

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION**

In re)	Case No. 8:08-13151-RK
)	
Cameo Homes, a California corporation,)	Chapter 11
)	
Debtor)	
)	[No Hearing Required]
)	

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODS AND
DISCLAIMER REGARDING THE DEBTOR'S SCHEDULES OR ASSETS AND
LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS¹**

These Global Notes and Statement of Limitations, Methods and Disclaimer Regarding the Debtor's Schedules and Statements (collectively, the "Global Notes") pertain to, are incorporated by reference in, and comprise an integral part of, all the Schedules and Statements. These Global Notes should be referred to, and reviewed in connection with, any review of the Schedules and Statements.

The Schedules of Assets and Liabilities (the "Schedules") and the Statements of Financial Affairs (the "Statements," and collectively with the Schedules, the "Schedules and Statements") of Cameo Homes, a California in this Chapter 11 case ("Debtor") have been prepared pursuant to 11 U.S.C. § 521 and Rule 1007 of the Federal Rules of Bankruptcy Procedure by management of the Debtor with the assistance of their advisors and are unaudited. While management has made every reasonable effort to ensure that the Schedules and Statements are accurate and complete based on information that was available to them at the time of preparation, subsequent information or discovery may result in material changes to these Schedules and Statements, and inadvertent errors or omissions may exist. Because the Schedules and Statements contain unaudited information which is subject to further review and potential adjustment, there can be no assurance that these Schedules and Statements are complete, without inadvertent errors, omissions or inaccuracies. The Debtor reserves all rights to amend or supplement its Schedules and Statement. Furthermore, nothing contained in the Schedules and Statements shall constitute a waiver of rights with respect to the Chapter 11 case and specifically with respect to any issues involving joint administration with the Chapter 11 case of James C. Gianulias, its sole shareholder; substantive consolidation, equitable subordination and/or causes of action arising under the provisions of Chapter 5 of the Bankruptcy Code and other relevant non-bankruptcy laws to recover assets or avoid transfers.

¹ These notes are in addition to the specific notes contained in the Debtor's Schedules and Statements. The fact that the Debtor has prepared a General Note with respect to a particular Schedule (or Statement) and not to others does not reflect and should not be interpreted as a decision by the Debtor to exclude the applicability of such General Note to any or all of the Debtor's remaining Schedules (or Statements), as appropriate.

Amendment. While every effort has been made to file complete and accurate Schedules and Statements, inadvertent errors or omissions may exist. The Debtor reserves all rights to amend and/or supplement its Schedules and Statements as is necessary and appropriate.

Basis of Presentation. These Schedules and Statements, except as indicated herein, reflect the assets and liabilities of the Debtor as of July 2, 2008, the date the Order for Relief was entered. These Schedules and Statements do not purport to represent financial statements prepared in accordance with GAAP nor are they intended to fully reconcile to the financial statements the Debtor may have prepared and issued to financial institutions or other parties-in-interest.

Causes of Action. The Debtor, despite efforts, may not have set forth all of their causes of action against third parties as assets in their Schedules and Statements. The Debtor reserves all of its rights with respect to any causes of action they may have and neither these General Notes nor the Schedules and Statements shall be deemed a waiver of any such causes of action.

Claims Description. Any failure to designate an obligation on the Debtor's Schedules and Statements as "disputed," "contingent" or "unliquidated" does not constitute an admission by the Debtor that such obligation is not "disputed," "contingent" or "unliquidated." The Debtor reserves the right to dispute any obligation reflected on its Schedules or Statements on any grounds including but not limited to amount, liability or classification, or to otherwise subsequently designate such obligation as "disputed," "contingent" or "unliquidated."

Corporate Guarantees: The Debtor along with its sole shareholder, has a shareholder, partnership or membership interest in several corporations, limited partnerships or limited liability companies, and may have guaranteed certain obligations of those entities. The Debtor has listed the guarantees in its Schedules and Statements as "potential liabilities", and reserves its rights to dispute any of those guarantees.

Current Market Value. It would be prohibitively expensive, unduly burdensome and an inefficient use of estate assets for the Debtor to obtain current market valuations of all of its assets. Accordingly, unless otherwise indicated, net book values are reflected on the Debtor's Schedules and Statements. For this reason, amounts ultimately realized will vary from net book value and such variance may be material. In addition, the amounts shown for liabilities exclude items identified as "Unknown" or "Undetermined" and, thus, ultimate liabilities may differ materially from those stated in the Schedules and Statements.

Dates. Unless otherwise indicated, all information is as of July 2, 2008 (the "Order for Relief").

Estimates. To close the books and records of the Debtor as of the Order for Relief, management was required to make estimates and assumptions that affect the reported amounts of assets and liabilities and reported revenue and expenses for the period ending July 2, 2008.

Insiders. The Debtor has included all payments made during the one-year period preceding the Order for Relief to any individual deemed an "insider." The Debtors have defined "insiders" as those individuals that (a) have been listed as either an officer or director in the Debtor and (b) served as either an officer or director of the Debtor within the one-year period prior to the Order for Relief. Persons listed as "insiders" have been included for informational purposes only. The Debtor does not take any position with respect to (a) such persons' influence over the control of the Debtor, (b) the management responsibilities or function of such individuals, (c) the decision-

making or corporate authority of such individuals or (d) whether such individuals could successfully argue that they are not “insiders” under applicable law.

Litigation. Certain litigation actions reflected on the Schedules of the Debtor may relate to one or more of the partnerships, joint ventures or LLC’s in which the Debtor is a partner or member, and for which the Debtor may have guaranteed certain obligations. In the interest of full disclosure, Debtor has made every attempt to accurately record these actions in the Schedules and Statements of the Debtor that is party to the action. Some or all of the litigation claims scheduled herein may be subject to subordination under Section 510 of the Bankruptcy Code.

Recharacterization. The Debtors reserve all rights to recharacterize, reclassify, recategorize or redesignate items reported in the Schedules and Statements at a later time as is necessary or appropriate.

Schedule D – Creditors Holding Secured Claims. The Debtor reserves its right to dispute or challenge the validity, perfection or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a creditor listed on Schedule D of any Debtor. Moreover, although the Debtor may have scheduled claims of various creditors as secured claims, the Debtor reserve all rights to dispute or challenge the secured nature of any such creditor’s claim or the characterization of the structure of any such transaction or any document or instrument (including, without limitation, any inter-company agreement) related to such creditor’s claim. In certain instances, the Debtor may be a co-obligor, co-mortgagor or guarantor with respect to scheduled claims of an affiliate, and no claim set forth on Schedule D of the Debtor is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other entities. The descriptions provided in Schedule D are intended only to be a summary. Reference to the applicable loan agreements and related documents is necessary for a complete description of the collateral and the nature, extent and priority of any liens. Nothing in the General Notes or the Schedules and Statements shall be deemed a modification or interpretation of the terms of such agreements. The Debtor reserves the right to supplement and/or amend its Schedules and Statements to list such amounts on Schedule D.

Schedule E – Creditors Holding Unsecured Priority Claims. The listing of creditors on Schedule E is preliminary and is subject to reconciliation and, if necessary, amendment by the Debtors to include GAP creditors of which the Debtor is presently unaware. The Debtor reserves its right to dispute or challenge whether such creditors are entitled to priority claims.

Schedule F – Creditors Holding Unsecured Non-priority Claims. On Schedule F, the Debtors have listed amounts payable to general unsecured creditors as of the date of filing of June 6, 2008, the involuntary petition (the “Petition Date”). In an attempt to obtain the most accurate and reliable information by allowing adequate time for all pertinent information to be received and reflected in the Debtor’s books and records, the Debtor searched its records as of July 23, 2008 to determine its unpaid, unsecured obligations as of the Petition Date. Schedule F also contains information regarding potential, pending and closed litigation involving the Debtors. In certain instances, whether this Debtor is the subject of the litigation is unclear or undetermined. However, to the extent that litigation involving the Debtor has been identified, such information is contained in the Schedule for that Debtor. Schedule F does not include certain deferred charges, deferred liabilities or general reserves. Such amounts are, however, reflected on the Debtor’s books and records as required in accordance with GAAP. Such accruals are general estimates of liabilities and do not represent specific claims as of the Order for Relief. The claims listed in Schedule F arose or were

incurred on various dates. In certain instances, the date on which a claim arose is an open issue of fact. While best efforts have been made, determination of each date upon which each claim in Schedule F was incurred or arose would be unduly burdensome and cost prohibitive and, therefore, the Debtor may not list a date for each claim listed on Schedule F.

Schedule G — Executory Contracts and Unexpired Leases. Although reasonable efforts have been made to ensure the accuracy of Schedule G regarding executory contracts and unexpired leases, inadvertent errors, omissions or over-inclusion may have occurred. The presence of a contract, agreement or lease on Schedule G does not constitute an admission that such contract, agreement or lease is an executory contract or unexpired lease or that such contract or agreement was in effect on the Order for Relief or is valid or enforceable. Any and all of the Debtor's rights, claims and causes of action with respect to the contracts, agreements and leases listed on Schedule G are hereby reserved and preserved, and as such, the Debtor hereby reserves all of its rights to dispute the validity, status, or enforceability of any contracts, agreements or leases set forth on Schedule G and to amend or supplement such Schedule as necessary.

The Debtor may have entered into various other types of agreements in the ordinary course of their business, such as indemnity agreements, supplemental agreements, amendments/letter agreements, and confidentiality agreements. Such documents may not be set forth in Schedule G. Moreover, the contracts, agreements and leases listed on Schedule G may have expired or may have been modified, amended, or supplemented from time to time by various amendments, restatements, waivers, estoppel certificates, letter and other documents, instruments and agreements which may not be listed on Schedule G.

Portions of some contracts and leases that are listed on Schedule G may have been fully performed, while other portions of the same contracts and leases may remain executory. The Debtor reserves all of its rights to dispute or challenge the characterization of the structure of any transaction, or any document or instrument related to a creditor's claim, including, but not limited to, the contracts, agreements and leases listed on Schedule G.

In some cases the same entity appears multiple times in Schedule G. This multiple listing is to reflect distinct agreements between the Debtor and such entity.

Schedule H – Co-Debtors. In the ordinary course of its business, the Debtor is involved in pending or threatened litigation and claims arising out of the conduct of its business. These matters may involve multiple plaintiffs and defendants, some or all of whom may assert cross claims and counter-claims against other parties.

Setoffs. During the 90 days prior to the Petition Date, the Debtor may have been involved in certain transactions that could be construed as setoffs. Such transactions could take the form of payment setoff. The Debtor is in the process of reviewing all transactions in the 90 days prior to the Order for Relief to determine if any of the transactions should be challenged under any of the provisions of the Bankruptcy Code.

Statement of Financial Affairs – Question 17 Environmental Information. The Debtor is involved in real estate development, which includes subdivision planning in several counties in California. Currently, the Debtor is unaware of any environmental issues involving any of the projects in which it is involved; however, the Debtor has made diligent inquiry into its books and records in order to respond to Question 17. Should new and relevant information become known to the Debtor, the Debtor will, consistent with applicable law, supplement and/or amend its Statements as appropriate.

Totals. All totals that are included in the Schedules represent totals of all known amounts included in the Debtors' books and records as of the Petition Date. To the extent there are unknown or undetermined amounts, the actual total may be different than the listed total.

Trade Accounts Receivable and Accounts Payable. Such accounts are presented net of allowance for doubtful accounts, but without consideration for any liabilities related to mutual counterparty accounts payable, open or terminated contract liabilities, liquidated damages, setoff rights or collateral held by the Debtor unless otherwise stated. Likewise, Accounts Payable are shown without consideration for accounts receivable, open or terminated contracts, liquidated damages, setoff rights or collateral that has been posted on behalf of the counterparty.

Undetermined Amounts. The description of an amount as "unknown," "TBD" or "undetermined" is not intended to reflect upon the materiality of such amount.