Description: o Joint Venture established with Nicklaus/Sierra
Object is to provide venture capital for
potential golf community development sites

Other Features:

**Borrower/Developer/
Partner:** Partner: J. Robert Sierra

FIDELITY/SIERRA JOINT VENTURE

Financing Summary

Loan Commitment: \$32,000,000

Equity Commitment: \$4,000,000

Investment by Entity: 1% USF&G Realty J V #1
99% USF&G Realty Other Special

Funding Date: 11/89

Amount Funded at
December 31, 1989: \$2,793,912 EQUITY

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

**EXHIBIT B
PROJECTS UNDER CONTRACT, NOT CLOSED
DEVELOPMENT ENTITY FORMED**

1. **WASHINGTON, D.C. (N.V. Land Property)**
(Responsibility - Jim Mancuso)

PROJECT SYNOPSIS:

Size: 1,300 +/- acres

Location: The property is located in western Prince William County, Virginia, approximately 25 miles west of Washington, D.C. and 13 miles southwest of Dulles Airport. The site is located south of Sudley Road (Route 234), and west of Catharpin Road (Route 676). The Manassas National Battlefield Park, the location of the Civil war battles at Manassas (Bull Run) is 6 miles south of the site along Route 234.

Description: Characterized by gently rolling and flat terrain, elevations vary from 280 to 370 feet above sea level. The predominant vegetation is mostly hardwoods interspersed between the property's many fields. The soil is composed primarily of low moisture sandstone and shale. No wetlands delineation has yet been completed.

Development Plans: At the current time it is anticipated that the development will consist of 673 units and 36 holes of golf with approximately 650-700 club memberships.

Accessibility: Access to Interstate 66, by way of Route 234 (Sudley Road) is a nine mile drive from the property. Downtown D.C., the beltway and all major area roads are accessible from Interstate 66.

Zoning and Regulatory Requirements: The current zoning of the property is for agricultural use. Filing for the R-1-1 (minimum lot size one acre) rezoning application took place on June 29, 1990. Although the wetlands delineation will reveal what areas will be designated as "wetlands," it is apparent that this parcel will also be affected by the Chesapeake Bay Preservation Act. This act was put into effect by the state of Virginia as an attempt to restore the environmental well-being of the Bay by restricting development and agricultural activity within a certain distance of perennial streams

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

1. WASHINGTON, D.C. (N.V. Land Property) (Continued)

(rivers, streams and tributaries), which flow into the Chesapeake Bay. The law requires a 100 foot buffer zone, called a "resource protection area," along all such bodies of water to prevent excessive chemical and silt runoff. Areas along Catharpin Creek on the site will be affected by this legislation and could restrict site plan versatility. No other unusual zoning or regulatory requirements are anticipated.

Utilities: Water and sewer are expected to be provided by public utilities.

**Description of
Transaction:**

A regional development company, N.V. Land Company, will be our joint venture partner. N.V. Land is responsible for making the 1,300 acre site available to the joint venture at \$25,000 per acre. Profits from development would be split on a 50/50 basis. We will be managing partner and would be entitled to earn a management fee of 10 percent of hard costs and general and administration expenses with a cap of \$6 million.

CURRENT MONTH ACTIVITY:

On June 29, 1990 we filed a rezoning application with Prince William County requesting a zoning designation which allows 673 single family homesites and two 18 hole golf courses.

In 1988, the Virginia legislators enacted the Chesapeake Bay Preservation Act to protect the water quality of the Chesapeake Bay and its tributaries. The Act requires counties to incorporate water quality protection measures into their comprehensive plan and zoning and subdivision ordinances and to delineate resource preservation areas (RPA's). Prince William County is in the process of drafting the regulations and holding public hearings. Issues such as construction of utilities and golf courses in the RPA's and the ability to include portions of the RPA in the calculation of minimum lot size will greatly affect our property. We are monitoring this process and will attempt to influence the County to adopt reasonable regulations.

We signed a contract with Emery and Garret Groundwater, Inc., to conduct a groundwater resource evaluation study on the site. The purpose of this study is to find sightings for wells able to generate 1,000,000 gallons of water per day for irrigation of the golf courses.

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

1. WASHINGTON, D.C. (N.V. Land Property) (Continued)

We are soliciting proposals from local engineers to conduct a thorough wetlands investigation to precisely delineate the jurisdictional wetlands.

An on-site sanitary sewer study has been completed and a proposal for a complete analysis of sanitary sewer and public water availability is being reviewed. A proposal for a preliminary storm water management plan is also being reviewed.

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

**EXHIBIT B
PROJECTS UNDER CONTRACT, NOT CLOSED
DEVELOPMENT ENTITY FORMED**

2. NEW JERSEY (AT&T Property) (Responsibility - Tom Danahy)

PROJECT SYNOPSIS:

Size: 812 +/- Acres

Location: The property straddles Lawrence and Hopewell Townships in Mercer County, New Jersey. Of the total acreage of the property, 490 acres are situated in Lawrence Township and 322 remain in Hopewell Township. The property is one mile north of I-95 and approximately five miles southwest of Princeton, New Jersey.

Description: The property has a gentle roll and ranges from 170 to 225 feet above sea level. Approximately 30 percent of the property is covered by trees, all of which are in a designated wetland area consisting of 216 acres. This area has been designated "wetlands" primarily because of hydric conditions in the soil. Additionally, the groundwater table is high throughout the property.

There is a ridge which runs from the northwestern to the eastern portion of the site. This ridge represents the dividing line between the Raritan and the Delaware River basins.

**Development
Plans:**

Currently, it is anticipated that the community will consist of 359 units and 18 holes of golf, with approximately 300-350 memberships.

Accessibility:

The property is bordered by Blackwell Road to the north; on the east by Cold Soil Road; Keefe Road to the South; and Federal City Road to the west. The property is accessible from I-95 via Federal City Road. The closest north-south arterial highway is highway 206, which runs from Princeton south through Trenton, providing access to I-95.

**Zoning and
Regulatory
Requirements:**

New Jersey has earned the reputation of having the most difficult regulatory process in the country. This is due primarily to the fact that it is the most densely populated state in the union. The approval process, in this instance, is complicated by the fact that there are two townships to deal with, both of which have been at odds with each

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

2. NEW JERSEY (AT&T Property) (Continued)

other over the past several years. The Lawrence portion of the property is currently zoned E-6, allowing one unit for every two acres (or approximately 254 units). Hopewell zoning is R-200, allowing one unit to every two acres net of a formula which deducts wetlands and environmentally sensitive areas, allowing for approximately 115 units. Currently there is litigation between the townships which is in the process of being resolved.

The sewer issue is proving to be the most difficult in the approval process. Under state and county growth management plans, the property is not located in a "designated sewer service area." In order to receive this designation we will be required to endure a complicated approval process for which no statutory guidelines for time-frames and deadlines have been established.

Utilities:

Water is available through either the Elizabethtown Water Company or the Lawrence Company. As mentioned above, the property is not a designated sewer area. Assuming our efforts for this designation are successful, we would be served by the Ewing Lawrence Sewer Authority. Currently, there is more than enough capacity to satisfy our projected need; however, there is some apprehension of the long term effect that future development will have on these facilities.

**Description
of
Transaction:**

An amended agreement with AT&T regarding this property provides for a purchase price of \$27 million, plus \$45,000 for each residential unit in excess of 360 units. Seller has a right to draw on a \$1,200,000 Letter of Credit in the event of certain defaults by the buyer. Closing on the property is contingent upon obtaining all necessary approvals. Failure to obtain approvals will result in the return of the Letter of Credit deposit.

The agreement allows a two year period to accomplish all necessary approvals. A third year extension would require an additional deposit (in the form of cash) of \$300,000. An extension into the fourth or fifth year would result in the agreed upon price increasing by 12 percent per annum or prime plus two, whichever is greater. Any extension beyond the fifth year would be subject to AT&T's unfettered discretion.

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

2. NEW JERSEY (AT&T Property) (Continued)

CURRENT MONTH ACTIVITY:

Most of our efforts during the month were geared toward having Lawrence Township address the sewer issue. We think we have encountered some delays due to Lawrence's preoccupation with settling various litigation they have been involved in. In order to get their attention, we wrote a letter to the Township Council requesting that they authorize us, through our engineers, to prepare a waste water management plan. As a result of this request, we met with Bob Sheehan, Lawrence Director of Community Development. Highlights of this meeting are as follows:

1. They would rather not have us prepare the Waste Water Management Plan. They are concerned about a bias perception and also feel that it would not be too much of a task for them to update their earlier draft.
2. There are other questions outside the scope of the Waste Water Management Plan that need to be answered and Sheehan was thinking of a separate consultant's study to address some of these issues.
3. Sheehan would talk to the appropriate people in Hopewell to keep them advised of our status. This should facilitate commencing our efforts in Hopewell.

During the month we also met informally with County Executive Bill Mathesius regarding the approval process, our plans, efforts, etc. Mathesius continues to be supportive and has indicated that if we get too bogged down in the local process, that he might be able to help us.

We also filed the completed wetland delineation study with the New Jersey DEP and have continued our land planning efforts based on the completed delineations.

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

**EXHIBIT C
PROJECTS UNDER CONTRACT, NOT CLOSED
DEVELOPMENT ENTITY NOT FORMED**

1. NORTH PALM BEACH, FLORIDA (The Bear's Club)
(Responsibility - Bert Stephenson)

PROJECT SYNOPSIS:

Size: 623 +/- acres

Location: Property is located in North Palm Beach County, Florida. Entire parcel is bordered on the west by Florida Alternate Highway A1A with Donald Ross Road as the southern boundary and Frederick Small Road to the North. The property is flanked by the golf course communities Frenchman's Creek and Admirals Cove to the south and north respectively. The Intracoastal Waterway runs within less than half a mile of the eastern boundary of the property.

Description: The topographical and geological composition of the property is typical of that of the coastal region of Southern Florida. Situated only several feet above sea level, the property is generally flat with little to no relief. Geological characteristics consist principally of soft sand and limestone. The predominate vegetation consists primarily of coastal grasses, pines, palmettos, cypress and scrub oaks. Existing wetlands, or cypress sloughs, consist of 41 +/- acres.

Development Plans: Currently, it is anticipated that the community will consist of 330 units and 36 holes of golf, with approximately 650 club memberships.

Accessibility: With A1A and Donald Ross Road as two of the boundaries of the property, The Bear's Club would have ready access to two of the area's major arteries and easy access to other main thoroughfares. The Florida Turnpike and I-95 are located only a few miles west of the property, accessible within minutes. Commuting from the Bear's Club to West Palm Beach, Palm Beach, Ft. Lauderdale and Boca Raton can easily be made within one hour driving time. Palm Beach International Airport is located within a 20 minute drive from the property.

Zoning and Regulatory Requirements: A combination of residential, commercial and institutional zoning allowing for 3,600 units now constitutes the DRI zoning classification

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

1. NORTH PALM BEACH, FLORIDA (The Bear's Club) (Continued)

of the property. This is based on a master plan subdivision plan submitted to the county by Frenchman's Creek in the mid-1970's. The application for annexation into the town of Jupiter has been filed and is expected to be approved on schedule, with a final reading on July 17th, 1990. Annexation will occur subject to an annexation agreement which specifies zoning to allow for no more than 650 units and at least one golf course. It is expected that this status will be allowed upon annexation approval. In the event that the closing does not take effect, or should the buyer sell the property after closing, the property would revert back to the original status of 3,600 total units. The primary responsibility of obtaining government approval of the site plan lies with the Seller. Seller has successfully developed the Frenchman's Creek Community immediately south of the property (which, incidentally, is virtually sold out) and is well acquainted with the local approval process. Seller has represented that the DRI development requirements are both current and fulfilled. Environmental audit has indicated that the property is not burdened with the existence of hazardous wastes. The company has also engaged the services of a water management consultant to work with staff land planners on a drainage plan acceptable to the South Florida Water Management District.

Utilities:

Water and sewer is to be provided by the county. Seller has represented that water and sewer taps are available at the boundary of the property.

**Description Of
Transaction:**

On November 13, 1989, an agreement was reached with Haft-Gaines Associates, Inc. To acquire 622.7 acres in North Palm Beach, Florida for \$46 million. Additionally, it was agreed that we are to pay seller 20 percent of the sales price of all land sales in excess of \$120 million. The agreement provides for a closing date of November 12, 1990 and allows for four-3 month periods to obtain final governmental approval. Closing is contingent upon:

- A) Governmental approval.
- B) No moratorium being in place.
- C) Accuracy of seller's representation and warranties.

Also, efforts have been initiated to acquire an adjacent parcel of 62 acres from the MacArthur Foundation. It is believed that the acquisition of this parcel would enhance the site plan, facilitate the golf course routing and allow for 66 additional units. Dialogue relating to purchase price, terms, etc. is in process.

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

1. NORTH PALM BEACH, FLORIDA (The Bear's Club) (Continued)

CURRENT MONTH ACTIVITY:

During the month of June, there was significant progress made in the annexation of the site into the city of Jupiter. The Planning and Zoning Commission voted unanimously for the annexation on June 12, 1990. The final reading is scheduled for July 17, 1990.

Now that the land plan has been determined, Bert Stephenson has started to interview builders again. It appears there is a continuing interest on the part of many builders. At this time, we may be in the fortunate position of being able to choose from a large number of good, financially stable builders.

The staking of the two golf courses was completed this month. Tom Pearson, of Golden Bear, has had a chance to walk the site and evaluate the routing. The golf course envelope is sufficient, and with a very few modifications, should work quite well. Golden Bear has been authorized to start work on the golf course grading plan, which will enable us to have a completed grading plan by the end of July. This would facilitate the submission of our water management plan to the South Florida Water Management District in September.

We have selected Franklin Wolfe as our advertising agency, and they will make significant additional contributions as a marketing consultant. Representatives of our marketing department and Bert Stephenson met with Franklin this month to outline the marketing schedule for the coming months. They will institute weekly meetings with him, which should keep us on schedule.

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

**EXHIBIT C
PROJECTS UNDER CONTRACT, NOT CLOSED
DEVELOPMENT ENTITY NOT FORMED**

2. WASHINGTON, D.C. (Moore Property)
(Responsibility - Jim Mancuso)

PROJECT SYNOPSIS:

Size: 610 +/- acres

Location: The Moore property is located in Loudoun County, Virginia, about 4.5 miles west of Dulles International Airport. The property is bounded by Route 772 to the north and Broad Run, a tributary of the Potomac River, to the east. Brambleton, a 2,888 acre mixed use development, borders the property on the west. There is an unimproved 454 acre tract to the south.

Description: The property is predominantly flat to gently sloping with site elevations varying from 240 to 320 feet above sea level. A comprehensive wetlands delineation has not yet been completed, but it is estimated that approximately 30 acres will be designated as wetlands. Much of the acreage is clear and is currently used as a sod farm. Heavily wooded stream valleys criss-cross the property.

Development Plans: It is anticipated that this community would consist of 610 units and 18 holes of golf, with approximately 300-350 club memberships.

Accessibility: Currently, the property has access to the Dulles Access/Toll Road from Route 772 to 625 to Route 28. A proposed northern extension of the Toll Road is expected to be completed sometime in the mid-1990's. The completion of this extension is crucial to the project's fruition.

Zoning and Regulatory Requirements: Our proposed development is compatible with the Loudoun County Comprehensive Plan and the Dulles North Area Management Plan adopted by the County Board of Supervisors. We are filing a rezoning application to change the designation of the site to a planned development, or PD District because it allows greater design flexibility and is perceived by Loudoun County staff and officials to result in a better development product.

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

2. WASHINGTON, D.C. (Moore Property) (Continued)

Utilities: Although water and sewer service for the area is currently provided by septic and well, we plan to extend public utility services to the community.

**Description
of
Transaction:**

On June 10, 1989, an agreement was executed to purchase 646.31 acres subject to receiving zoning and other regulatory approvals. The agreement provides for a per acre purchase price of \$43,560 if closed on or before December 31, 1990, \$45,107 per acre if closed on or before June 30, 1991, and \$46,654 if closed on or before December 31, 1991.

CURRENT MONTH ACTIVITY:

A new purchase agreement incorporating prior amendments and some favorable new revisions is being finalized with Dr. Moore's representatives.

The rezoning application for the property is almost complete and will be filed prior to July 31, 1990.

We signed a contract for a groundwater resource evaluation study. The study will enable us to locate well sites able to generate water for the golf course.

We are negotiating a contract with Kettler and Scott for the purchase of a 34 acre tract adjacent to our site.

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

**EXHIBIT C
PROJECTS UNDER CONTRACT, NOT CLOSED
DEVELOPMENT ENTITY NOT FORMED**

3. BRIGHTON, MICHIGAN
(Responsibility - Mike Sierra)

PROJECT SYNOPSIS:

Size: 1,100 +/- acres. With the exception of a 150 acre tract, all land (six separately owned parcels) is under contract.

Location: The property is located in Livingston County, Michigan, with 800 +/- acres in Hartland Township and 300 in Brighton Township. The property is bordered on the north by Bergin Road. The western border runs parallel to Hacker Road and the Eastern Border runs 1 mile west of Old Highway 23. The property lies just under four miles from the town of Brighton and I-96 and six miles from the county seat of Howell.

Description: The property is comprised of gently rolling terrain with the highest point situated in the Northwestern corner of the property at 1,035 feet above sea level and the lowest point at 950 above sea level in the southeastern extremity. The majority of the property has been used as farmland, with the northern half of the tract dominated by fields separated by hedgerows. Prevalent soil conditions are sand and gravel, in the higher elevations, with more clay in the low-lying wetlands areas. The vegetation is predominantly Oak, Maple and other deciduous hardwoods with some pine. Characteristics of the topography are typical of the Great-Lakes region, formed by glaciation and punctuated with many natural lakes and kettle ponds. Divine and Grubb Lakes are two such ponds existing on the tract. More plentiful hardwoods and pine exist in these lower lying areas. A comprehensive wetlands delineation is scheduled to be completed in July of 1990.

**Development
Plans:**

Currently, it is anticipated that the community will consist of +/- 600 units and 18 holes of golf, with approximately 300-350 club memberships.

Accessibility:

The location of the property near U.S. Highway 23 provides easy access to I-96 and the town of Brighton. Hacker Road also runs north-south to Brighton. Highway 59 (east-west) is just over a mile to the north of the property, offering easy access to U.S. 23. The area is

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

3. BRIGHTON, MICHIGAN (Continued)

accessible to the entire greater Detroit area within one hour driving time. The city of Ann Arbor lies 20 minutes to the south; The Southfield business corridor is 30 minutes east; Lansing and Flint can be reached in 30 minutes; and the metro airport is within a 45 minute drive south-east.

**Zoning and
Regulatory
Requirements:**

The property is currently zoned A (Conservation-Agriculture). The golf course community is being planned in anticipation of obtaining zoning of one unit per acre of land. With 800 of the 1,100 acres in Hartland township, the development agreement regarding density, off site costs, and sewer and water is being negotiated with Hartland Township.

Utilities:

Currently, all water/sewer service in the area is well and septic. However, negotiations for sewer service extension from the Hartland Township sewer treatment plant is currently underway. In addition, the township has approved a hydro/geological study to determine a location for expanded water pumping and treatment facilities, to be operational by the fall of 1991. Pending the success of this effort, this service may be available to the proposed community.

**Description of
Transaction:**

The purchase price of the current assemblage is approximately \$2,500,000. Land deposits of approximately \$90,000 are refundable if zoning is not obtained. Although the seventh 158 acre parcel (Vandray property) would benefit the overall site plan, it is not critical to the project.

The parcels under contract require extension payments if not closed by certain dates. These payments are not applied to the purchase price. In aggregate, approximately \$75,000 in extension payments have been made through June. On a monthly basis, extension payments total approximately \$11,000.

Closings are anticipated in late 1990 or early 1991, except for the McMullen parcel, which was closed May 29, 1990. The closing was necessary as the seller was not willing to extend closing to the early part of 1991, as has been agreed on all but one of the other parcels involved in the assemblage. The purchase price of the 217 acre parcel was \$544,000, requiring a down payment of \$136,000 and a purchase money mortgage of \$408,000 at 10 percent amortized over a three year period.

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

3. BRIGHTON, MICHIGAN (Continued)

CURRENT MONTH ACTIVITY:

Discussions have continued with Hartland Township regarding a development agreement with them.

We are continuing to work on the Environmental Impact Report (EIR) with the intention of filing a rezoning application in the late summer/early fall.

Robert Leighton and Associates have been retained to prepare the EIR, which will include a description of the proposed project and the impact the project will have on the community, both positive and negative.

The Michigan Department of Natural Resources (DNR) has received our application for a wetland evaluation. They started walking the site June 25 and we expect to have the jurisdictional evaluation within two weeks.

Once the DNR has made their determination, we will finalize the master site plan for a presentation to the township.

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

**EXHIBIT C
PROJECTS UNDER CONTRACT, NOT CLOSED
DEVELOPMENT ENTITY NOT FORMED**

5. PLYMOUTH, MASSACHUSETTS
(Responsibility - Tim Kenny)

PROJECT SYNOPSIS:

Size: 887 +/- acres

Location: The Property (currently comprising 637 acres) is located in the Chiltonville section of the Town of Plymouth, Massachusetts. The Property is bounded on the east by Route 3, a state highway extending from north of Boston through Plymouth to Cape Cod. The Property is further bounded on the west by Long Pond Road and on the south by a 3,500 acre parcel owned by the Digital Equipment Corporation. A proposal to purchase 250 acres of the 3,500 acre tract has been submitted to Digital in order to complete the remainder of the proposed assemblage of 887 acres. The Myles Standish State Forest is situated across Long Pond Road and comprises several thousand acres of land. The forest serves as an attractive "no growth" impediment to the entire area west of the property.

Description: The Property is well-contoured, consisting of rolling hills, heavily wooded with mature stands of white pines and hardwoods. Soil characteristics are typical of the Southshore area, predominately well-draining sand and gravel. The 637 acre portion of the Property currently constitutes the proposed Chilton Hall Golf and Country Club development. The project was to include 300 homesites, 48 condominium residences and 27 holes of golf. Initial clearing of all 27 holes (designed by Rees Jones) has already been completed. The Property also includes four anterior subdivided homesites bordering Long Pond Road. The northern extremity of the Property is bisected by a 200 foot wide power line easement. Reports from the current owner and Atlantic Engineering indicate that the Property (637 acres) contains no designated wetlands areas. The 250 acre Digital parcel is identical in geological and topographical constitution; however, it has been confirmed that a portion of this parcel is designated as wetlands, although a formal wetlands delineation has not been performed.

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

5. PLYMOUTH, MASSACHUSETTS (Continued)

**Development
Plans:**

Pre-planning stage estimates plan for 450 units and 36 holes of golf, with approximately 650-700 club memberships.

Accessibility:

Bordering on Route 3, the Property has ready access to the Metro-Boston area. Driving time to downtown Boston and Logan International Airport is under one hour (non-rush hour), and a quarter-hour to Cape Cod. The Town of Plymouth and area shopping are all accessible within minutes.

**Zoning and
Regulatory
Requirements:**

Under a new zoning classification, effectuated by the current owner of the Property, Mike Vogel, the Chilton Hall Property is now termed a "recreational development" by the Plymouth Zoning By-Laws. This new classification was established to provide an alternative to "grid-type" residential subdivisions by providing more recreational areas than standard residential developments. In June of 1989, the Town of Plymouth issued a Special Use Permit to Vogel for the development of the 348 unit project with golf course and clubhouse. The Special Use Permit requires project construction to begin on or before late June, 1991 (two years after the original date of issuance), or the permit must be reapplied for or extended. Both of these alternatives require a public hearing.

Also, in 1987, the Town of Plymouth enacted legislation requiring developments to be "phased-in" over a sixteen year period (i.e., only 6.25 percent of the units in a development can obtain permits annually). However, since Vogel filed his original "grid" subdivision requests before the phasing legislation was introduced, the Chilton Hall property is "grandfathered" from this requirement. The Digital property, on the other hand, would be subject to phasing requirements.

Vogel has accomplished what he feels to be the most difficult part of the zoning and subdivision process. However, because of the inclusion of the Digital property, it will be necessary to seek an amendment to the Special Use Permit to increase the development to 450 units and a 36 hole golf course. It is anticipated that this process will take 9 to 12 months.

**FIDELITY/SIERRA JOINT VENTURE
STATUS REPORT #8
FOR MONTH ENDING JUNE 30, 1990**

5. PLYMOUTH, MASSACHUSETTS (Continued)

Utilities: Water would be supplied by wells.

It is contemplated that sewage disposal would be provided by means of individual septic systems. If septic discharge is less than 15,000 gallons per day for an individual system, approval would be obtained from the local board of health. If septic discharge exceeds this number (as would most likely be the case for the club facilities), approval must be obtained from the Department of Environmental Protection.

**Description
of**

Transaction:

On July 2, 1990, a contract was signed to purchase the Chilton Hall property from Mike Vogel at a cost of \$8,450,000, which includes 637 acres plus four subdivided lots along Long Pond Road. This transaction is contingent upon Vogel's acquiring the right to purchase the 250 acre parcel from Digital Equipment Corporation at a price to be agreed upon by the buyer (it is anticipated that this price should be around \$8,000 to \$10,000 per acre). In addition, Vogel must obtain estoppel agreements from his creditors to prevent buyer's subjection to any potential judgments or claims which could result in an increase in the agreed upon purchase price. The agreement allows a 15 month period to accomplish all necessary permitting and approvals. The participation agreement provides Vogel with twenty percent (20%) of all net profits.

CURRENT MONTH ACTIVITY:

The final agreement was drafted. The agreement was actually executed on July 2, 1990.

EQUITY

CASH ADVANCED	CASH RECEIVED	INCOME (LOSS)	ENDING BALANCE	NET CF PTD	NET CF YTD	NET CF QTD
------------------	------------------	------------------	-------------------	---------------	---------------	---------------

0

0

0

0

0

0

0

0

0

0

0

0

0

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0

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1988 7

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9

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10

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11

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12

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1989 1

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2

0

0

3

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4

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0

5

0

0

6

0

0

7

0

0

8

0

0

9

0

0

10

0

0

11

2,793,912

0 2,793,912

(2,793,912)

12

0

(22,130) 2,771,782

0

1990 1

250,000

0 3,021,782

(250,000)

(3,021,782)

2

0

(8,577) 3,013,205

0

0

3

250,000

(59,674) 3,203,531

(250,000)

(250,000)

4

0

(49,073) 3,154,458

0

0 (3,203,531)

5

0

(884,450) 838,939 3,108,947

884,450

884,450

884,450

6

490

(11,075)

(3,669) 3,094,693

10,585

10,585

10,585

7

3,094,693

3,094,693

3,094,693

3,094,693

PTD (EB = AVG)

695,816 3,020,289

(2,398,877)

IRR RETURNS GAAP RETURN

32.80%

34.56%

YTD (EB = AVG)

717,946 3,052,628

395,035

44.96%

47.04%

QTD (EB = AVG)

786,197 3,140,407

895,035

109.06%

100.14%

2,249,427

- 50,809

2,198,678

+ 895,525 Income

3,094,203

3,094,693 V

496 paid

Funded

KEPNER-TREGOE PROPERTY

SECOND QUARTER 1990 SUMMARY

Princeton, New Jersey

Equity Investment

Office building and 159 undeveloped acres

In March 1987, USF&G Corporation acquired Kepner-Tregoe Corporation. Included in this acquisition were Kepner-Tregoe's headquarters office, 23,000 square feet on five acres, and 159 acre parcel of commercially zoned, undeveloped land in Princeton, New Jersey.

Since the time of purchase, this property has been managed by USF&G Administrative Services. In June 1990, management responsibility of this property was transferred to USF&G Realty in order to facilitate the review and consideration of various disposition and/or development opportunities.

A lease was signed March 30, 1987 with Kepner-Tregoe to occupy the office space. This lease calls for monthly payments of \$26,657 and was "Triple-Net". In November, 1989, this lease was amended to facilitate the renovation of the office. USF&G Realty agreed to extend the original lease to November 1999 and lend Kepner-Tregoe \$500,000 for renovation costs. The loan calls for 120 monthly payments of \$6,607 including interest and principal. Interest is stated at 10%.

Total renovation costs at June 30, 1990, paid by USF&G Realty are \$749,957. \$500,000 are covered by the above described loan. The remaining \$249,957 is currently payable.

The 159 acre parcel includes a 4,000 square foot residential dwelling currently leased at \$990 per month.

**KEPNER-TREGOE PROPERTY
SUMMARY**

Property Information

Investment Type: Equity

Investment Status: Funded June, 1987

Location: Princeton, N.J.

Controlling Entity: USF&G Realty

Description: Kepner-Tregoe Headquarters office including 23,000 square foot office building and surrounding 5 acres.

Additional undeveloped 159 acres including small residential structure. Zoned commercial.

Property purchased as part of the March, 1987 USF&G Corporation acquisition of Kepner-Tregoe Corporation.

Most Recent Appraisal: \$3,000,000 Office and 5 acres (12/86).
\$32,110 per acre remaining 159 acres.

Financing Summary

Equity Commitment: \$2,771,383 - Office
\$4,412,263 - Remaining 159 acres

Investment by Entity: USF&G Realty, Inc.

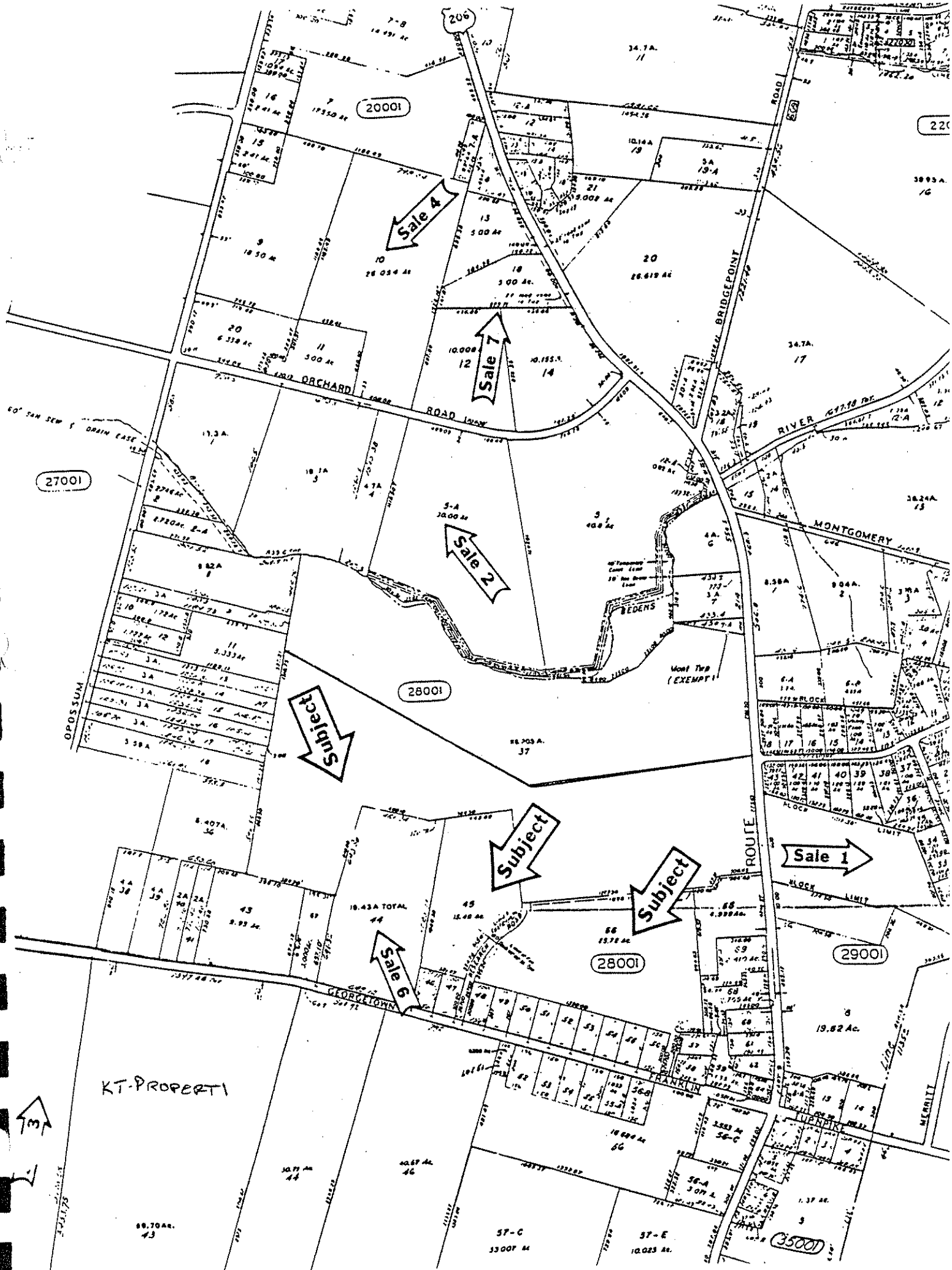
Amount Funded at June 30, 1990 \$7,183,646 - Office and all acreage

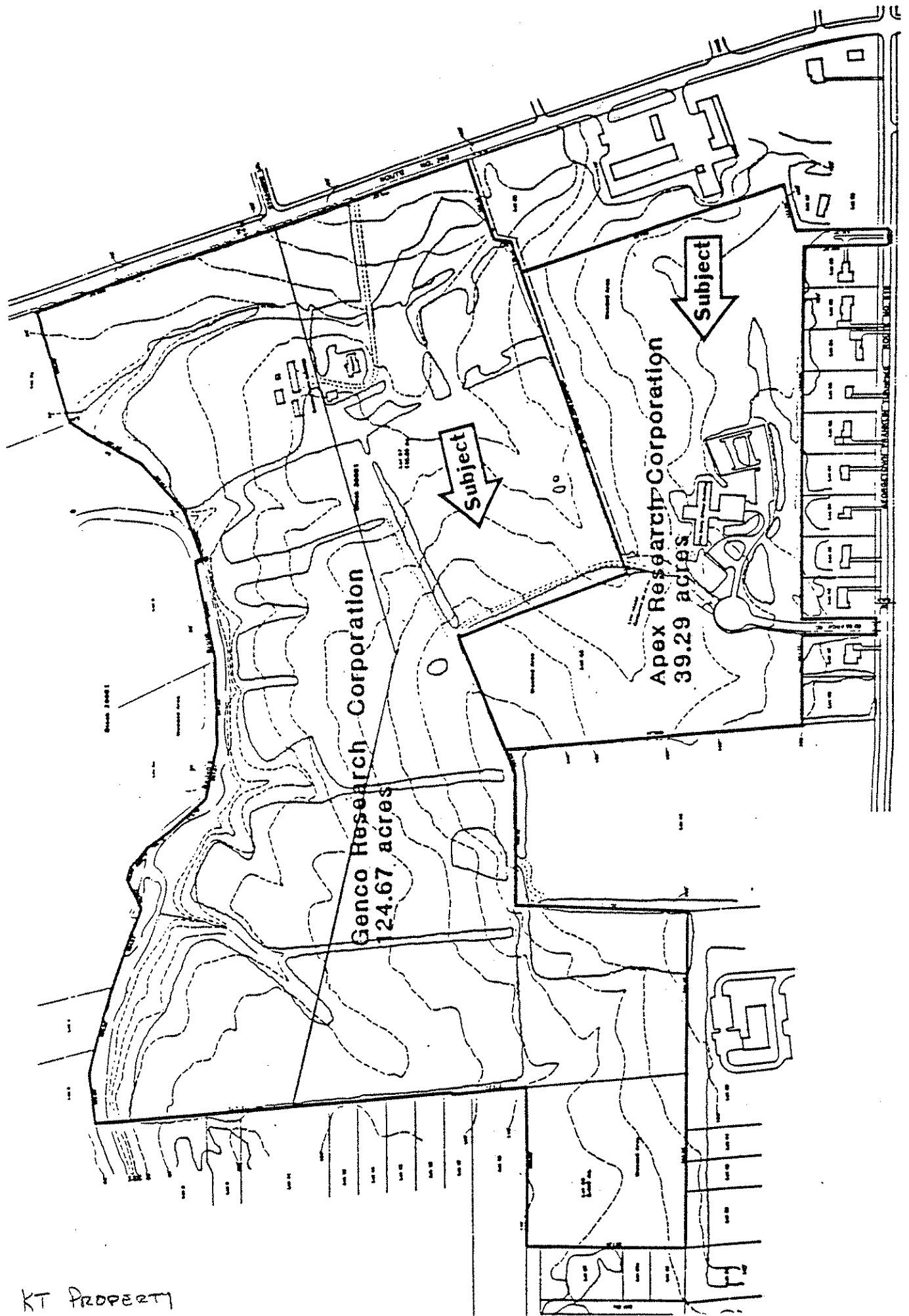
Lease Revenue: \$26,657/month - Office
\$990/month - Residential structure

Additional Revenue: \$6,607.54/month principal and interest payment on 120 month, 10% promissory note.

Tenant borrowed \$500,000 from USF&G Realty to finance building renovations.

Additional renovation costs of \$249,957 are due and payable to USF&G Realty at 6/30/90.





KT PROPERTY

KEPNER-TREGOE LAND

06-Aug-90

EQUITY - PREDEVELOPMENT

	CASH ADVANCED	CASH RECEIVED	INCOME (LOSS)	ENDING BALANCE	NET CF PTD	NET CF YTD	NET CF QTD
					0		
8				0	0		
9				0	0		
10				0	0		
11				0	0		
12				0	0		
1987 1				0	0		
2				0	0		
3				0	0		
4				0	0		
5				0	0		
6	4,251,687	(990)	990	4,251,687	(4,250,697)		
7		(990)	990	4,251,687	990		
8		(990)	990	4,251,687	990		
9		(990)	990	4,251,687	990		
10		(990)	990	4,251,687	990		
11		(990)	990	4,251,687	990		
12		(990)	990	4,251,687	990		
1988 1		(990)	990	4,251,687	990		
2		(990)	990	4,251,687	990		
3		(990)	990	4,251,687	990		
4		(990)	990	4,251,687	990		
5		(990)	990	4,251,687	990		
6		(990)	990	4,251,687	990		
7		(990)	990	4,251,687	990		
8		(990)	990	4,251,687	990		
9		(990)	990	4,251,687	990		
10		(990)	990	4,251,687	990		
11		(990)	990	4,251,687	990		
12		(990)	990	4,251,687	990		
1989 1	16,104	(990)	990	4,267,791	(15,114)		
2	16,104	(990)	990	4,283,895	(15,114)		
3	16,104	(990)	990	4,299,999	(15,114)		
4	16,104	(990)	990	4,316,103	(15,114)		
5	16,104	(990)	990	4,332,207	(15,114)		
6	16,104	(990)	990	4,348,311	(15,114)		
7	16,104	(990)	990	4,364,415	(15,114)		
8	16,104	(990)	990	4,380,519	(15,114)		
9	16,104	(990)	990	4,396,623	(15,114)		
10	16,104	(990)	990	4,412,727	(15,114)		
11	16,104	(990)	990	4,428,831	(15,114)		
12	16,104	(990)	990	4,444,935	(15,114)		
1990 1	0	(990)	990	4,444,935	990	(4,443,945)	
2	0	0	0	4,444,935	0	0	
3	0	0	0	4,444,935	0	0	
4	0	0	0	4,444,935	0	0	(4,444,935)
5	0	(992)	990	4,444,933	992	992	992
6	0	0	0	4,444,933	0	0	0
7	0	0	0	4,444,933	4,444,933	4,444,933	4,444,933

IRR RETURNS GAAP RETURNS							
PTD (EB = AVG)			32,670	4,316,973	(28,246)	0.25%	0.25%
YTD (EB = AVG)			1,980	4,444,934	1,982	0.09%	0.09%
QTD (EB = AVG)			990	4,444,934	992	0.09%	0.09%

Funded

4444,933

- 32,670

4,412,263

EQUITY - OPERATING

	CASH ADVANCED	CASH RECEIVED	INCOME (LOSS)	ENDING BALANCE	NET CF PTD	NET CF YTD	NET CF QTD
				0	0		
				0	0		
				0	0		
				0	0		
				0	0		
1987				0	0		
				0	0		
				0	0		
				0	0		
				0	0		
	6	3,007,740	(26,657)	16,890	2,997,973	(2,981,083)	
	7		(26,657)	16,890	2,988,206	26,657	
	8		(26,657)	16,890	2,978,439	26,657	
	9		(26,657)	16,890	2,968,672	26,657	
	10		(26,657)	16,890	2,958,905	26,657	
	11		(26,657)	16,890	2,949,138	26,657	
	12		(26,657)	16,890	2,939,371	26,657	
1988	1		(26,657)	16,890	2,929,604	26,657	
	2		(26,657)	16,890	2,919,837	26,657	
	3		(26,657)	16,890	2,910,070	26,657	
	4		(26,657)	16,890	2,900,303	26,657	
	5		(26,657)	16,890	2,890,536	26,657	
	6		(26,657)	16,890	2,880,769	26,657	
	7		(26,657)	16,890	2,871,002	26,657	
	8		(26,657)	16,890	2,861,235	26,657	
	9		(26,657)	16,890	2,851,468	26,657	
	10		(26,657)	16,890	2,841,701	26,657	
	11		(26,657)	16,890	2,831,934	26,657	
	12		(26,657)	16,890	2,822,167	26,657	
1989	1		(26,657)	16,890	2,812,400	26,657	
	2		(26,657)	16,890	2,802,633	26,657	
	3		(26,657)	16,890	2,792,866	26,657	
	4	62,496	(26,657)	16,890	2,845,595	(35,839)	
	5	62,496	(26,657)	16,890	2,898,324	(35,839)	
	6	62,496	(26,657)	16,890	2,951,053	(35,839)	
	7	62,496	(26,657)	16,890	3,003,782	(35,839)	
	8	62,496	(26,657)	16,890	3,056,511	(35,839)	
	9	62,496	(26,657)	16,890	3,109,240	(35,839)	
	10	62,496	(26,657)	16,890	3,161,969	(35,839)	
	11	62,496	(26,657)	16,890	3,214,698	(35,839)	
	12	62,496	(26,657)	16,890	3,267,427	(35,839)	
1990	1	62,496	(26,657)	16,890	3,320,156	(35,839)	(3,303,266)
	2	62,496	(26,657)	16,890	3,372,885	(35,839)	(35,839)
	3	62,496	(26,657)	16,890	3,425,614	(35,839)	(35,839)
	4	0	(26,657)	24,565	3,423,522	26,657	(3,398,957)
	5	0	(26,657)	24,565	3,421,430	26,657	26,657
	6	0	(26,657)	24,554	3,419,327	26,657	26,657
	7	0		3,419,327	3,419,327	3,419,327	3,419,327

IRR RETURNS GAAP RETURNS

PTD (EB = AVG)	647,944	3,015,967	(99,224)	7.00%	6.97%
YTD (EB = AVG)	124,354	3,378,623	(27,546)	7.35%	7.36%
QTD (EB = AVG)	73,684	3,422,473	79,971	8.68%	8.61%

Funded 3,419,327

647,944

2,771,383

LA JOLLA VALLEY

SECOND QUARTER 1990 SUMMARY

San Diego, California

Partnership and Development Loan

4,666 acres residential and golf project

In the first quarter of 1990, documents were submitted for the project so that a formal review process could begin and negotiations continued concerning the potential "downzoning" of the property by the City Council. PIA is responding with appropriate political efforts and has made progress in maintaining the 1 per 4 zoning we hope to achieve (Strategy summary attached). The 1 per 10 zoning that is being threatened was always the "fallback" position for the development in any case. A decision is expected in September, 1990.

POTOMAC INVESTMENT ASSOCIATES

MEMORANDUM

TO: Gene Holloway
Tim Smith

FROM: Lance Burris

DATE: July 10, 1990

SUBJECT: Approval Strategy for Black Mountain Ranch, San Diego

Please find attached as Exhibit A a proposed Approval Strategy for the Black Mountain Ranch project. This Strategy responds to the current political realities in San Diego. It seeks to gain the vigorous support of park and open space advocates by making Black Mountain Ranch a model of public/private cooperation in managing growth and acquiring parklands.

Also find attached as Exhibit B draft text for a proposed Black Mountain Ranch flyer. When complete, the flyer will be distributed to City Government, planning groups, park advocates, and others as appropriate. This document provides an overview of the project as finally conceived.

Also find attached as Exhibit C a brief summary of pending activities. On July 12th, PIA will begin a formal dialogue with the Joint Powers Authority of the San Dieguito River Valley Regional Park. By introducing proposed Future Urbanizing Area policies, I hope to influence the JPA's recommendations to the San Diego City Council with respect to the FUA. It is my firm conviction that if within the next few months the City can be persuaded to adopt a workable FUA policy, PIA will be successful in obtaining the timely approval of Black Mountain Ranch.

Very truly yours,


Lance Burris

cc: Mary Lyn McGinn

EXHIBIT A

APPROVAL STRATEGY
BLACK MOUNTAIN RANCH

(JULY 1990)

would leave individual owners free to address specific concerns while identifying themselves as members of the Alliance.

The Alliance would use a well publicized "carrot and stick" approach in dealing with the City, while appealing to the planning instincts of the City staff and the special interests of various community groups.

- a. The "stick" would consist of a threat of multi-million dollar litigation against the City. This litigation would be based upon the emerging pattern of conspiracy to deny the FUA property owners economic use of their land in order to preserve open space. If necessary, the Alliance would attack Proposition A itself on constitutional grounds.
- b. The "carrot" would consist of presenting an alternative to litigation in the form of a vision for the FUA. The term "vision", while somewhat overworked, was suggested by Councilwoman Wolfsheimer and offers an alternative to the Planning Department's "plan", the timing and ultimate character of which pose a potential threat to the owners' interests. The vision provides a face-saving device to the Department consistent with the City Council's April 5th policy directive which called for the preparation of a number of overlay zones. (This approach should be well received by Councilman Roberts, perhaps gaining his support for preservation of the 1 du / 4 ac option.)
 - 1) The primary focus of the vision would be the San Dieguito River Valley Regional Park. The Alliance would prepare a private park plan as a basis for negotiation with the Joint Powers Authority. The Alliance would represent the owners with respect to larger policy matters. In the process it would seek the active support of the Executive Director of the JPA in preserving the few land use tools now available to FUA owners in any park negotiation. (While the current Executive Director of the JPA was heavily involved in the passage of Proposition A, she recently expressed concern about the impact of proposed changes in FUA policy with respect to the San Dieguito Park negotiations.)
 - 2) The secondary focus of the vision would be to limit development intensity in the FUA in order to preserve community character and facilitate improved traffic circulation. This should be of interest to adjoining communities.
 - 3) The third focus would be the introduction of innovative sewer and water policies and technologies in the FUA. This should be of

interest to City government in meeting its Federal commitments to clean water and to the general public as it relates to water conservation and reduced sewer treatment costs.

c. The strategy would have the following phases and goals:

1) The next six months

- a) Convince the City Council to leave the existing land use tools in place or, alternatively, adopt minimal changes to Policy 600-29 (e.g., require City Council approval).
- b) Gain initial acceptance of a private vision for the FUA, subject to later verification and refinement by the City during a six-month period.

2) The following year

- a) Conduct detailed private planning and park negotiations in the FUA which are consistent with the vision.
- b) Develop and gain acceptance of an alternative to Proposition A which relieves property owners in the FUA of the city-wide vote requirement after the year 1995. This could be part of a larger park deal involving the State and Federal Government.

2. Create a Positive Public Image for Black Mountain Ranch

Aggressively advance the Black Mountain Ranch project in the public consciousness. This can be accomplished by PIA in the following manner:

- a. Prepare graphic materials for presentation purposes. These would include portable boards, a flyer, and a small booklet highlighting the essential character and benefits of the project to the community. Black Mountain Ranch would be characterized as a "regional recreational area", consisting of an integrated mix of public and private and active and passive recreational uses.
- b. Carry this message to the government and the public by briefing City Council members and various community planning and special interest groups.
- c. Make an early appearance before the City Council or, as a minimum, the Transportation and Land Use Committee to formally present the Black Mountain Ranch project prior to application for a "phase shift." This presentation

would be used to familiarize the Council, press, and the general public with PIA's intentions in the area.

- d. Initiate a dialogue with the environmental community and surrounding communities to determine what would make Black Mountain Ranch a model project in their eyes, incorporating their ideas to the maximum extent possible.
- e. Employ a political person with Federal and/or State Parks experience who would become the local park "guru" for PIA. This individual would use the park as a means of maintaining ongoing formal and informal contacts with key Council Members. PIA, in cooperation with the JPA, would create a revocable trust or other legal mechanism for the park. The trust would release park lands under performance agreements relating to development. This package would guarantee that the park would happen, provided that certain portions of the adjoining development were allowed to proceed in a timely manner. Phasing would permit early incremental development (e.g., cumulative phase totals might equal 230 du, 460 du plus TPC, 550 du plus second TPC, etc.) thereby realizing the vision in accordance with the City's Growth Management Plan. PIA proposes to offer the entire park on a similar basis for 1 du/4 ac overall excepting three villages, and the hotel. The Black Mountain Ranch proto-type could then be imitated by others to make the park a reality, encouraging land donations (in exchange for development rights) which leverage local park bond proceeds and possibly State and Federal matching funds. Under this scenario, San Diego has the potential of becoming a State and Federal model with related endorsements. The City and even the Sierra Club might want to be associated with this kind of success story, since the protected parklands and open space system would become the "Environmental Tier" used to keep many local species off the endangered list. This regionally significant habitat system could be enhanced over time through its use as a repository for offsite mitigation for projects located throughout San Diego.
- f. In cooperation with the Century Club, PGA Tour, and the local golfing community, assert the many benefits (sports interests, publicity, multiplier effect, proceeds to charities, etc.) to San Diego in creating a new home for the San Diego Open at Black Mountain Ranch. Carry our message through the sports pages and the Century Club to the media in order to encourage the local golfing community to participate in public hearings and other forums.
- g. Include a North City Annex of the Bishops School in Black Mountain Ranch in order to enhance the project's

marketability and gain the active support of influential community members.

3. Create and Maintain Good Will with City Council Members

In order to keep the lines of communication open, establish and maintain personal contacts with all City Council Members and appropriate aides, making contributions to community projects on a district basis. Special attention should be given to the Mayor, Councilwoman Wolfsheimer, and Councilmen Roberts and Pratt as potential swing votes, although no Councilperson should be neglected.

4. Maintain Liaison with Other Organizations to Influence Overall Growth Management Policies

PIA is not in a position to greatly influence the City's overall Growth Management Plan, Public Facilities Financing Plan, and Sensitive Lands regulations, all of which affect the long term-viability of the Black Mountain Ranch project. Therefore, PIA should respond to these issues through such organizations as the Alliance of Property Owners, San Diego 2000, Coalition for San Diego, Building Industry Association, and the Construction Industry Federation. This will mean contributions of time and money.

Reallocation of Resources

In order to have adequate resources to implement this strategy and related actions, PIA should do the following:

1. Prepare appropriate public presentation materials for the project.
2. Make specific assignments to the communication and political team members in accordance with the strategy, cutting back on functions considered non-essential at this time in order to conserve resources.
3. Update and fund the overall budget to ensure that the required resources are available.

EXHIBIT B

FLYER TEXT

BLACK MOUNTAIN RANCH: GROWTH MANAGEMENT IN ACTION

Black Mountain Ranch is a proposed new community that celebrates the natural beauty of the land by blending very low density development with large areas of open space. The goal of Black Mountain Ranch is to retain and enhance those elements which make San Diego unique. Because of this orientation, the resulting design is both environmentally sound and responsive to growth management concerns. We feel that Black Mountain Ranch will be a significant force in shaping future development in San Diego.

The Property

Black Mountain Ranch consists of 4,600 acres located in the northern part of the City of San Diego. The property is roughly bounded by the communities of Rancho Santa Fe, Fairbanks Ranch, Rancho Penasquitos, and Rancho Bernardo. (See Location Map.)

The property includes gently rolling hills in the south, a large central valley ("La Jolla Valley"), and finger canyons defining a mesa to the north. Over the years the property has been farmed intermittently; however, large-scale farming operations are no longer sustainable because of poor soil conditions and the increasing cost of water.

Future Land Uses

Black Mountain Ranch is the result of exhaustive resource-based planning which began by identifying sensitive land forms, biological habitats, and archaeological remains. Subsequently, in planning the future economic use of the property, Black Mountain Ranch focused on the needs of the City of San Diego and the expectations of surrounding communities. The resulting community plan has created the _____-acre "La Jolla Valley Preserve and Recreation Area" which has been designed to traverse the property. This richly diverse open space will become an integral part of the proposed San Dieguito River Valley Regional Park, providing the first public access from the proposed park to Black Mountain Park, located to the south. (See Open Space Plan.)

The La Jolla Valley Preserve will permanently protect _____ acres of public and private open space for the preservation and enhancement of biological habitats, riparian corridors, and wetlands. The Preserve represents the first opportunity to add lands now in private ownership to a regional "environmental tier" designed to safeguard threatened species of plant and animal life in a biologically significant habitat system. In addition, the Preserve will provide public access for hiking and other activities consistent with the conservation effort.

The La Jolla Valley Recreation Area will provide recreational opportunities on a scale found only in such areas as Mission Trails Regional Park. Amenities will include active community parks,

playing fields, golf courses, hang-gliding and ballooning areas, and an extensive system of trails for hiking, bicycling and horseback riding.

The combined La Jolla Valley Preserve and Recreation Area will become the centerpiece of a rural residential community of no less than 4,000 acres, with an overall density not to exceed one house per four acres. This development will be of much lower density than the density defined as "rural" by the County. It will create a permanent rural buffer for the San Dieguito River Valley Regional Park and nearby communities. (See Land Use Plan.)

On the remaining land, three tightly clustered villages will provide essential services, such as small shops, churches, day-care centers, schools, senior facilities, and a variety of housing types. By confining this higher density development to a limited land area, Black Mountain Ranch will balance its rural housing with less expensive houses at a range of prices. At least 12 percent of the units will be affordable to first-time homebuyers.

Black Mountain Ranch will also create two championship golf courses which will be operated by the PGA TOUR. The courses will be irrigated with reclaimed water. It is intended that the golfing facilities will become the new home of the San Diego Open, establishing San Diego as a leader in the tournament circuit and substantially increasing the bottom line to local charities. In addition, a site has been reserved for a future lodge, a landmark hotel overlooking the last green of tournament play. This lodging facility will ultimately be needed by the San Diego Open.

It should be noted that construction of the three villages and the lodge are to be phased over time, subject to a favorable city-wide vote of the people under Proposition "A" (the "Managed Growth Initiative"), which was approved by the voters in the mid-1980's.

This development approach uses appropriate economic activities to underwrite the preservation of Black Mountain Ranch's "Big Sky" character as the community matures.

Community Benefits

Black Mountain Ranch believes that future development in San Diego should be in accordance with certain principles if the city's character is to be preserved. Listed below are Black Mountain Ranch's affirmative responses to those principles:

1. Development should construct facilities which alleviate traffic congestion.

Response

Black Mountain Ranch creates a low density community, providing east-west roads with capacities exceeding those

required by the development for the benefit of the region and surrounding communities.

2. Development outside urban centers should not overwhelm basic land forms.

Response

Black Mountain Ranch forever locks in rural densities and lifestyles on at least 95 percent of the property by preserving generous amounts of open space through rural clustering. In addition, it anticipates future institutional, commercial, and residential needs by reserving land for three villages which will not alter the land's overall character.

3. A new community should incorporate the protection of sensitive lands as a design feature.

Response

Black Mountain Ranch complies with the City's tough resource protection requirements. It preserves, and in many cases enhances, sensitive habitats and wildlife corridors by minimizing grading and preserving expanses of open space.

4. A new community should pay for itself in terms of needed capital improvements and public services.

Response

Black Mountain Ranch is "revenue positive" on both a capital and operating basis, which means it contributes revenue to the City beyond its own needs, making those resources available for use elsewhere in the city.

5. A new community should construct recreational facilities which anticipate future needs in order to reduce the pressure on Diego's existing resources.

Response

In addition to meeting its own recreational needs, Black Mountain Ranch will create the regionally significant La Jolla Valley Preserve and Recreation Area, which will provide a variety of recreational opportunities on hundreds of acres linking the San Dieguito River Valley and Black Mountain Park.

6. A new community should help the City and County meet its water and sewer needs instead of taxing the already burdened systems.

Response

Black Mountain Ranch requires the use of drought

resistant plants and irrigates all golf courses and common areas with reclaimed water. This reclaimed water use constitutes a market for millions of gallons of waste water a day which otherwise would be treated at Point Loma and dumped into the ocean at taxpayer expense. In addition, purchasing reclaimed water will result in increased economies of scale to the benefit of public water reclamation agencies. These and other agencies will also benefit from both potable and reclaimed water storage at Black Mountain Ranch.

Ownership

Black Mountain Ranch is owned by the Black Mountain Ranch Limited Partnership with Potomac Investment Associates as managing partner. Potomac is committed to working with the community to guarantee the kind of future envisioned here. As urban pressures mount, this may be the last opportunity to protect this important part of the city.

For additional information on Black Mountain Ranch, please contact Marcia Hammett at (619) 792-7061 or address correspondence to Potomac Investment Associates San Diego, Inc., 12770 High Bluff Drive, Suite 260, San Diego, CA 92130.

EXHIBIT C

PENDING ACTIVITIES

LIST OF PENDING ACTIVITIES

1. Attempt to achieve a workable public policy framework to protect the property's value.

Scheduled events include the following:

- a. July 10th City Council hearing on emergency Growth Management ordinances. (Since Councilwoman Wolfsheimer is going on vacation for three weeks starting on June 20th, she is likely to press vigorously for early Council action on this item.)
- b. July 17th City Council hearing of emergency Growth Management ordinances, Fairbanks Highlands (street vacation and project), and Future Urbanizing Area.
 1. re: Growth Management Ordinances-- Same as "a" above. Six votes needed to enact on an emergency basis.
 2. re: Fairbanks highlands -- Delay action until FUA policy set.
 3. re: FUA -- Delay policy decision until September 24 to allow time for the JPA to make its recommendations and for the City Council to become better informed.
- c. July 20th PIA/Alliance presentation of Future Urbanizing Area "vision" to park JPA subcommittee. Demonstrate how Black Mountain Ranch implements the vision.
 1. Gain JPA support for dividing the FUA into 4 community planning areas. (Between PIA and Signal, the equivalent of a community plan has been prepared.)
 2. Obtain JPA support for retaining the 1 du / 4 ac option.
 3. Gain support for the BMR project specifically.
- d. July 24th City Council hearing (same as "b" above).
- e. September 24th City Council hearing on FUA
 1. Seek park advocates and community planning group support for the one for four option by September 24th.
 2. Seek retention of existing zoning with City Council discretionary approval and minimal changes to the CUP ordinance. If we can obtain this outcome, BMR will have overcome its most difficult hurdle.

**LA JOLLA
SUMMARY**

Property Information

Investment Type: 50% limited partnership interest

Investment Status: Funding began June, 1988.

Location: San Diego, California

Controlling Entity: La Jolla Valley Associates LP

Description:

- o 4,666 acres of undeveloped land
- o Plan to develop property into
 - 94 luxury residential building lots
 - hotel and commercial sites
 - at least two (2) golf courses (at least one of which will be a PGA-Tour, Inc. course)
 - a park (via a 740-acre open space dedication)

Other Features: Upon completion of requisite infrastructure, property will have excellent access to the I-5 and I-15 transportation corridors.

**Borrower/Developer/
Partner:** Developer/Partner - Potomac Investment

**Most Recent
Property Appraisal:** \$82,000,000 (11/21/89)

LA JOLLA

Financing Summary

Loan Commitment: \$79,125,000
Equity Commitment: \$1,500,000

Investment by Entity: \$79,125,000 Debt USF&G CO.
\$1,500,000 Equity La Jolla USF&G Realty Inc

Funding Date: 6/88

Amount Funded at
December 31, 1989: \$59,892,513 DEBT
\$834,718 EQUITY

Interest Rate:

Interest Rate: 15%

Pay Rate: 7%

Accrued Interest: 8%

Additional Interest:

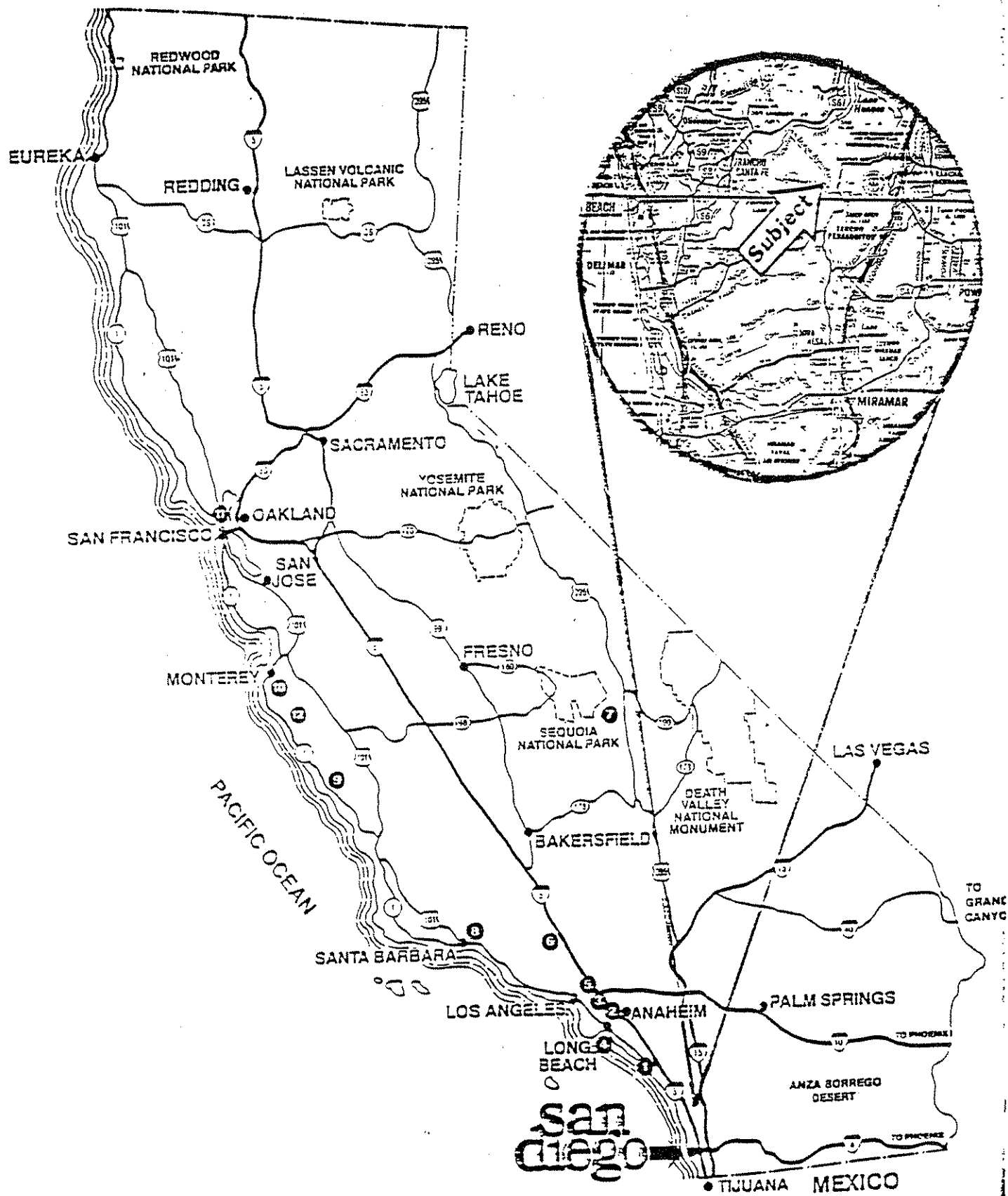
Operations: USF&G has the right to finance development

Sale or Refinancing:

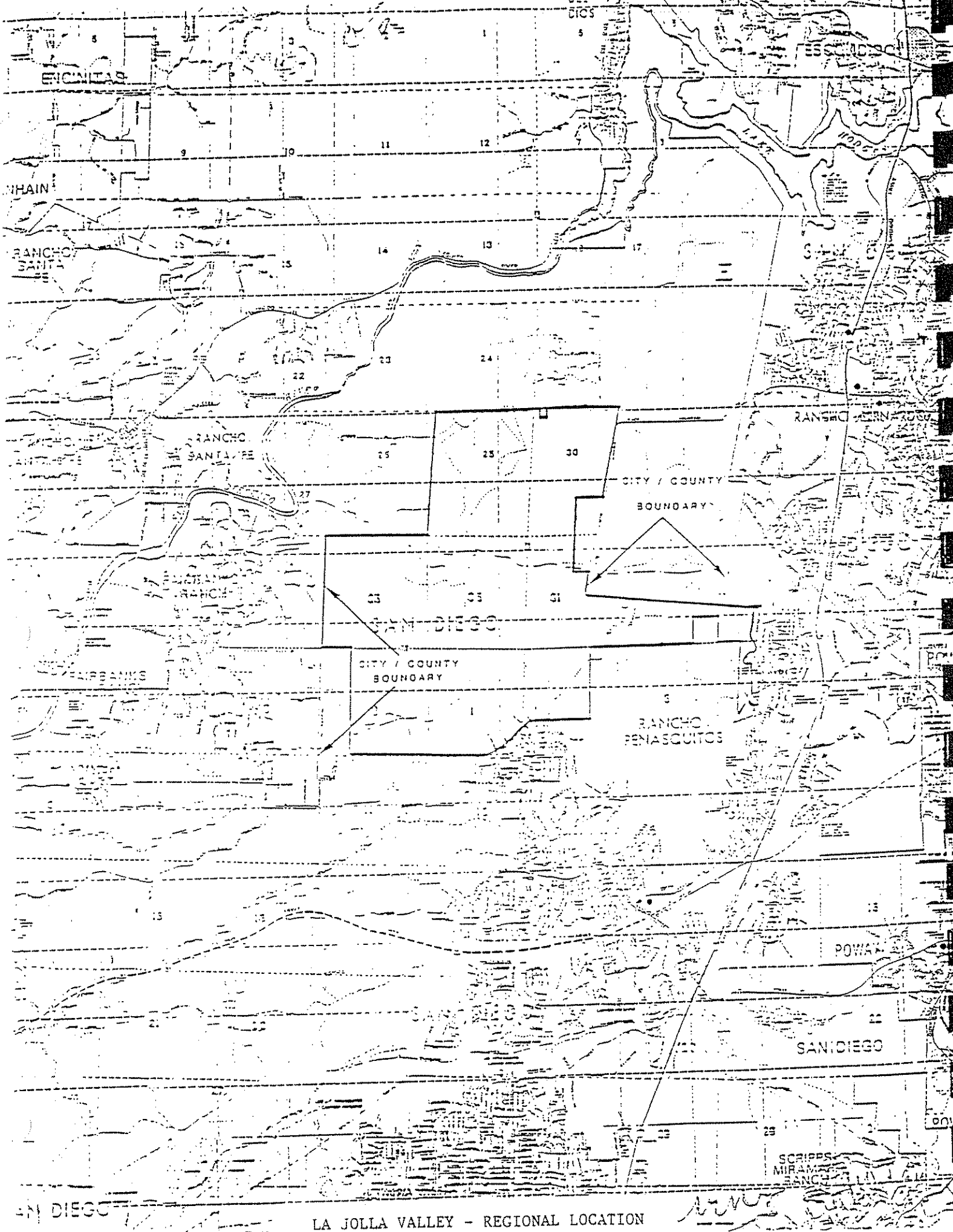
Additional Security:

Prepayment: Prepayment of all or any part of the principal balance in integral amounts of \$1 million permitted at any time upon thirty (30) days prior written notice.

california



LA JOLLA VALLEY - REGIONAL LOCATION
MAP #1



◆◆◆◆

PTD (EB = AVG)	0	664,284 (1,500,002)	0.00%	0.00%
YTD (EB = AVG)	0	1,139,530 (665,284)	0.00%	0.00%
QTD (EB = AVG)	0	1,308,646 (361,751)	0.00%	0.00%

Funded 1,500.000

06-Aug-90

CASH ADVANCED	CASH RECEIVED	INTEREST INCOME	ENDING BALANCE	NET CF PTD	NET CF YTD	NET CF QTD
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Funded

SENIOR POTOMAC INVESTMENT ASSOCIATES, INC. 1-10-90 4:30 PM

1100
Will be changed to 1000

LA JOLLA VALLEY ASSOCIATES LIMITED PARTNERSHIP
 Cashflow Projections in 1990 \$ Annual Inflated U.S. Dollars (000's Omitted)
 1100 Lots in Black Mountain Ranch North & South with 3 Golf Courses

Exhibit A

	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
LA JOLLA VALLEY San Diego	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	TOTAL	Rate	Assume
Lot Sales # Units	2	0	0	0	0	50	100	100	150	200	180	120	100	80	20	0	0	0	1,100	Exhibit A-2 (825)
Lot Sales Proceeds	3	0	0	0	0	31,021	64,861	67,681	105,753	146,643	140,031	96,811	81,781	70,988	19,763	0	0	0	825,334	Exhibit A-3 (825)
400 Room Resort Hotel	4	0	0	0	0	13,200	0	0	0	0	0	0	0	0	0	0	0	0	13,200	30 Room (50 acres)
Total Sales & other	7	0	0	0	0	44,221	64,861	67,681	105,753	146,643	140,031	96,811	81,781	70,988	19,763	0	0	0	838,534	
Costs & Expenses:	8																			
Land Acq. & Closing	9	53,250	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	53,265	Purchase Price
PGA Tour Fees	10	210	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	210	Actual PGA Agree.
Land Devel. Cost	11	0	38	29	16,410	34,362	21,423	23,795	42,066	25,778	8,138	8,441	4,352	44	45	0	0	0	104,922	Exhibit A-4 (813)
Golf Costs	12	0	0	0	8,000	15,000	7,213	4,363	4,000	0	0	0	0	0	0	0	0	0	38,576	PGA Tour Estimate
Self Cost Recovery	13	0	0	0	0	-3,000	-3,600	-3,600	-765	-1,738	-2,338	-2,375	-2,414	-2,430	-10,314	0	0	0	-38,576	2001 Sale for Cost Bal.
Arch. & Land Plan	14	0	0	0	0	0	0	180	94	81	46	0	0	0	0	0	0	0	962	Exhibit A-4 (825)
Engineering	15	30	200	360	0	0	242	198	81	46	0	0	0	0	0	0	0	0	1,794	Exhibit A-4 (800)
Insurance	16	100	187	584	290	66	242	198	81	46	0	0	0	0	0	0	0	0	645	Estimate
Project Admin.	17	11	12	13	16	22	38	60	63	65	68	70	73	75	39	0	0	0	8,555	45 M/Mo. LAMPFA OH
Legal & Prof. Fees	18	200	521	540	557	594	621	648	675	702	729	756	783	810	419	0	0	0	1,384	Exhibit A-5 (852)
Marketing Costs	19	215	76	150	425	88	121	210	31	33	0	0	0	0	0	0	0	0	24,818	.04 sales Exh. A-5 (852)
Devel. Fees to PIA	20	0	97	263	389	1,934	2,709	2,827	4,299	5,351	5,601	3,872	3,271	2,840	791	0	0	0	41,927	.05 sales
Realty Taxes	21	0	0	0	0	2,211	3,243	3,384	5,288	7,332	7,002	4,841	4,089	3,549	988	0	0	0	28,953	.0100 value before Infl.
Contingency	22	336	499	602	614	5,395	5,432	4,868	4,022	2,894	1,855	1,165	801	128	0	0	0	0	35,287	.15 gross cost RE-19
	23	0	0	257	3,855	7,518	4,452	4,418	7,047	4,008	1,340	1,290	787	138	75	0	0	0	392,732	
Costs & Expenses Subtotal	24	54,352	1,585	2,338	30,557	58,776	41,914	41,351	66,864	45,149	22,397	18,159	11,582	5,155	-7,957	0	0	0	445,802	
Cashflow before Capital	25	-54,352	-1,585	-2,338	-30,557	-14,555	22,947	26,330	38,889	101,494	117,634	78,652	70,199	65,834	27,720	0	0	0	0	
Working Capital	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Add Equity Capital	27	755	1,118	1,127	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
USFG Debt Financing	28	55,738	4,503	4,992	-65,294	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cashflow ex Other Debt	29	2,142	4,036	3,281	-55,801	-14,555	22,947	26,330	38,889	101,494	117,634	78,652	70,199	65,834	27,720	0	0	0	448,802	
Our Cashflow	30	2,142	6,178	9,459	-86,342	-100,897	-77,950	-51,620	-12,731	88,763	206,397	285,049	355,248	421,082	448,802	448,802	448,802	448,802	0	
External Debt	31	0	0	0	1,171	121,872	154,038	150,532	142,934	120,884	28,954	0	0	0	0	0	0	0	0	
Debt Drawn/Repaid, Net	32	0	0	1,171	120,701	32,165	-3,506	-7,598	-22,050	-91,930	-28,954	0	0	0	0	0	0	0	0	
Ending External Debt	33	0	0	1,171	121,872	154,038	150,532	142,934	120,884	28,954	0	0	0	0	0	0	0	0	0	
Cashflow External Debt	34	0	0	1,171	120,701	32,165	-3,506	-7,598	-22,050	-91,930	-28,954	0	0	0	0	0	0	0	0	
External Finance Cost	35	0	0	0	-75	-7,854	-17,511	-13,441	-18,732	-15,839	-9,554	0	0	0	0	0	0	0	0	
Finance Cost USFG	36	-2,142	-4,036	-4,377	-17,046	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cashflow before PGA share	37	0	0	0	0	0	0	0	0	0	84,732	78,652	70,199	65,834	27,720	0	0	0	327,137	See Exhibit Aa
PGA devel. profit share	38	0	0	0	0	0	0	0	58	409	3,665	4,587	4,279	3,360	1,084	0	0	0	18,043	
Net Cashflow	39	0	0	0	0	0	0	0	-58	-409	81,066	74,065	65,920	61,874	26,636	0	0	0	309,094	See Exhibit Aa
Net Cashflow to Equity	40	-755	-1,118	-1,127	0	0	0	0	-58	-409	81,066	74,065	65,920	61,874	26,636	0	0	0	306,094	

Assumes no additional capital, but additional external development
 at 12% per annum; golf courses sold at 1 for residual cost; 50 . . . 400
 more recent total site sold in 1997

LA JOLLA VALLEY ASSOCIATES LIMITED PARTNERSHIP Exhibit Aa
Assumptions; Calculation of PGA Share of PIA's Profits; Allocated Cashflow
in 1990 \$2 Annual Inflated U. S. Dollars Starting in 1991 000's Omitted

	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
LA JOLLA VALLEY San Diego	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	TOTAL	Rate	Assume
Inflation Factor	52	1.00	1.00	1.00	1.05	1.10	1.15	1.20	1.25	1.30	1.35	1.40	1.45	1.50	1.55	1.60	1.65	1.70		.05 Inflation Rate
Value for R.E. Tax	53																			.0100 Est. California
Cashflow before PGA share	54	33,600	43,900	60,200	61,400	999,561	543,160	486,239	402,157	288,355	185,628	116,477	60,076	12,750	0	0	0	0	327,137	Exhibit A
Less Partners' capital	55																		-3,000	Exhibit A
Less Partners' Preference	56	-755	-1,118	-1,127															-3,738	.15 Partnership Agree.
Less L/P's Profit 63%	57	-42	-180	-365	-450	-450	-450	-450	-450	-450	-450	0	0	0	0	0	0	0	-201,851	
Less 37% of Self recovery	58	0	0	0	0	0	0	0	0	0	-48,136	-48,551	-44,225	-41,475	-17,464	0	0	0	-14,272	
PIA Development Profits	59	0	0	0	0	-3,330	-1,332	-1,332	-288	-643	-866	-879	-883	-899	-3,816	0	0	0		
Add PIA Preference	60																			
Less PIA D/H 2453.3324/mo	61	-797	-1,298	-1,488	-450	-3,780	-1,782	-1,782	-733	-1,093	34,281	28,222	25,081	23,460	6,440	0	0	0	104,276	PGA Tour Agree.
Add PIA D/H 2453.3324/mo	62																			
Less PIA D/H 2453.3324/mo	63	21	90	183	225	225	225	225	225	225	225	0	0	0	0	0	0	0	1,388	.15 Partnership Agree.
Add PIA D/H 2453.3324/mo	64	-333	-400	-400	-400	-400	-400	-400	-400	-400	-400	-400	-400	-400	-200	0	0	0	-5,333	3 EC Phases IIII
Add PIA D/H 2453.3324/mo	65	200	240	240	240	240	240	240	240	240	240	240	240	240	120	0	0	0	3,200	20 M/No LVA LP Agree.
Add PIA Developers' fee	66	0	0	0	0	2,211	3,243	3,384	5,288	7,332	7,002	4,841	4,089	3,549	988	0	0	0	41,927	Exhibit A
Less int on PIA capital	67	-14	-66	-150	-178	-196	-216	-238	-263	-283	-318		0	0	0	0	0	0	-1,928	24.25% compounded
Shared Devel. Profits	68																			
Gas Devel. Profits	69	-923	-1,434	-1,620	-553	-1,700	1,310	1,429	4,367	6,015	41,030	32,903	29,010	26,849	7,348	0	0	0	144,011	PGA Tour Agree.
Gas PIA share @ 7.2573%	70	-923	-2,357	-3,977	-4,540	-6,240	-4,930	-3,501	855	6,871	47,901	80,804	109,814	136,663	144,011	144,011	144,011	144,011		PGA Tour Agree.
Gas PIA share @ 7.2573%	71																			
Gas Excess over \$5MM	72																			
Gas PIA share @ 12.2973%	73																			
Gas PIA share/year @ 12.2973%	74	0	0	0	0	0	0	0	58	409	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	.0730 PGA Tour Agree.
Gas Excess over \$5MM	75																			
Gas PIA share @ 12.2973%	76																			
Gas PIA share/year @ 12.2973%	77	0	0	0	0	0	0	0	0	0	2,308	3,075	3,075	3,075	3,075	3,075	3,075	3,075	3,075	.1230 PGA Tour Agree.
Gas Excess over \$5MM	78																			
Gas PIA share @ 17.2973%	79																			
Gas PIA share/year @ 17.2973%	80	0	0	0	0	0	0	0	0	0	2,308	767	0	0	0	0	0	0	3,075	.1230
Gas Excess over \$5MM	81																			
Gas PIA share @ 17.2973%	82																			
Gas PIA share/year @ 17.2973%	83	0	0	0	0	0	0	0	0	0	3,820	8,089	12,069	13,143	13,143	13,143	13,143	13,143	13,143	.1730 excess over \$5MM
Total PGA share/year	84	0	0	0	0	0	0	0	58	409	3,665	4,587	4,279	3,960	1,084	0	0	0	18,043	to Exhibit A
Equity Partners Cashflow	85																			
PIA-General & Limited	86	-378	-559	-563	0	0	0	0	-58	-408	28,561	24,514	21,685	20,399	9,172	0	0	0	102,374	
USFG-Class A Limited	87	-377	-559	-564	0	0	0	0	0	0	42,366	39,326	35,089	32,917	13,550	0	0	0	162,068	55.98 % Internal Rate of Return ("IRR")
UDI-Class B Limited	88	0	0	0	0	0	0	0	0	0	10,139	10,225	9,126	8,558	3,804	0	0	0	41,852	
Net Allocated Cashflow	89	-755	-1,118	-1,127	0	0	0	0	-58	-409	81,066	74,065	65,520	61,874	26,636	0	0	0	306,094	Exhibit A

PGA Tour calculations of development profit share combine Phases I and II based on PGA Tour Master Agreement; PGA Share allocated to PIA only per that Agreement; allocated cashflow based on Phases I & II. 08/4/01;04/02/90;WCC

LA JOLLA VALLEY ASSOCIATES LIMITED PARTNERSHIP Exhibit A-1
Cashflow Projections in 1990 Constant U.S. Dollars (000's Omitted)
1100 Lots in Black Mountain Ranch North & South with 3 Golf Courses

	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
LA JOLLA VALLEY San Diego	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	TOTAL	Rate	Assume
Lot Sales # Units	2	0	0	0	0	50	100	100	150	200	180	120	100	80	20	0	0	0	1,100	Exhibit A-2 0020
Lot Sales Proceeds	3	0	0	0	0	28,201	55,401	55,401	84,502	112,802	103,727	69,151	56,401	47,326	12,750	0	0	0	627,762	Exhibit A-3 0020
400 Room Resort Hotel	4	0	0	0	0	12,000	0	0	0	0	0	0	0	0	0	0	0	0	12,000	30 R/Room 150 acres
Total Sales & other	5	0	0	0	0	40,201	55,401	55,401	84,502	112,802	103,727	69,151	56,401	47,326	12,750	0	0	0	639,762	
Costs & Expenses:	6																			
Land Acq. & Closing	7	59,250	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	53,265	Purchase Price
PGA Tour fees	8	210	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	210	Actual PGA Agree.
Land Devel. Cost	9	0	38	29	15,629	31,229	18,629	19,829	33,629	19,829	6,029	6,029	3,029	29	29	0	0	0	153,986	Exhibit A-4 0010
Golf Costs	10	0	0	0	8,000	15,000	7,213	4,363	4,000	0	0	0	0	0	0	0	0	0	38,576	PGA Tour Estimate
Golf Cost Recovery	11	0	0	0	0	-3,000	-3,500	-3,500	-755	-1,738	-2,338	-2,376	-2,414	-2,430	-10,314	0	0	0	-98,576	2001 Sale for Cost Bal.
Arch. & Land Plan	12	30	200	360	0	0	0	150	75	75	0	0	0	0	0	0	0	0	890	Exhibit A-4 0020
Engineering	13	100	187	584	276	60	210	165	65	35	0	0	0	0	0	0	0	0	1,682	Exhibit A-4 0000
Insurance	14	11	12	15	15	20	50	50	50	50	50	50	50	50	25	0	0	0	495	Estimate
Project Admin.	15	208	521	540	540	540	540	540	540	540	540	540	540	540	270	0	0	0	6,931	45 M/Module+PGA 00
Legal & Prof. Fees	16	215	76	190	405	75	105	175	25	25	0	0	0	0	0	0	0	0	1,291	Exhibit A-5 0050
Marketing Costs	17	0	97	263	370	1,758	2,356	2,356	3,434	4,562	4,149	2,766	2,256	1,893	510	0	0	0	26,770	.04 sales/Exh.A-5 0050
Devel. Fees to PGA	18	0	0	0	0	2,010	2,820	2,820	4,230	5,640	5,185	3,458	2,820	2,365	688	0	0	0	31,988	.05 sales
Realty Taxes	19	336	498	602	614	5,936	5,632	4,868	4,022	2,894	1,855	1,185	801	128	0	0	0	0	28,959	.0100 value before Infl.
Contingency	20	0	0	257	3,730	7,039	4,012	3,791	5,798	3,083	993	993	543	93	49	0	0	0	30,341	.15 gross cost R13-19
Costs & Expenses Subtotal	21	59,362	1,385	2,838	29,579	54,727	37,767	35,507	55,062	34,995	16,465	12,625	7,425	2,668	-8,793	0	0	0	336,803	
Cashflow before Capital	22	-59,362	-1,385	-2,838	-29,579	-14,526	18,634	20,894	29,540	77,807	87,262	56,526	48,976	44,657	21,543	0	0	0	302,959	
Working Capital	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Add Equity Capital	24	755	1,118	1,127	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,000	Committed Capital
USFG Debt Financing	25	55,739	4,503	4,992	-65,234	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cashflow ex Other Debt	26	2,142	4,086	3,281	-94,813	-14,526	18,634	20,894	29,540	77,807	87,262	56,526	48,976	44,657	21,543	0	0	0	305,959	
Cur Cashflow	27	2,142	6,178	9,459	-85,354	-99,880	-81,246	-60,362	-30,812	46,995	134,257	130,783	238,759	284,416	305,959	305,959	305,959	305,959	305,959	
External Debt	28	0	0	0	1,171	120,816	152,807	153,740	152,386	141,612	77,811	1,160	0	0	0	0	0	0	0	
Debt Drawn/Repaid, Net	29	0	0	1,171	118,645	31,991	933	-1,354	-10,774	-63,801	-76,651	-1,160	0	0	0	0	0	0	0	
Ending External Debt	30	0	0	1,171	120,816	152,807	153,740	152,386	141,612	77,811	1,160	0	0	0	0	0	0	0	0	
Cashflow External Debt	31	0	0	1,171	118,645	31,991	933	-1,354	-10,774	-63,801	-76,651	-1,160	0	0	0	0	0	0	0	
External Finance Cost	32	0	0	-75	-7,786	-17,465	-19,567	-19,540	-18,766	-14,006	-10,611	-158	0	0	0	0	0	0	-107,974	
Finance Cost USFG	33	-2,142	-4,086	-4,377	-17,045	0	0	0	0	0	0	0	0	0	0	0	0	0	-27,601	
Cashflow before PGA share	34	0	0	0	0	0	0	0	0	0	0	55,208	48,976	44,657	21,543	0	0	0	170,384	See Exhibit A-1a
PGA devel. profit share	35	0	0	0	0	0	0	0	0	200	246	2,094	2,178	2,566	896	0	0	0	7,979	
Net Cashflow	36	0	0	0	0	0	0	0	0	-200	-246	53,114	46,798	42,091	20,848	0	0	0	162,405	
Net Cashflow to Equity	37	-755	-1,118	-1,127	0	0	0	0	0	-200	-246	53,114	46,798	42,091	20,848	0	0	0	159,405	See Exhibit A-1a

Assumes no additional capital, but additional external development firm
at 12% per annum; golf courses sold in 2 or residual cost; 50 acres

LA JOLLA VALLEY ASSOCIATES LIMITED PARTNERSHIP Exhibit A-1a
Assumptions; Calculation of PGA Share of PIA's Profits; Allocated Cashflow
in 1990 Constant U. S. Dollars (000's Unaudited)

		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
		1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	TOTAL	Rate	Assume
LA JOLLA VALLEY San Diego		1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	TOTAL	Rate	Assume
Inflation Factor	52	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	.00	Inflation Rate
Value for R.E.Tax	54	33,600	43,900	60,200	61,400	59,561	543,160	486,759	402,157	289,355	285,628	115,477	60,075	12,750	0	0	0	0	170,384	.0100	Est. California
Cashflow before PGA share	55	0	0	0	0	0	0	0	0	0	0	55,208	48,976	44,657	21,593	0	0	0	-3,000		Exhibit A-1
Less Partners' capital	57	-755	-1,118	-1,127	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-4,188		Exhibit A-1
Less Partners' Preferences	58	-42	-180	-365	-450	-450	-450	-450	-450	-450	-450	0	0	0	0	0	0	0	-102,814		.15 Partnership Agree.
Less L/P's Profit 53%	59	0	0	0	0	0	0	0	0	0	0	-30,253	-30,865	-28,134	-13,572	0	0	0	-14,272		
Less 37% of Golf recovery	60	0	0	0	0	-3,330	-1,332	-1,332	-288	-643	-865	-679	-883	-699	-3,816	0	0	0	46,110		PGA Tour Agree.
PIA Development Profits	62	-797	-1,298	-1,493	-450	-3,780	-1,782	-1,782	-733	-1,033	-1,315	23,626	17,228	15,624	4,155	0	0	0	2,094		.15 Partnership Agree.
Add PIA Preference	63	21	90	183	225	225	225	225	225	225	225	225	0	0	0	0	0	0	-5,333		3 GC Phases III
Less PIA O/H @ 20%/mo	65	-333	-400	-400	-400	-400	-400	-400	-400	-400	-400	-400	-400	-400	-200	0	0	0	3,200		20 Who LVA LP Agree.
Add PIA O/H @ 20%/mo.	66	200	240	240	240	240	240	240	240	240	240	240	240	240	120	0	0	0	31,988		Exhibit A-1
Add PIA Developers' fee	67	0	0	0	0	2,010	2,820	2,820	4,230	5,540	5,186	3,458	2,820	2,365	638	0	0	0	2,279		P+25% compounded
Less int. on PIA capital	68	14	66	150	178	195	216	236	263	289	318	351	381	411	441	471	501	531	75,780		PGA Tour Agree.
Shared Devel. Profits	70	-923	-1,434	-1,520	-553	-1,901	887	865	3,299	4,323	3,618	26,798	19,888	17,830	4,713	0	0	0	75,780		PGA Tour Agree.
Gas Devel. Profits	71	-923	-2,357	-3,977	-4,540	-6,441	-5,554	-4,689	-1,390	2,933	6,551	33,349	53,297	71,067	75,780	75,780	75,780	75,780	75,780		
Gas PGA share @ 7.2573%	73	0	0	0	0	0	0	0	0	200	446	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825		.0730 PGA Tour Agree.
PGA share/year @ 7.2573%	74	0	0	0	0	0	0	0	0	200	246	1,379	0	0	0	0	0	0	1,825		after PGA cost 27.3
Gas Excess over \$25MM	75	0	0	0	0	0	0	0	0	0	0	6,524	26,412	44,242	48,955	48,955	48,955	48,955	48,955		
Gas PGA share @ 12.2973%	77	0	0	0	0	0	0	0	0	0	0	715	2,893	3,075	3,075	3,075	3,075	3,075	3,075		.1230 PGA Tour Agree.
PGA share/year @ 12.2973%	78	0	0	0	0	0	0	0	0	0	0	715	2,178	182	0	0	0	0	3,075		after cost 27.3/27.27
Gas Excess over \$50MM	79	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Gas PGA share @ 17.2973%	81	0	0	0	0	0	0	0	0	0	0	0	0	0	2,384	3,079	3,079	3,079	3,079		.1730 excess over \$50MM
PGA share/year @ 17.2973%	82	0	0	0	0	0	0	0	0	0	0	0	0	0	2,384	655	0	0	0		1.730
Total PGA share/year	84	0	0	0	0	0	0	0	0	200	246	2,094	2,178	2,565	655	0	0	0	7,979		to Exhibit A-1
Equity Partners Cashflow	85	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	54,497		
PGA-General & Limited	87	-378	-559	-563	0	0	0	0	0	-200	-246	19,267	15,943	13,957	7,276	0	0	0	83,692		8.83 % Internal Rate of Return ("IRR")
USF&S-Class A Limited	89	-377	-559	-564	0	0	0	0	0	0	0	27,604	24,468	22,323	10,771	0	0	0	21,215		
UIT-Class B Limited	91	0	0	0	0	0	0	0	0	0	0	6,243	6,367	5,805	2,801	0	0	0	159,405		Exhibit A-1
Net Allocated Cashflow	93	-755	-1,118	-1,127	0	0	0	0	0	-200	-246	53,114	46,798	42,091	20,848	0	0	0	0		

PGA Tour calculations of development profit share combine Phases I and II based on PGA Tour Master Agreement; PGA Share allocated to PIA only per that Agreement; allocated cashflow based on Phases I & II. (NBA; 013; 04/02/90; NCC)

LA JOLLA VALLEY ASSOCIATES LIMITED PARTNERSHIP Exhibit A-2
Sales Absorption Revised from 2300 Lots to 1100 Lots Total Project
550 Lots Each in Phases I & II Black Mountain Ranch South and North

	2	3	4	5	6	7	8	9	10	11	12	13	14	15
La Jolla Valley Sales	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Total
Units & Amounts	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units
Phase I lots	3	100	100	100	100	100	57							557
Phase II WB	4	0	0	0	8	8	8	8	8	8	8	8	8	80
Phase II OS	5	0	0	0	35	35	35	35	35	35	35	35	30	345
Phase II PH	6	0	0	0	60	60	60	60	60	60	60	60	60	600
Phase II GC	7	0	0	0	65	65	65	65	65	65	65	65	58	643
Phase II N680	8	0	0	0	7	7	7	7	7	7	7	7	12	75
	9													
Total Units & Sales	10	100	100	100	275	275	232	175	175	175	175	175	168	2,300
	11													
Revised Phase I	12													150
1-acre semi-custom	13	15	30	30	30	30	15							50
4-10-acre-custom	14	5	10	10	10	10	5							350
2-2.5-acre-custom	15	30	60	60	60	60	60	20						
	16													
Revised Phase I	17	50	100	100	100	100	80	20	0	0	0	0	0	550
	18													
Revised Phase II	19													150
1-acre semi-custom	20				15	30	30	30	30	15				50
4-10-acre-custom	21				5	10	10	10	10	5				350
2-2.5-acre-custom	22				30	60	60	60	60	60	20			
	23													
Revised Phase II	24	0	0	0	50	100	100	100	100	80	20	0	0	550
	25													
Revised Totals I&II	26	50	100	100	150	200	180	120	100	80	20	0	0	1,100

Total Project as stated in 06/08/89 cash flow projection for 2300 lots;
 Phase I Black Mountain Ranch South as revised 12/06/89; Phase II Black
 Mountain Ranch as revised 03/06/90. (Model 48; D1a; 03/06/90; WCC)

SENT BY: POTOMAC INVESTMENT ASSOCIATES 7-10-90 2:34PM

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LA JOLLA VALLEY ASSOCIATES LIMITED PARTNERSHIP																	Exhibit A-3
Sales Absorption Revised from 2300 Lots to 1100 Lots Total Project																	
in 1990 Constant U.S. Dollars - No Inflation (000's Unitted)																	
	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
La Jolla Valley Sales	Total	\$/Lot	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Total	
Units & Amounts	2 Units	000's	Sales\$	Sales\$	Sales\$	Sales\$	Sales\$	Sales\$	Sales\$	Sales\$	Sales\$	Sales\$	Sales\$	Sales\$	Sales\$	Sales\$	
Phase I lots	3	557	500	50,000	50,000	50,000	50,000	50,000	28,500	0	0	0	0	0	0	0	278,500
Phase II WB	4	80	260	0	0	0	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	20,800
Phase II OS	5	345	208	0	0	0	7,280	7,280	7,280	7,280	7,280	7,280	7,280	7,280	7,280	6,240	71,760
Phase II PH	6	600	176	0	0	0	10,560	10,560	10,560	10,560	10,560	10,560	10,560	10,560	10,560	10,560	105,600
Phase II GC	7	643	200	0	0	0	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	11,600	128,600
Phase II M680	8	75	156	0	0	0	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,872	11,700
9																	
Total Units & Sales	10	2,300	268	50,000	50,000	50,000	84,012	84,012	62,512	34,012	34,012	34,012	34,012	34,012	34,012	32,352	616,960
11																	
Revised Phase I	12																
1-acre semi-custom	13	150	271.7	4,076	8,151	8,151	8,151	8,151	4,076	0	0	0	0	0	0	0	40,756
4-10acre-custom	14	50	1,000	5,000	10,000	10,000	10,000	10,000	5,000	0	0	0	0	0	0	0	50,000
2-2.5acre-custom	15	350	637.5	19,125	38,250	38,250	38,250	38,250	12,750	0	0	0	0	0	0	0	223,125
16																	
Revised Phase I	17	550	571	28,201	56,401	56,401	56,401	56,401	47,326	12,750	0	0	0	0	0	0	313,881
18																	
Revised Phase II	19																
1-acre semi-custom	20	150	271.7	0	0	0	4,076	8,151	8,151	8,151	8,151	4,076	0	0	0	0	40,756
4-10acre-custom	21	50	1,000	0	0	0	5,000	10,000	10,000	10,000	10,000	5,000	0	0	0	0	50,000
2-2.5acre-custom	22	350	637.5	0	0	0	19,125	38,250	38,250	38,250	38,250	12,750	0	0	0	0	223,125
23																	
Revised Phase II	24	550	571	0	0	0	28,201	56,401	56,401	56,401	56,401	47,326	12,750	0	0	0	313,881
25																	
Revised Totals I&II	26	1,100	571	28,201	56,401	56,401	84,602	112,802	103,727	69,151	56,401	47,326	12,750	0	0	0	627,762

Total Project of 2300 Lots as projected 06/08/89; 550 Lots Phase I Black Mountain Ranch South Revised 12/06/89; 550 Lots Phase II Black Mountain Ranch North revised 03/06/90.
(Model 48; L 03/06/90; WCC)

LA JOLLA VALLEY ASSOCIATES LIMITED PARTNERSHIP Exhibit A-4
Land Development; Architecture & Engineering (Phases I and II Combined)
in 1990 Constant U.S.\$ (000's Omitted)

	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Land Development	1	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Total
Roads&Improvements	2	0	0	0	6,000	12,000	6,000	6,000	12,000	6,000	0	0	0	0	0	0	0	0	48,000
Drainage	3	0	0	0	250	500	250	750	1,500	750	0	0	0	0	0	0	0	0	4,000
Land Development	4	0	0	0	2,500	5,000	5,000	7,500	10,000	7,500	5,000	5,000	2,500	0	0	0	0	0	50,000
Domestic Water	5	0	0	0	1,625	3,250	1,625	875	1,750	875	0	0	0	0	0	0	0	0	10,000
Reclaimed Water	6	0	0	0	2,000	4,000	2,000	500	1,000	500	0	0	0	0	0	0	0	0	10,000
Sewer	7	0	0	0	625	1,250	625	875	1,750	875	0	0	0	0	0	0	0	0	6,000
Property Management	8	0	38	24	24	24	24	24	24	24	24	24	24	24	24	0	0	0	326
Subtotal	9	0	38	24	13,024	26,024	15,524	16,524	28,024	16,524	5,024	5,024	2,524	24	24	0	0	0	128,326
Incidentals 20%	10	0	0	5	2,605	5,205	3,105	3,305	5,605	3,305	1,005	1,005	505	5	5	0	0	0	25,660
Land Development	12	0	38	29	15,629	31,229	18,629	19,829	33,629	19,829	6,029	6,029	3,029	29	29	0	0	0	153,986
15% Contingency	13	0	0	4	2,344	4,684	2,794	2,974	5,044	2,974	904	904	454	4	4	0	0	0	23,088
Total Development	14	0	38	33	17,973	35,913	21,423	22,803	38,673	22,803	6,933	6,933	3,483	33	33	0	0	0	177,074
Arch.& Land Plan:	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Phase I	16	30	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	80
Phase II	17	0	87	68	0	0	0	50	25	25	0	0	0	0	0	0	0	0	255
Resort	18	0	0	105	0	0	0	50	25	25	0	0	0	0	0	0	0	0	205
Landscape PI	19	0	63	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100
Landscape PII	20	0	0	150	0	0	0	50	25	25	0	0	0	0	0	0	0	0	250
Arch.& Land Plan	21	30	200	360	0	0	0	150	75	75	0	0	0	0	0	0	0	0	890
15% contingency	22	0	0	54	0	0	0	23	11	11	0	0	0	0	0	0	0	0	99
Total Arch.& Plan	23	30	200	414	0	0	0	173	86	86	0	0	0	0	0	0	0	0	989
Engineering:	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Geotech	25	0	16	4	0	0	10	0	0	0	0	0	0	0	0	0	0	0	30
Traffic	26	0	9	21	0	0	25	0	0	0	0	0	0	0	0	0	0	0	55
Dry Utilities	27	0	0	35	0	0	10	15	0	0	0	0	0	0	0	0	0	0	60
Wet Utilities	28	0	8	87	0	0	25	25	0	0	0	0	0	0	0	0	0	0	145
Civil	29	0	0	115	115	25	25	50	25	25	0	0	0	0	0	0	0	0	380
Planning	30	100	114	160	101	25	50	50	25	0	0	0	0	0	0	0	0	0	625
Golf Courses	31	0	0	75	0	0	50	0	0	0	0	0	0	0	0	0	0	0	125
Environment	32	0	40	87	60	10	15	25	15	10	0	0	0	0	0	0	0	0	262
Engineering	33	100	187	584	276	60	210	165	65	35	0	0	0	0	0	0	0	0	1,682
15% contingency	34	0	0	88	41	9	32	25	10	5	0	0	0	0	0	0	0	0	210
Total Engineering	35	100	187	672	317	69	242	190	75	40	0	0	0	0	0	0	0	0	1,892

Assumes development costs to complete and sell 1100 finished lots in both
Phases I and II Black Mountain Ranch North (Phase III) and South (Phase I).
(Model 83;D13;03/07/90;WCC)

LA JOLLA VALLEY ASSOCIATES LIMITED PARTNERSHIP Exhibit A-5
Zoning Costs & Professional Fees & Start-Up Marketing Costs (Phases I & II)
in 1990 Constant U.S.\$ (000's omitted)

in 1990 Constant U.S.\$ (000's omitted)																			
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Land Development	1	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Total
Zoning&Prof.Fees:	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
City Consultant	46	0	3	18	25	25	25	25	0	0	0	0	0	0	0	0	0	0	121
City Application	47	0	5	70	310	15	25	50	0	0	0	0	0	0	0	0	0	0	475
Fiscal Impact	48	0	0	25	5	10	15	25	0	0	0	0	0	0	0	0	0	0	80
Financial Impact	49	0	0	20	5	10	15	25	0	0	0	0	0	0	0	0	0	0	75
Legal & professional	50	215	68	57	60	15	25	50	25	25	0	0	0	0	0	0	0	0	540
	51																		
Zoning,Legal & prof.fee	52	215	76	190	405	75	105	175	25	25	0	0	0	0	0	0	0	0	1,291
15% contingency	53	0	0	29	61	11	16	26	4	4	0	0	0	0	0	0	0	0	151
	54																		
Total Professional Fees	55	215	76	219	466	86	121	201	29	29	0	0	0	0	0	0	0	0	1,442
	56																		
Marketing:	57	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public Relations	58	0	31	119	250	100	50	50	25	25	0	0	0	0	0	0	0	0	650
Government	59	0	39	31	20	50	25	25	25	25	0	0	0	0	0	0	0	0	240
Studies	60	0	23	17	0	0	25	25	0	0	0	0	0	0	0	0	0	0	90
Campaign	61	0	4	96	100	0	0	0	0	0	0	0	0	0	0	0	0	0	200
	62																		
Marketing	63	0	97	263	370	150	100	100	50	50	0	0	0	0	0	0	0	0	1,180

Includes costs for Phase II Black Mountain Ranch North and Resort, and
Phase I Black Mountain Ranch South.
(Model 83;D13;03/07/90;ECC)

LAKE PLACID RESORT

SECOND QUARTER 1990 SUMMARY

Lake Placid New York

Partnership and Development Loan

1100 Acre Golf and Residential Development

In July of 1988, Lake Placid Club Realty I funded \$3,000,000 to become a 50% General Partner with Gleneagles Hotels America, Inc., also a 50% General Partner in Lake Placid Resort Partnership, to purchase and develop the 1100 acre Lake Placid Club Resort.

The master development plan and the PUDD application were filed on November 9, 1989. The APA responded on December 20, 1989 with a 56-page Notice of Incomplete Application containing 321 questions (exclusive of sub-questions). Newspaper articles addressing the APA's response to date generally favor Lake Placid Resort Partnership's position. Local contacts have advised that public support is on our side, and the recent creation of the Solutions Committee headed by, among others, Village Mayor Peacock is evidence of such.

On January 4, members of the project team met with representatives of the Department of Economic Development and Governor Cuomo's environmental lawyer to educate our political support as to our position in response to the Notice of Incomplete Application. The project consultants have been directed to analyze the Notice and determine what would be required to answer it.

The first of an anticipated three PUDD hearings occurred on December 14 and was successful.

Demolition of the boiler house is 50 - 60% complete. All boiler house transformers have been removed and disposed of. Asbestos removal in the hotel and related tunnels was completed on November 22.

The APA rejected the partnership's request for a declaratory ruling that the rebuilding, replacement and restoration of the existing hotel structure does not require an APA permit.

Corrective deeds have been executed by the appropriate partners and have been forwarded to the title company for the purpose of amending the insured legal descriptions.

LAKE PLACID SUMMARY

Property Information

Investment Type: 50% general partner interest
Also lender on property purchase and development start-up costs

Investment Status: Funded July, 1988

Location: Lake Placid, New York

Controlling Entity: Lake Placid Resort Partnership

Description: o 1,100 acres on which are situated:
- an inoperative hotel
- 36 cottages
- two golf courses
- a ski lift

o Partnership plans to develop:
- a five-star destination resort featuring
- a luxury hotel
- two golf courses
- indoor and outdoor tennis courts
- a health club
- squash and badminton facilities
- Mt. Whitney ski slopes
- residential component consisting of
- luxury housing units
- building lots

Other Features: Situated across Mirror Lake from the Village of Lake Placid and Olympic Training Facility.

**Borrower/Developer/
Partner:** Partner - Gleneagles Hotel America, Inc.
Developer - USF&G Realty

**Most Recent
Property Appraisal:** \$18,000,000 (7/88)

LAKE PLACID

Financing Summary

Loan Commitment: \$12,300,000
Equity Commitment: 6,500,000

Investment by Entity: Loan USF&G Co
Equity Lake Placid Club Realty, Inc

Funding Date: 7/28/88

Amount Funded at
December 31, 1989: \$10,737,114 DEBT
\$6,205,446 EQUITY

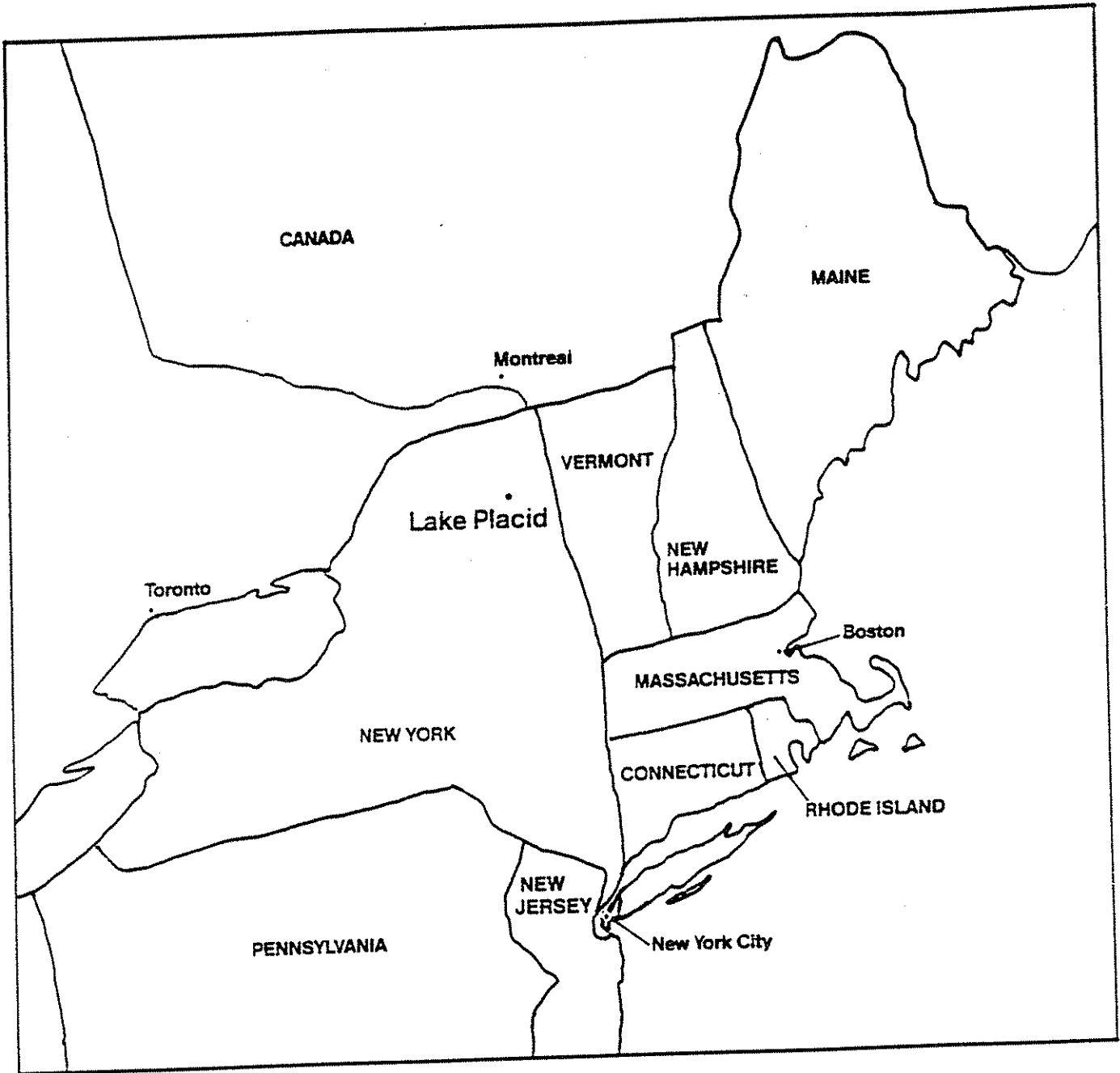
Interest Rate:

Interest Rate: 10%

Pay Rate: 10%

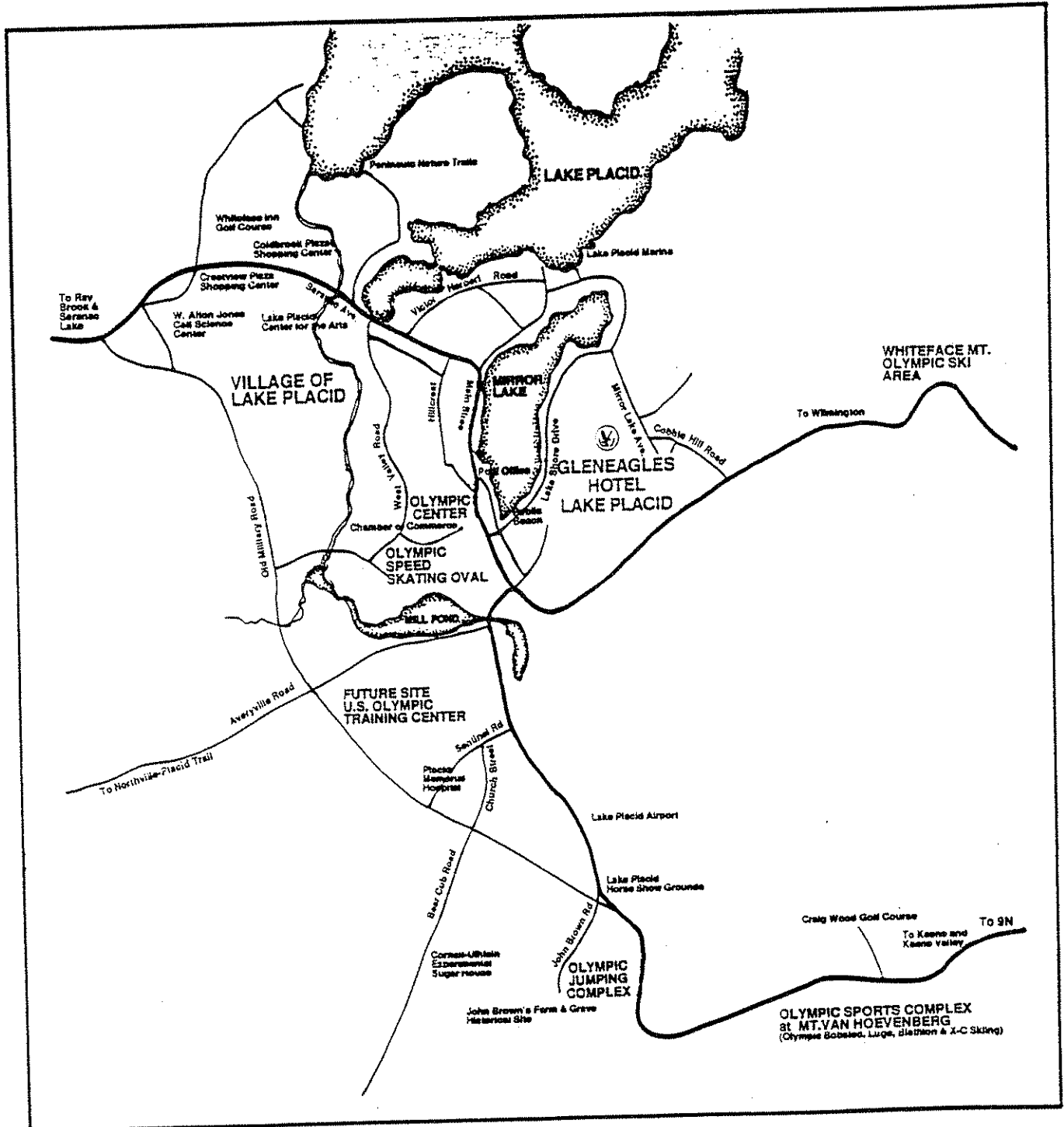
Additional Security:

Prepayment: Prepayment of all or any part of the principal balance in integral amounts of \$500,000 permitted at any time upon thirty days prior written notice.



GLENEAGLES HOTEL LAKE PLACID

Lake Placid Area



EXECUTIVE SUMMARY

The Lake Placid Resort Partnership (the "Partnership"), a joint venture between subsidiaries of Guinness PLC and USF&G Corporation (the "Partners"), has retained J.P. Morgan to arrange funding for the development of a five star, super luxury destination resort in Lake Placid, New York (the "Gleneagles Lake Placid Resort"). This resort will be anchored by a Gleneagles managed hotel (the "Gleneagles Hotel Lake Placid"). The Partnership has signed a letter of intent with Bovis International Limited ("Bovis") which is expected to lead to the admission of Bovis to the Partnership, and Bovis's assuming the responsibility for developing the Gleneagles Lake Placid Resort. Bovis and the Partners (collectively the "Sponsors") are currently finalizing a new partnership agreement which will include Bovis. This is expected to be signed during November, 1989. This memorandum has been prepared to assist potential equity investors in their evaluation of an investment in the partnership.

A summary of this project is presented below.

History:	In 1988, the Partnership purchased the historic Lake Placid Club Hotel to redevelop it as the Gleneagles Lake Placid Resort. A key component of this redevelopment will be to retain part of the original Lake Placid Club Hotel and incorporate it into the Gleneagles Hotel Lake Placid.
Property Description:	The Gleneagles Lake Placid Resort will be a five star, super luxury destination resort when it is completed. It will be modelled after the world renowned resort anchored by the Gleneagles Hotel in Auchterarder, Scotland ("Gleneagles Hotel Scotland") and will include both hotel and residential components. The Gleneagles Hotel Lake Placid will contain 301 luxury hotel rooms, two championship golf courses designed by the Jack Nicklaus Organization, and a fishing school and clay target shooting school to be directed by Jackie Stewart. It will also contain an equestrian center to be directed by Captain Mark Phillips, a health club operated by the internationally acclaimed Champney's of England, and indoor and outdoor facilities for tennis, squash and badminton. Additional summer facilities will be provided for croquet and lawn bowling. In the winter, guests will be able to ski on the Partnership owned slopes of Mount Whitney. The residential component of the Lake Placid Resort will contain 316 luxury housing units and approximately 108 one to two acre building lots for development by individuals in accordance with the resort's master plan.

Location:

The Gleneagles Lake Placid Resort will be situated on the eastern shore of Mirror Lake in the Village of Lake Placid, New York on the site formerly occupied by the Lake Placid Club Hotel. The property is located within the Adirondack State Park in northeastern New York State, an area of exceptional natural beauty that is within a reasonable drive of 15 major American and Canadian cities. As a result of Lake Placid's historic role as the home of the 1932 and 1980 Winter Olympic Games and its abundant natural resources, the area offers visitors a wide range of recreational activities, including skiing, ski jumping, ice skating, bobsleding, horseback riding and mountaineering.

Hotel Operator:

Gleneagles Hotels America, Inc. will be the operator of the new hotel. Gleneagles Hotels America, Inc. is an affiliate of Gleneagles Hotels PLC which operates the Gleneagles Hotel Scotland, generally regarded as the finest destination resort in Great Britain and one of the finest golf resorts in the world. The Gleneagles Hotel Scotland is a member of The Leading Hotels of the World and is the only hotel in the United Kingdom outside London to receive five red stars from the British Automobile Association. It is also one of the 28 properties listed in "Great Golf Resorts of the World," the selection committee of which is chaired by Jack Nicklaus. During the last five years, the management of Gleneagles Hotels PLC has increased the Gleneagles Hotel Scotland's occupancy by more than 12 percentage points and its average room rate by more than 64 percent.

The Gleneagles Plan:

Gleneagles Hotels PLC, the owner of the Gleneagles Hotel Scotland, intends to replicate the success of its flagship property by establishing new Gleneagles hotels in carefully selected locations around the world. The Gleneagles Hotel Lake Placid is the first of this series of planned expansions. The company has also begun detailed discussions with development partners for two sites in California, one on the Monterey Peninsula and one in San Diego, and has identified other areas it wishes to develop in the United States and Europe. The Far East has also been identified as a key market area for future expansion.

Development Cost:	The Gleneagles Lake Placid Resort will cost a total of approximately \$260 million to develop, including land and accrued interest. Of this cost, approximately \$100 million will be used to develop the hotel and an additional \$160 million will be used to develop the residential component. Most of the costs relating to the residential portion of the resort will be funded from sales of the residences and lots. The remaining costs relating to the residences, and the cost of building the hotel, will be funded with equity of \$40 million and debt of \$100 million.
Zoning:	The plans for the Gleneagles Lake Placid Resort are subject to approval by the Adirondack Park Agency and zoning approval by the Village of Lake Placid and the Town of North Elba. All necessary applications are being filed, and final approval for the development is expected in April 1990.
Current Time Schedule:	The Partnership has commissioned and received detailed schematic designs for the hotel, including architectural drawings of the hotel building, the landscape surrounding the hotel and the interior design of the hotel. The Partnership has also commissioned and received landscape architectural drawings of the remainder of the site showing the location of the residential units and the layout of the golf courses. In addition, the Partnership has commissioned and received a detailed cost estimate of the construction of the hotel. This cost estimate is currently being reviewed by Bovis. The Partnership has commenced the preparation of the site work and plans to begin the construction of the hotel, some of the residential units and the golf courses in the spring of 1990.

**LIBERTY CANYON
SUMMARY**

Property Information

Investment Type:	21.4285% limited partnership interest
Investment Status:	Funded October, 1988
Location:	Los Angeles, California
Controlling Entity:	Liberty Canyon Limited Partnership
Description:	<ul style="list-style-type: none">o 450 acres of undeveloped lando Development plans include:<ul style="list-style-type: none">- 94 Residential lots- Executive office- Retail- Hotel
Other Features:	Excellent access to I-101
Borrower/Developer/ Partner:	Partner - Potomac Investment Limited Partnership
Most Recent Property Appraisal:	\$18,500,000 (11/9/88)

LIBERTY CANYON

Financing Summary

Loan Commitment:
Equity Commitment: \$3,023,000
Investment by Entity: Liberty Canyon California Realty

Funding Date: October, 1988

Amount Funded at
December 31, 1989: \$3,022,692

LIBERTY CANYON 4P
EQUITY - PREDEVELOPMENT

		CASH ADVANCED	CASH RECEIVED	INCOME (LOSS)	ENDING BALANCE	NET CF PTD	NET CF YTD	NET CF QTD
						0		
						0		
						0		
						0		
						0		
						0		
						0		
						0		
						0		
						0		
1987	4					0		
	5					0		
	6					0		
	7					0		
	8					0		
	9					0		
	10					0		
	11					0		
	12					0		
1988	1					0		
	2					0		
	3					0		
	4					0		
	5					0		
	6					0		
	7				0	0		
	8				0	0		
	9				0	0		
	10	1,071,425			1,071,425	(1,071,425)		
	11				1,071,425	0		
	12	857,140			1,928,565	(857,140)		
1989	1				1,928,565	0		
	2			236	1,928,801	0		
	3			236	1,929,036	0		
	4			236	1,929,272	0		
	5			236	1,929,507	0		
	6			236	1,929,743	0		
	7				1,929,743	0		
	8				1,929,743	0		
	9	428,570			2,358,313	(428,570)		
	10				2,358,313	0		
	11				2,358,313	0		
	12	665,557			3,023,870	(665,557)		
1990	1	158,571			3,182,441	(158,571)	(3,182,441)	
	2				3,182,441	0	0	
	3	173,571			3,356,012	(173,571)	(173,571)	
	4				3,356,012	0	0	(3,356,012)
	5				3,356,012	0	0	0
	6	238,713			3,594,725	(238,713)	(238,713)	(238,713)
	7				3,594,725	3,594,725	3,594,725	3,594,725
					****	ERR		
							IRR RETURNS	GAAP RETURN
PTD (EB = AVG)					1,178 2,363,442	(3,593,547)	0.03%	0.03%
YTD (EB = AVG)					0 3,293,073	(570,855)	0.00%	0.00%
QTD (EB = AVG)					0 3,415,690	(238,713)	0.00%	0.00%

Fixed

LIBERTY CANYON LIMITED PARTNERSHIP
Cashflow Projections in 1990 5% Annual Inflated U. S. Dollars
Starting in 1991 (000's Omitted)

Exhibit A

	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
LIBERTY CANYON	1	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	TOTAL	Rate	Assume
Sales Proceeds	2	0	0	0	0	20,223	30,182	27,186	12,312	0	0	0	89,903		Exhibit A-4
Access Fees China Flat	3	0	0	0	0	0	0	5,480	5,480	5,360	5,360	5,320	27,000		China Flat Exh.A
Total Sales & other	5	0	0	0	0	20,223	30,182	32,666	17,792	5,360	5,360	5,320	116,903		
Costs & Expenses:	6														
Land Acquisition	8	0	15,011		0	9,514	10,021	10,514	11,012	0	0	0	41,061		Gren Purchase
Land Devel. Cost	9	0	0	0	50	57	28	29	30	0	0	0	215		Exhibit A-5 (R20)
Arch. & Land Plan	10	0	0	21	349	525	550	575	600	0	0	0	2,750		Exhibit A-5 (R25)
Engineering	11	0	16	135	5	11	22	29	30	0	0	0	98		Exhibit A-5 (R30)
Insurance	12	0	0	1	5	11	22	29	30	0	0	0	508		Estimate
Project Admin.	13	0	3	5	50	105	110	115	120	0	0	0	1,530		Direct Overhead
Legal & Prof. Fees	14	7	94	399	750	79	83	58	60	0	0	0	3,747		Exhibit A-5 (R40)
Marketing Costs	15	0	0	2	150	809	1,207	1,087	492	0	0	0	4,495	.04	sales-start-up
Devel. Fees to PIA	16	0	0	0	0	1,011	1,509	1,359	616	0	0	0	1,439	.05	sales
Realty Taxes	17	0	8	186	190	613	339	103	0	0	0	0	1,439	.0100	value
Contingency	18	0	0	0	181	1,544	1,622	1,698	1,778	0	0	0	6,823	.15	gross cost R9-14
Costs & Expenses Subtotal	20	7	15,132	749	1,725	14,268	15,491	15,567	14,738	0	0	0	77,677		
Cashflow before Capital	21	-7	-15,132	-749	-1,725	5,955	14,691	17,099	3,054	5,360	5,360	5,320	39,226		Contributed+Cash
Add Equity Capital	22		5,556	1,553	2,336								9,445		Need thru 1990
Working capital	23	7	-15	-785	793								0		
Cashflow before Debt	24	0	-9,591	19	1,404	5,955	14,691	17,099	3,054	5,360	5,360	5,320	48,671		
Less Cashflow before Debt	25	0	-9,591	-9,572	-8,168	-2,213	12,478	29,577	32,631	37,991	43,351	48,671			
Beginning Debt	26	0	0	10,103	11,746	11,848	7,103	0	0	0	0	0	0		
Debt Drawn/Repaid, Net	27	0	10,103	1,643	102	-4,745	-7,103	0	0	0	0	0	0		
Ending Debt	28	0	10,103	11,746	11,848	7,103	0	0	0	0	0	0	0		
Cashflow from Debt	29	0	10,103	1,643	102	-4,745	-7,103	0	0	0	0	0	0		
Finance Cost @ 12%	30		-512	-1,562	-1,506	-1,210	-969	0	0	0	0	0	-5,859		
Net Cashflow	31	0	0	0	0	0	6,619	17,099	3,054	5,360	5,360	5,320	42,812		
Less Net Cashflow	32	0	0	0	0	0	6,619	23,718	26,772	32,132	37,492	42,812			
Net Cashflow to Equity	33	0	-5,556	-1,553	-2,336	0	6,619	17,099	3,054	5,360	5,360	5,320	33,367		Exhibit A-1
Inflation Factor	34	1.00	1.00	1.00	1.00	1.05	1.10	1.15	1.20	1.25	1.30	1.35		.05	Inflation rate
Value for R.E. Tax	35	0	800	18,600	18,972	61,338	33,900	10,260	0	0	0	0		.0100	Est. California

Assumes additional capital contributed 1990; cash needs before development financed by PIA or partner loans & Continental Bank; finance cost averages 12%; 940N per lot access fee from China Flat. (Model 9; D18; 05/01/90; WCC)

LIBERTY CANYON LIMITED PARTNERSHIP

Exhibit A-1

Allocated Cashflow to Equity Partners

in 1990 5% Annual Inflated U. S. Dollars Starting in 1991 (000's Omitted)

		2	3	4	5	6	7	8	9	10	11	12	13	14	15
				in 1990	5% Annual	Inflated	U. S. Dollars	Starting	in 1991	(000's	United)				
LIBERTY CANYON	1	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	TOTAL	Rate	Assume
	48														
Equity Partners Cashflow:49															
PIA GP capital & return	50	0	-56	0	0	0	0	56	0	0	0	0	0		
PIA share of profits	51	0	0	0	0	0	0	4,549	1,527	2,680	2,680	2,660	14,095	.50 after capital+pref	
	52														
PIA total	53	0	-56	0	0	0	0	4,605	1,527	2,680	2,680	2,660	14,095		
	54														
LP capital & return	55	0	-5,500	-1,553	-2,336	0	6,619	2,770	0	0	0	0	0		
LP preferred return	56	0	0	0	0	0	0	5,176	0	0	0	0	5,176	Exhibits A-6 & A-8	
LP share of profits	57	0	0	0	0	0	0	4,548	1,527	2,680	2,680	2,660	14,095	.50 after capital+pref	
	58														
Limited Partners total	59	0	-5,500	-1,553	-2,336	0	6,619	12,494	1,527	2,680	2,680	2,660	19,271	26.08 % IRR	
	60														
Net Cashflow to Partners	61	0	-5,556	-1,553	-2,336	0	6,619	17,099	3,054	5,360	5,360	5,320	33,367	34.38 % IRR	
	62														

Allocation based upon terms contained in Partnership Agreement.

(Model 6; D18; 05/01/90; WCC)

LIBERTY CANYON LIMITED PARTNERSHIP
Cashflow Projections in 1990 Constant (No Inflation) U. S. Dollars
(000's Omitted)

Exhibit A-2

		2	3	4	5	6	7	8	9	10	11	12	13	14	15
LIBERTY CANYON	1	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	TOTAL	Rate	Assume
Sales Proceeds	2	0	0	0	0	19,260	27,438	23,640	10,260	0	0	0	80,598		Exhibit A-4
Access Fees China Flat	3	0	0	0	0	0	0	5,480	5,480	5,360	5,360	5,320	27,000		China Flat Exh.A
	4														
Total Sales & other	5	0	0	0	0	19,260	27,438	29,120	15,740	5,360	5,360	5,320	107,598		
	6														
Costs & Expenses:	7														
Land Acquisition	8	0	15,011		0	9,061	9,110	9,143	9,177	0	0	0	15,011		Dren Purchase
Land Devel. Cost	9	0	0		0	54	25	25	25				36,491		Exhibit A-5 (E20)
Arch. & Land Plan	10			21	50	54	25	25	25				200		Exhibit A-5 (E25)
Engineering	11		16	135	349	500	500	500	500				2,500		Exhibit A-5 (E30)
Insurance	12	0	0	1	5	10	20	25	25	0	0	0	86		Estimate
Project Admin.	13	0	3	5	50	100	100	100	100	0	0	0	458		Direct Overhead
Legal & Prof.Fees	14	7	94	399	750	75	75	50	50	0	0	0	1,500		Exhibit A-5 (E40)
Marketing Costs	15	0	0	2	150	770	1,098	946	410	0	0	0	3,376	.04	sales+start-up
Devel.Fees to PIA	16	0	0	0	0	963	1,372	1,182	513	0	0	0	4,030	.05	sales
Realty Taxes	17	0	8	186	190	613	339	103	0	0	0	0	1,439	.0100	value
Contingency	18	0	0	0	181	1,470	1,475	1,476	1,482	0	0	0	6,084	.15	gross cost E9-14
	19														
Costs & Expenses Subtotal	20	7	15,132	749	1,725	13,616	14,114	13,550	12,282	0	0	0	71,175		
	21														
Cashflow before Capital	22	-7	-15,132	-749	-1,725	5,644	13,324	15,570	3,458	5,360	5,360	5,320	36,423		
Add Equity Capital	23		5,556	1,553	2,336								9,445		Contributed+Cash
Working capital	24	7	-15	-785	793								0		Need thru 1990
	25														
Cashflow before Debt	26	0	-9,591	19	1,404	5,644	13,324	15,570	3,458	5,360	5,360	5,320	45,868		
	27														
Cum Cashflow before Debt	28	0	-9,591	-9,572	-8,168	-2,524	10,800	26,370	29,828	35,188	40,548	45,868			
	29														
Beginning Debt	30	0	0	10,103	11,746	11,848	7,435	0	0	0	0	0	0		
Debt Drawn/Repaid-,Net	31	0	10,103	1,643	102	-4,413	-7,435	0	0	0	0	0	0		
	32														
Ending Debt	33	0	10,103	11,746	11,848	7,435	0	0	0	0	0	0	0		
	34														
Cashflow from Debt	35	0	10,103	1,643	102	-4,413	-7,435	0	0	0	0	0	0		
Finance Cost @ 12%	36		-512	-1,662	-1,506	-1,231	-1,014	0	0	0	0	0	-5,925		
	37														
Net Cashflow	38	0	0	0	0	0	4,875	15,570	3,458	5,360	5,360	5,320	39,943		
	39														
Cum Net Cashflow	40	0	0	0	0	0	4,875	20,445	23,903	29,263	34,623	39,943			
	41														
Net Cashflow to Equity	42	0	-5,556	-1,553	-2,336	0	4,875	15,570	3,458	5,360	5,360	5,320	30,498		Exhibit A-3
	43														
Inflation Factor	44	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		.00	Inflation rate
	45														
Value for R.E.Tax	46	0	800	18,600	18,972	61,338	33,900	10,260	0	0	0	0		.0100	Est. California
	47														

Assumes additional capital contributed 1990; cash needs before development
financed by PIA or partner loans & Continental Bank; finance cost averages
12%; \$40M per lot access fee from China Flat. (Model 9; D18; 05/01/90; MCC)

LIBERTY CANYON LIMITED PARTNERSHIP
Allocated Cashflow to Equity Partners
in 1990 Constant (No Inflation) U. S. Dollars (000's Omitted)

Exhibit A-3

		2	3	4	5	6	7	8	9	10	11	12	13	14	15
				in 1990 Constant (No Inflation) U. S. Dollars (000's Omitted)											
LIBERTY CANYON	1	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	TOTAL	Rate	Assume
	48														
Equity Partners Cashflow:49															
PIA GP capital & return	50	0	-56	0	0	0	0	56	0	0	0	0	0		
PIA share of profits	51	0	0	0	0	0	0	2,817	1,729	2,680	2,680	2,660	12,566	.50 after capital+pref	
	52														
PIA total	53	0	-56	0	0	0	0	2,873	1,729	2,680	2,680	2,660	12,566		
	54														
LP capital & return	55	0	-5,500	-1,553	-2,336	0	4,875	4,514	0	0	0	0	0		
LP preferred return	56	0	0	0	0	0	0	5,357	0	0	0	0	5,367	Exhibits A-6 & A-7	
LP share of profits	57	0	0	0	0	0	0	2,816	1,729	2,680	2,680	2,660	12,565	.50 after capital+pref	
	58														
Limited Partners total	59	0	-5,500	-1,553	-2,336	0	4,875	12,697	1,729	2,680	2,680	2,660	17,932	24.17 % IRR	
	60														
Net Cashflow to Partners	61	0	-5,556	-1,553	-2,336	0	4,875	15,570	3,458	5,360	5,360	5,320	30,498	31.54 % IRR	
	62														

Allocation based upon terms contained in Partnership Agreement.

(Model 6; D18; 05/01/90; WCC)

LIBERTY CANYON LIMITED PARTNERSHIP
Sales Mix; Absorption; and Amounts in 1990 Constant U. S. Dollars
(000's Omitted) No Inflation

Exhibit A-4

(000's Unfilled) No Inflation															
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Liberty Canyon Sales	1	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	Total	Price	Assume
Number of Units	2														
	3														
Residential Lots	4					30	50	14					94	300	N per lot
	5														
Commercial/Retail (000 FAR):	6														
Executive Office Space	7					171	171	171	171				684	60	per FAR sf
Low-Rise Office Space	8						36.3						36.3	60	per FAR sf
Retail Center Space	9							153					153	60	per FAR sf
Future Corporate Space	10								100	100	100		300	0	per FAR sf
	11														
Total Commercial/Retail	12	0	0	0	0	171	207.3	324	171	100	100	100	1,173.3		
	13														
Hotel Rooms	14							0					0	0	N per room
	15														
Sales Amounts	16														
	17														
Residential Lot Sales	18	0	0	0	0	9,000	15,000	4,200	0	0	0	0	28,200		
	19														
Commercial/Retail Sales:	20														
Executive Offices	21	0	0	0	0	10,260	10,260	10,260	10,260	0	0	0	41,040		
Low-Rise Offices	22	0	0	0	0	0	2,178	0	0	0	0	0	2,178		
Retail Center	23	0	0	0	0	0	0	9,180	0	0	0	0	9,180		
Future Corporate Offices	24	0	0	0	0	0	0	0	0	0	0	0	0		
	25														
Total Commercial/Retail	26	0	0	0	0	10,260	12,438	19,440	10,260	0	0	0	52,398		
	27														
Hotel Rooms	28	0	0	0	0	0	0	0	0	0	0	0	0		
	29														
Total Sales Amounts	30	0	0	0	0	19,260	27,438	23,640	10,260	0	0	0	80,598		
	31														

Based on Robert Charles Lesser marketing report 04/21/90 updated for revised
land plan developed by Sandy & Babcock; commercial/retail FAR ranges from
\$55-\$77 per FAR SF (\$60/FAR SF used in projection). (Model 7;D19;050190;NCC)

LIBERTY CANYON LIMITED PARTNERSHIP Exhibit A-5
Land Development; Architecture; Engineering; Zoning & Professional Fees
in 1990 Constant U. S. Dollars (000's Omitted) No Inflation

in 1990 Constant U. S. Dollars (1000's unless otherwise indicated)													
	2	3	4	5	6	7	8	9	10	11	12	13	
Land Development	1	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	Total
Offsite impact fees	2					1,538	1,538	1,538	1,538				6,152
Onsite grading	3					3,085	3,085	3,084	3,084				12,338
Onsite streets	4					790	789	789	789				3,157
Onsite drainage	5					875	874	874	874				3,497
Onsite water	6					671	671	671	671				2,684
Onsite sewer	7					178	179	179	178				714
Onsite utilities	8					418	418	418	419				1,673
Slope Walls & Plantings	9					224	224	224	225				897
Landscaping	10					358	358	358	357				1,431
Oak tree replace	11					561	562	562	561				2,246
Lighting	12					80	79	79	80				318
Signage	13					26	27	27	26				106
Irrigation	14					70	70	65	60				265
Landscape main.	15					21	42	64	85				212
Repairs	16					26	53	80	106				265
Bonds, permits, fees	17					130	130	120	114				494
Security	18					10	11	11	10				42
	19												
Land dev.ex.cont.	20	0	0	0	0	9,061	9,110	9,143	9,177	0	0	0	36,491
15% contingency	21	0	0	0	0	1,359	1,367	1,371	1,377	0	0	0	5,474
	22												
Total Land Development	23	0	0	0	0	10,420	10,477	10,514	10,554	0	0	0	41,965
	24												
Architecture & Land Pla	25			21	50	54	25	25	25				200
15% contingency	26	0	0	0	8	8	4	4	4	0	0	0	28
	27												
Total Arch.& Land Plan	28	0	0	21	58	62	29	29	29	0	0	0	228
	29												
Engineering	30		16	135	349	500	500	500	500				2,500
15% contingency	31	0	0	0	52	75	75	75	75	0	0	0	352
	32												
Total Engineering	33	0	16	135	401	575	575	575	575	0	0	0	2,852
	34												
Zoning, Legal, Prof. Fees	35												
L.A. EIR consultant	36			93	157								250
Landfill Risk Assess.	37			130	270	25	25	25	25				500
Legal & professional	38	7	94	176	323	50	50	25	25				750
	39												
Zoning, Legal & prof. fee	40	7	94	399	750	75	75	50	50	0	0	0	1,500
15% contingency	41	0	0	0	113	11	11	8	8	0	0	0	151
	42												
Total Professional Fees	43	7	94	399	863	86	86	58	58	0	0	0	1,651

Assumes 94 finished lots; costs based on data provided by Wayne Hill
estimates projected from 01/01/90 to project completion; costs prior to
1989 based on actual costs incurred. (Model R; B18; 050190; MCC)

LIBERTY CANYON LIMITED PARTNERSHIP
 Calculated Preferred Return on Partners' Capital
 Inception (September 1, 1968) through December 31, 1989 and Cum Balance

Exhibit A-6

DESCRIPTION	DATE	DAYS	P+1%	TOTAL CAPITAL	USF&G	CAVENDISH	COFICARD	LOWMYER	PIA	LP's Only
Capital Call	09/01/88		.1100	1,000,000.00	428,570.00	428,570.00	71,430.00	71,430.00		1,000,000.00
Accrued preference	10/03/88	32		9,617.50	4,121.77	4,121.77	686.98	686.98	.00	9,617.50
Capital Call	10/03/88			2,500,000.00	1,071,425.00	1,071,425.00	178,575.00	178,575.00		2,500,000.00
Balance for Pref.	10/03/88		.1100	3,500,000.00	1,499,995.00	1,499,995.00	250,005.00	250,005.00	.00	3,500,000.00
Prime @ 10.5%	11/28/88	56	.1150	58,907.10	25,245.82	25,245.82	4,207.73	4,207.73	.00	58,907.10
Accrued preference	12/09/88	11		12,097.00	5,184.41	5,184.41	864.09	864.09	.00	12,097.00
Capital Call	12/09/88			2,055,600.00	857,140.00	857,140.00	142,860.00	142,860.00	55,600.00	2,000,000.00
Balance for Pref.	12/09/88		.1150	5,555,600.00	2,357,135.00	2,357,135.00	392,865.00	392,865.00	55,600.00	5,500,000.00
1988 Year end	01/01/89	23		40,149.09	17,034.49	17,034.49	2,839.15	2,839.15	401.81	39,747.28
1988 preferred	01/01/89	122		120,770.69	51,586.49	51,586.49	8,597.95	8,597.95	401.81	120,368.88
Cum Balance	01/01/89		.1150	5,676,370.69	2,408,721.49	2,408,721.49	401,462.95	401,462.95	56,001.81	5,620,368.88
Prime @ 11%	02/10/89	40	.1200	71,537.82	30,356.49	30,356.49	5,059.53	5,059.53	705.78	70,832.04
Prime @ 11.5%	03/03/89	21	.1250	39,190.28	16,630.08	16,630.08	2,771.74	2,771.74	386.64	38,803.64
Prime @ 11%	06/05/89	94	.1200	182,732.48	77,541.03	77,541.03	12,923.81	12,923.81	1,802.80	180,929.68
Prime @ 10.5%	08/01/89	57	.1150	106,373.64	45,138.78	45,138.78	7,523.31	7,523.31	1,049.46	105,324.18
Accrued preference	12/08/89	129		230,709.47	97,899.68	97,899.68	16,316.99	16,316.99	2,276.13	228,433.34
Capital Call	12/08/89			1,552,972.00	665,557.00	665,557.00	110,929.00	110,929.00	.00	1,552,972.00
Balance for Pref.	12/08/89		.1150	7,229,342.69	3,074,278.49	3,074,278.49	512,391.95	512,391.95	56,001.81	7,173,340.88
1989 Year end	01/01/90	24		54,665.73	23,246.60	23,246.60	3,874.53	3,874.53	423.47	54,242.26
1989 preferred	01/01/90	365		685,209.42	290,812.66	290,812.66	48,469.91	48,469.91	6,644.26	678,565.14
Cum Balance	01/01/90		.1150	7,914,552.11	3,365,091.15	3,365,091.15	560,861.86	560,861.86	62,646.09	7,851,906.02

Calculations based on Prime Rate plus 1% per Partnership Agreement; that agreement does not permit a preference return on PIA's capital, which is reflected for information only. (Model 6; Disk D18; Report #1 (05/01/90) MCC)

LIBERTY CANYON LIMITED PARTNERSHIP
Pro-Forma Calculated Preferred Return on Partners' Capital
January 1, 1990 through December 31, 1993 (No Annual Inflation)

Exhibit A-7

DESCRIPTION	DATE	DAYS	P+1X	TOTAL CAPITAL	USF&G	CAVENDISH	COFICARD	LOWMYER	PIA	LP's Only
Cur Balance	01/01/90		.1150	7,914,552.11	3,365,091.15	3,365,091.15	560,861.86	560,861.86	62,646.09	7,851,906.02
Prime @ 10%	01/08/90	7	.1100	17,455.38	7,421.64	7,421.64	1,236.97	1,236.97	138.16	17,317.22
Accrued Preference	02/01/90	24		57,244.97	24,339.29	24,339.29	4,056.64	4,056.64	453.11	56,791.86
Capital Call	02/01/90			370,000.00	158,571.00	158,571.00	26,429.00	26,429.00	.00	370,000.00
Balance for Pref.	02/01/90		.1100	8,284,552.11	3,523,662.15	3,523,662.15	587,290.86	587,290.86	62,646.09	8,221,906.02
Accrued Preference	04/01/90	59		147,306.14	62,653.61	62,653.61	10,442.51	10,442.51	1,113.90	146,192.24
Capital Call	04/01/90			405,000.00	173,571.00	173,571.00	28,929.00	28,929.00	.00	405,000.00
Pro-Forma Balance	04/01/90		.1100	8,689,552.11	3,697,233.15	3,697,233.15	616,219.86	616,219.86	62,646.09	8,626,906.02
Accrued Preference	07/01/90	91		238,307.99	101,395.35	101,395.35	16,899.62	16,899.62	1,718.05	236,589.94
Capital Call	07/01/90			557,000.00	238,713.00	238,713.00	39,787.00	39,787.00	.00	557,000.00
Pro-Forma Balance	07/01/90		.1100	9,246,552.11	3,935,946.15	3,935,946.15	655,006.86	655,006.86	62,646.09	9,183,906.02
Accrued Preference	10/01/90	92		256,370.15	109,128.15	109,128.15	18,188.46	18,188.46	1,736.93	254,633.22
Capital Call	10/01/90			1,004,000.00	430,284.00	430,284.00	71,716.00	71,716.00	.00	1,004,000.00
Pro-Forma Balance	10/01/90		.1100	10,250,552.11	4,366,230.15	4,366,230.15	727,722.86	727,722.86	62,646.09	10,187,906.02
Accrued Preference	01/01/91	92		284,207.09	121,058.22	121,058.22	20,176.86	20,176.86	1,736.93	282,470.16
1990 Preference	01/01/91	365		1,000,891.72	425,996.26	425,996.26	71,001.06	71,001.06	6,897.08	993,994.64
Pro-Forma Balance	01/01/91		.1100	11,251,443.83	4,792,226.41	4,792,226.41	798,723.92	798,723.92	69,543.17	11,181,900.66
Accrued Preference	12/31/91	365		1,237,658.83	527,144.91	527,144.91	87,859.63	87,859.63	7,649.75	1,230,009.88
Pro-Forma Balance	01/01/92		.1100	12,489,102.66	5,319,371.32	5,319,371.32	886,583.55	886,583.55	77,192.92	12,411,909.74
Accrued Preference	12/31/92	366		1,373,801.30	585,130.85	585,130.85	97,524.19	97,524.19	8,491.22	1,365,310.08
Capital Repaid	12/31/92			-4,875,000.00	-2,089,279.00	-2,089,279.00	-348,221.00	-348,221.00	.00	-4,875,000.00
Pro-Forma Balance	01/01/93		.1100	8,987,903.96	3,815,223.17	3,815,223.17	635,886.74	635,886.74	85,684.14	8,902,219.82
Accrued Preference	12/31/93	365		988,669.44	419,674.55	419,674.55	69,947.54	69,947.54	9,425.26	979,244.18
Capital Repaid	12/31/93			-4,569,572.00	-1,934,552.00	-1,934,552.00	-322,434.00	-322,434.00	-55,600.00	-4,513,972.00
Preference Paid	12/31/93			-5,367,492.00	-2,398,345.72	-2,398,345.72	-383,400.28	-383,400.28	-39,509.40	-5,367,492.00
PIA Pref.M/A	12/31/93			-39,509.40	.00	.00	.00	.00	.00	.00
Pro-Forma Balance	01/01/94			.00	.00	.00	.00	.00	.00	.00
Calc Difference	01/01/94									

Calculations based on 10% Prime Rate plus 1% per Partnership Agreement; that agreement does not permit a preference return on PIA's capital, which is reflected for information only. (Model 6; Disk D18; Report #2 (05/01/90) WCC)

LIBERTY CANYON LIMITED PARTNERSHIP
Pro-Forma Calculated Preferred Return on Partners' Capital
January 1, 1990 through December 31, 1993 (5% Annual Inflation)

Exhibit A-8

DESCRIPTION	DATE	DAYS	P+1%	TOTAL CAPITAL	USF&G	CAVENISH	COFICARD	LOWYER	PIA	LP's Only
Cur Balance	01/01/90		.1150	7,914,552.11	3,365,091.15	3,365,091.15	560,861.86	560,861.86	62,646.09	7,851,906.02
Prime @ 10%	01/08/90	7	.1100	17,455.38	7,421.64	7,421.64	1,236.97	1,236.97	138.16	17,317.22
Accrued Preference	02/01/90	24		57,244.97	24,339.29	24,339.29	4,056.64	4,056.64	453.11	56,791.86
Capital call	02/01/90			370,000.00	158,571.00	158,571.00	26,429.00	26,429.00	.00	370,000.00
Balance for Pref.	02/01/90		.1100	8,284,552.11	3,523,662.15	3,523,662.15	587,290.86	587,290.86	62,646.09	8,221,906.02
Accrued Preference	04/01/90	59		147,306.14	62,653.61	62,653.61	10,442.51	10,442.51	1,113.90	146,192.24
Capital Call	04/01/90			405,000.00	173,571.00	173,571.00	28,929.00	28,929.00	.00	405,000.00
Pro-Forma Balance	04/01/90		.1100	8,689,552.11	3,697,233.15	3,697,233.15	616,219.86	616,219.86	62,646.09	8,626,906.02
Accrued Preference	07/01/90	91		238,307.99	101,395.35	101,395.35	16,899.62	16,899.62	1,718.05	236,589.94
Capital Call	07/01/90			557,000.00	238,713.00	238,713.00	39,787.00	39,787.00	.00	557,000.00
Pro-Forma Balance	07/01/90		.1100	9,246,552.11	3,935,946.15	3,935,946.15	656,006.86	656,006.86	62,646.09	9,183,906.02
Accrued Preference	10/01/90	92		256,370.15	109,128.15	109,128.15	18,188.46	18,188.46	1,736.93	254,633.22
Capital Call	10/01/90			1,004,000.00	430,284.00	430,284.00	71,716.00	71,716.00	.00	1,004,000.00
Pro-Forma Balance	10/01/90		.1100	10,250,552.11	4,366,230.15	4,366,230.15	727,722.86	727,722.86	62,646.09	10,187,906.02
Accrued Preference	01/01/91	92		284,207.09	121,058.22	121,058.22	20,176.86	20,176.86	1,736.93	282,470.16
1990 Preference	01/01/91	365		1,000,891.72	425,996.26	425,996.26	71,001.06	71,001.06	6,897.08	993,994.64
Pro-Forma Balance	01/01/91		.1100	11,251,443.83	4,792,226.41	4,792,226.41	798,723.92	798,723.92	69,543.17	11,181,900.66
Accrued Preference	12/31/91	365		1,237,658.83	527,144.91	527,144.91	87,859.63	87,859.63	7,649.75	1,230,009.08
Pro-Forma Balance	01/01/92		.1100	12,489,102.66	5,319,371.32	5,319,371.32	886,583.55	886,583.55	77,192.92	12,411,909.74
Accrued Preference	12/31/92	366		1,373,801.30	585,130.85	585,130.85	97,524.19	97,524.19	8,491.22	1,365,310.08
Capital Repaid	12/31/92			-6,619,000.00	-2,836,705.00	-2,836,705.00	-472,795.00	-472,795.00	.00	-6,619,000.00
Pro-Forma Balance	01/01/93		.1100	7,243,903.96	3,067,797.17	3,067,797.17	511,312.74	511,312.74	85,684.14	7,158,219.82
Accrued Preference	12/31/93	365		796,829.44	337,457.69	337,457.69	56,244.40	56,244.40	9,425.26	787,404.18
Capital Repaid	12/31/93			-2,825,572.00	-1,187,126.00	-1,187,126.00	-197,860.00	-197,860.00	-55,600.00	-2,769,972.00
Preference Paid	12/31/93			-5,175,652.00	-2,218,128.86	-2,218,128.86	-369,697.14	-369,697.14	-39,509.40	-5,175,652.00
PIA Pref. N/A	12/31/93			-39,509.40	.00	.00	.00	.00	.00	.00
Pro-Forma Balance	01/01/94			.00	.00	.00	.00	.00	.00	.00
Calc Difference	01/01/94									

Calculations based on 10% Prime Rate plus 1% per Partnership Agreement; that agreement does not permit a preference return on PIA's capital, which is reflected for information only. (Model 6; Disk D18; Report #2 (05/01/90) MCC)

USF&G REALTY SOUTH
Naples, Florida
Joint Venture
Southwest Florida Properties

SECOND QUARTER 1990 SUMMARY

During the fourth quarter of 1989, the Realty South group considered a number of properties as potential acquisitions. Of the properties considered, option agreements were entered into on the following four properties:

- * Daniels Road, Ft. Myers, Florida;
- * Parkshore Lots 8 and 9, Naples, Florida;
- * Alafaya Trail, Orlando, Florida;
- * Goodlette Road, Naples, Florida;

A due diligence review commenced on each of the four properties during the fourth quarter of 1989, and is expected to continue into the first quarter of 1990 for each property with the exception of the Daniels Road property.

After a successful review process, the Daniels Road property was acquired on November 9, 1989. Immediately after the acquisition, the Realty South group began negotiations with Shelter Can American who is interested in acquiring the Daniels Road property. It is anticipated that Shelter Can American will enter into an option agreement to acquire the Daniels Road property during the first quarter of 1990.

The Realty South group is in negotiations with a group of private investors interested in acquiring Realty South's rights under the Goodlette Road option agreement. It is anticipated that an assignment of the Goodlette Road option will take place in the first quarter of 1990.

**USF&G REALTY SOUTH
SUMMARY**

Property Information

Investment Type: Land Investments

Investment Status: One property funded Dec, 1989

Location: Various, Southern Florida

Controlling Entity: USF&G Realty South, Inc.

Description:

- o One property funded – DANIELS RD
Fort Myers, Florida
78 acres
\$3,642,748
11/9/89
- o Three properties planned for funding in 1st Quarter 1990:
 - 1) PARK SHORE – Naples, Florida
6.13 acres
\$12,250,000
 - 2) GOODLETTE ROAD – Naples, Florida
6.55 acres
\$1,500,000
 - 3) ALFAYA TRAIL/IRON BRIDGE RD
20 Acres to be developed into a Family Golf
& Sports Center
\$2,000,000

Other Features:

Fund acts as broker and captures commissions for distribution to partners.

Fund also acts as equity investor in land acquired for quick turnaround and distribution profits to partners.

**Most Recent
Property Appraisal:** Daniels Rd. – \$4,975,000 (10/89)

USF&G REALTY SOUTH

Financing Summary

Loan Commitment:

Equity Commitment: \$40,000,000

Investment by Entity: USF&G Realty South L.P.

Funding Date: Various

Amount Funded at

December 31, 1989: \$3,642,478 EQUITY

Lender Call Option:

20-Jul-90

	CASH	CASH	INCOME	ENDING	NET CF	NET CF	NET CF
	ADVANCED	RECEIVED	(LOSS)	BALANCE	PTD	YTD	QTD

[illegible]

364,693	9,102,391	(18,709,122)	4.02%	4.01%
341,950	14,927,839	(14,656,290)	4.11%	4.58%
(14,805)	18,972,146	(273,787)	-0.31%	-0.31%

Funded

ESLP 174
 25 Inc. 235
 PureShore 12,347
 RSLHLP 2,029
 Daniels RD 3,925

} Investment
Balances

18,701
365 income
19,066 ✓

RIVER'S EDGE GOLF CLUB
Atlanta, Georgia
Participating Mortgage
Daily Fee Golf Course

Construction is complete on this project; however, the funding of the Permanent Loan will not occur. Negotiations to release the parties from the Take-Out Agreement were successful, and the commitment fee was retained by USF&G.

**RIVER'S EDGE
SUMMARY**

Property Information

Investment Type: Loan

Investment Status: Funded March, 1989
Bridge loan, issued take out commitment

Location: Atlanta, Georgia

Controlling Entity: Southern Golf Management Group

Description: o 18 hole daily fee golf course

Other Features: Located in residential development

**Borrower/Developer/
Partner:** Southern Golf Management

**Most Recent
Property Appraisal:** \$6,300,000 (3/30/90)

RIVER'S EDGE

Financing Summary

Loan Commitment: \$4,000,000
Equity Commitment:

Investment by Entity: USF&G Company

Funding Date: March 1989 bridge loan
Repaid June 1989

Amount Funded at
December 31, 1989: \$0

Interest Rate:

Interest Rate: Prime plus 2%

Pay Rate: As available from cash flow

Accrued Interest: 0

Additional Interest:

Operations: Additional amount to provide 20% IRR

Sale or Refinancing: Receive 35% partnership share of golf course.

RIVERS EDGE

LOAN

	CASH ADVANCED	CASH RECEIVED	INTEREST INCOME	ENDING B BALANCE	B PTD	NET CF YTD	NET CF QTD
--	------------------	------------------	--------------------	---------------------	----------	---------------	---------------

1988	7			0	0		
	8			0	0		
	9			0	0		
	10			0	0		
	11			0	0		
	12			0	0		
1989	1			0	0		
	2			0	0		
	3	676,122	253	676,375	(676,122)		
	4	0	7,606	683,981	0		
	5	186,670	9,076	879,727	(186,670)		
	6	0	884,136	4,409	0	884,136	
	7			0	0		
	8			0	0		
	9			0	0		
	10			0	0		
	11			0	0		
	12			0	0		
1990	1			0	0		
	2			0	0		
	3			0	0		
	4			0	0	0	0
	5			0	0	0	0
	6			0	0	0	0
	7			0	0	0	0

IRR RETURNS GAAP RETU

PTD (EB = AVG)	21,344	140,005	21,344	15.30%	11.43%
YTD (EB = AVG)	0	0	0	ERR	ERR
QTD (EB = AVG)	0	0	0	ERR	ERR

NOTE: IRR calculated using daily cash flows

WYNSTONE

SECOND QUARTER 1990 SUMMARY

Chicago, Illinois
Participating Mortgage
Golf Residential Community

Lot sales continue at Wynstone. During the second quarter of 1990, 33 lots were sold generating \$341,000 in cash flow to USF&G. This project is nearly 100% sold out, with only 12 lots remaining. The estimated IRR for this project is 42.8%.

06-Aug-90

WYNSTONE

PARTICIPATING MORTG

		CASH ADVANCED	CASH RECEIVED	INTEREST INCOME	ENDING BALANCE	NET CF PTD	NET CF YTD	NET CF QTD
1987	4	11,150,000	(433,905)	491,640	11,207,735	(10,716,095)		
	5	315,048	(57,735)	86,860	11,551,908	(257,313)		
	6	630,908	(86,860)	87,921	12,183,877	(544,048)		
	7	964,151	(87,921)	97,690	13,157,797	(876,230)		
	8	1,045,692	(97,690)	105,502	14,211,301	(948,002)		
	9	1,529,679	(105,502)	112,265	15,747,743	(1,424,177)		
	10	1,437,412	(112,265)	127,666	17,200,556	(1,325,147)		
	11	7,283,805	(127,666)	150,535	24,507,230	(7,156,139)		
	12	1,776,085	(1,383,051)	192,117	25,092,381	(393,034)		
1988	1	976,998	(25,931,326)	73,981	212,034	24,954,328		
	2		(73,981)	38	138,091	73,981		
	3		(38)	41	138,094	38		
	4		(41)	39	138,092	41		
	5		(39)	40	138,093	39		
	6		(40)	39	138,092	40		
	7		(39)	41	138,094	39		
	8		(41)	41	138,094	41		
	9		(41)	39	138,092	41		
	10		(766,536)	761,191	132,747	766,536		
	11		(96,537)	96,537	132,747	96,537		
	12		(320,895)	320,895	132,747	320,895		
1989	1		(122,278)	122,278	132,747	122,278		
	2		(185,256)	185,256	132,747	185,256		
	3		(56,175)	56,175	132,747	56,175		
	4		(97,487)	97,487	132,747	97,487		
	5		(192,336)	192,336	132,747	192,336		
	6		(194,708)	194,708	132,747	194,708		
	7		(469,103)	469,103	132,747	469,103		
	8		(85,990)	85,990	132,747	85,990		
	9		(366,892)	366,892	132,747	366,892		
	10		(57,560)		75,187	57,560		
	11		(111,459)	36,272	0	111,459		
	12		(144,348)	144,348	0	144,348		
1990	1		0	0	0	0		
	2		(146,994)	146,994	0	146,994		
	3		(134,748)	134,748	0	134,748		
	4		(275,680)	275,680	0	275,680	Not Appl	Not Appl
	5		(65,300)	65,300	0	65,300	Not Appl	Not Appl
	6		0		0	0	Not Appl	Not Appl
	7				0	0	Not Appl	Not Appl

IRR RETURNS GAAP RETURNS
31.68% 42.84%

PTD (EB = AVG)

5,278,685 3,790,909 5,278,685

YTD (EB = AVG)

QTD (EB = AVG)

BEAR CREEK

LOAN

CASH
ADVANCEDCASH
RECEIVEDINTEREST
INCOMEENDING
BALANCENET CF
PTDNET CF
YTDNET CF
QTD

1987	4						
	5						
	6						
	7						
	8						
	9						
	10						
	11						
	12	11,922,814	(175,000)	175,000	11,922,814	(11,747,814)	
1988	1	114,486	(23,845)	23,845	12,037,300	(90,641)	
	2	497,174	(2,530,439)	90,030	10,094,065	2,033,265	
	3	438,619	(1,258,923)	88,768	9,362,529	820,304	
	4	74,068	(8,023,906)	74,068	1,486,759	7,949,838	
	5	21,181	(47,781)	21,181	1,481,340	26,600	
	6	11,117	(68,348)	11,117	1,435,226	57,231	
	7	0	(1,740,339)	305,113	0	1,740,339	
	8				0	0	
	9				0	0	
	10				0	0	
	11				0	0	
	12				0	0	
1989	1				0	0	
	2				0	0	
	3				0	0	
	4				0	0	
	5				0	0	
	6				0	0	
	7				0	0	
	8				0	0	
	9				0	0	
	10				0	0	
	11				0	0	0
	12				0	0	
1990	1				0	0	
	2				0	0	0
	3						
	4						

PTD AVG
Avg Bal YTD
Avg Bal QTD

789,122 1,707,858
N/A N/A
N/A N/A

19.45% 19.80%
N/A N/A
N/A N/A

**WYNSTONE
SUMMARY**

Property Information

Investment Type: Mortgage

Investment Status: Funded April, 1987

Location: Chicago, Illinois

Controlling Entity: Nicklaus/Sierra Development Corp.

Description: o Golf Course Community

Other Features: Strong market appeal

**Borrower/Developer/
Partner:** Developer - Nicklaus/Sierra Development Co.

WYNSTONE

Financing Summary

Loan Commitment: \$2,744,295 Golf & Country Club, only
Equity Commitment:

Investment by Entity: USF&G Realty

Funding Date: April, 1987

Amount Funded at
December 31, 1989: \$0, paid off 10/88

Operations: 10% of revenues over \$50 MM
20% of revenues \$60 MM

Additional Security: Mortgage remains on property, even though the loan
is paid off, to secure participation in sales
proceeds.

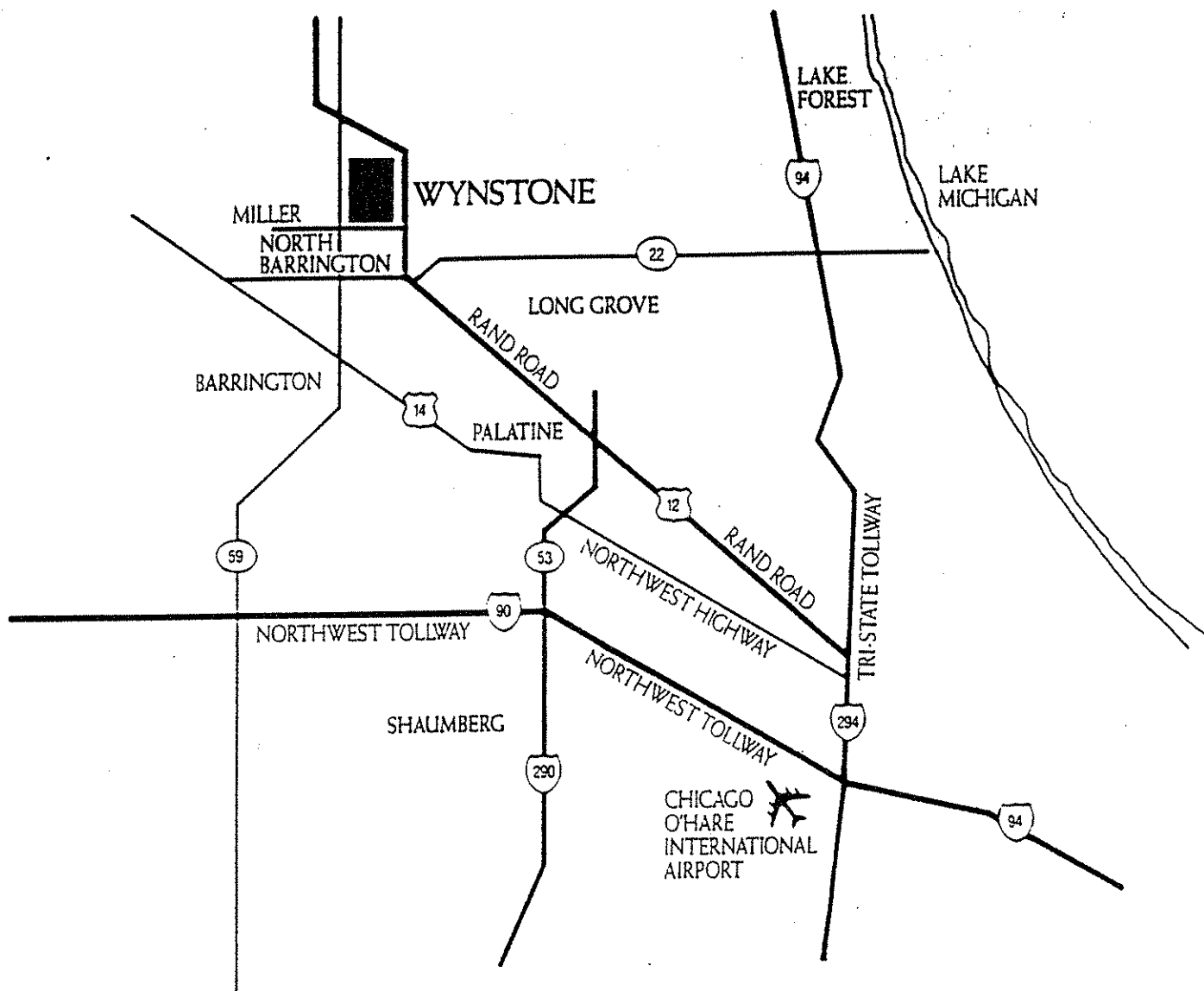


EXHIBIT A
LOCATOR MAP

BL/012288

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