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13
14 **UNITED STATES BANKRUPTCY COURT**
15 **CENTRAL DISTRICT OF CALIFORNIA**
16 **SANTA ANA DIVISION**

17 In re
18 JAMES C. GIANULIAS and CAMEO
HOMES, a California corporation,

20 Debtors and Debtors-in-
Possession.

) Case No. 8:08-bk-13150-RK
) [Substantively Consolidated With:
) Case No. 8:08-bk-13151-RK]

) Chapter 11

) **DECLARATION OF DOMINIC I. SANTOS**
) **IN SUPPORT OF CONFIRMATION OF**
) **THE DEBTORS' FOURTH AMENDED**
) **PLAN OF REORGANIZATION (DATED**
) **MAY 27, 2010), AS MODIFIED**

) **HEARING DATE:**

) **Date:** July 9, 2010

) **Time:** 11:45 a.m.

) **Place:** Courtroom 5D

) 411 West Fourth Street
) Santa Ana, CA 92701

DECLARATION OF DOMINIC I. SANTOS

I, Dominic I. Santos, declare as follows:

1. I am a managing director in FTI Consulting's Corporate Finance practice and am based in Los Angeles, California. FTI Consulting ("FTI") is a global business advisory firm that maintains the largest corporate restructuring practice in the United States.

2. Prior to joining FTI, I was with the accounting firm of PricewaterhouseCoopers ("PWC"), until PWC sold the U.S. division of its Business Recovery Services practice to FTI in 2002.

3. I have spent more than ten years assisting distressed companies in restructuring operations, advising lenders/equity sponsors in assessing and managing current and prospective portfolio assets, and preparing analyses needed by clients in litigation and settlement discussions. My experience includes providing advisory services to clients involved in both formal bankruptcy proceedings and out-of-court restructurings.

4. I have provided advisory services to both publicly and privately held multinational companies with revenues ranging from \$40 million to more than \$30 billion. These services include critiquing business plans, analyzing potential asset divestitures, quantifying potential cost savings and assisting in the development of restructuring plans and financial projections. I have also provided advisory services to lenders and equity sponsors seeking due diligence assistance; recommendations regarding the management of portfolio assets; and assistance with various bankruptcy-related analyses such as business plan assessment, enterprise valuation and weekly monitoring. My litigation experience includes performing asset and enterprise valuations, determining solvency and calculating economic damages.

5. My past experience includes analyzing, critiquing and preparing or assisting in the preparation of real estate valuations and appraisals. I have also assisted in the development and/or feasibility analysis of plans of reorganization on behalf of secured creditors, unsecured creditor committees, and debtors.

6. I hold a B.S. in business administration from the University of Southern California in Los Angeles, with a double emphasis in financial analysis and international finance. I have

1 earned the right to use the chartered financial analyst designation and have been designated a
2 certified insolvency and restructuring advisor. I am a member of the CFA Institute, the
3 Turnaround Management Association, the Association of Insolvency and Restructuring Advisors
4 and the CFA Society of Los Angeles.

5 7. FTI was employed by James C. Gianulias ("Mr. Gianulias") and Cameo Homes, a
6 California corporation ("Cameo"), the debtors and debtors-in-possession in these substantively-
7 consolidated Chapter 11 cases (the "Debtors") for the purposes, in part, of analyzing, valuing and
8 providing expert valuations of the real estate entities owned in part by Mr. Gianulias and Cameo,
9 including the Companies.¹ As part of this analytical process, I, and other members of FTI, have
10 become familiar with the real property assets and the ownership interests held by both Mr.
11 Gianulias and Cameo.

12 8. This Declaration is submitted in support of confirmation of the Debtors' Fourth
13 Amended Plan of Reorganization (Dated May 27, 2010), As Modified (the "Plan").² A hearing to
14 consider confirmation of the Plan is scheduled to be held on July 9, 2010, at 11:45 a.m. (the
15 "Confirmation Hearing"). I am familiar with the terms and provisions of the Plan, the Disclosure
16 Statement and the Plan Documents. Unless otherwise indicated, I have personal knowledge of the
17 facts set forth in this declaration and, if called and sworn in as a witness, I could and would
18 competently testify to the matters set forth herein.

19 9. The purpose of this Declaration is to provide the factual basis for showing that the
20 Plan complies with the applicable provisions of the Bankruptcy Code.

21 **A. Section 1129(a)(7) – Best Interest of Creditors Test**

22 10. The Debtors, with the assistance of FTI, prepared the Liquidation Analysis, which
23 is attached hereto as Exhibit A,³ and the Plan Distribution Analysis, attached hereto as Exhibit B.⁴

24
25 ¹ The real estate interests owned in part by Mr. Gianulias and Cameo include limited liability
26 companies, general partnerships, and limited partnerships (collectively, the "Companies").

27 ² Capitalized terms not otherwise defined herein shall have the same meanings as set forth in the
28 Plan.

³ The Liquidation Analysis was attached as Exhibit 3 to the Disclosure Statement.

⁴ The Plan Distribution Analysis was attached as Exhibit 7 to the Disclosure Statement.

1 I personally assisted in the preparation of the Liquidation Analysis and the Plan Distribution
2 Analysis.

3 11. I am aware of the requirements of section 1129(a)(7) of the Bankruptcy Code. This
4 section provides, with respect to each Impaired Class of Claims, that each holder of an Allowed
5 Claim either (i) accept the Plan or (ii) receive or retain under the Plan property of a value, as of the
6 Effective Date, that is not less than the value such holder would receive or retain if the Debtors
7 were liquidated under chapter 7 of the Bankruptcy Code. Based on the estimates and assumptions
8 set forth in the Liquidation Analysis and the Plan Distribution Analysis, which are subject to the
9 disclosures set forth in the Plan and Disclosure Statement, I believe that the Plan provides each
10 creditor with the same or better treatment than if the Debtors were liquidated under chapter 7.

11 12. To determine what holders of Claims in each Impaired Class would receive if the
12 Debtors were liquidated under chapter 7, FTI considered the dollar amount that would be
13 generated from the liquidation of the Debtors' assets and properties in the context of a chapter 7
14 liquidation case. The Cash amount that would be available for satisfaction of Claims would
15 consist of the net proceeds⁵ resulting from the disposition of the Debtors' assets, including Cash, if
16 any, held by the Debtors at the time of the commencement of the liquidation case. Such Cash
17 amount would be reduced by the amount of the costs and expenses of the liquidation, by the
18 amount of any tax obligations that might result from the disposition of the Debtors' assets and by such
19 additional administrative and priority Claims that might result from the termination of the
20 Debtors' business and the use of chapter 7 for the purposes of liquidation.

21 13. The Debtors' costs of liquidation under chapter 7 would include the fees payable to
22 a chapter 7 trustee, as well as those fees that might be payable to attorneys and other professionals
23 that such a trustee might engage. In addition, Claims would arise by reason of the breach or
24 rejection of obligations incurred and leases and executory contracts assumed or entered into by the
25 Debtors during the pendency of the Cases. The foregoing types of Claims and other Claims that
26 might arise in a liquidation case or result from the pending Chapter 11 Cases, including any

27 _____
28 ⁵ Net proceeds meaning the proceeds available after the payment of any obligations secured by
the asset sold.

1 unpaid expenses incurred by the Debtors and the Committee during the Chapter 11 Cases such as
2 compensation for attorneys, financial advisors and accountants, would be paid in full from the
3 liquidation proceeds before the balance of those proceeds would be made available to pay
4 prepetition Claims.

5 14. To determine if the Plan is in the best interests of each Impaired Class, the value of
6 the distributions from the net proceeds of a liquidation of the Debtors' assets, after subtracting the
7 amounts attributable to the claims that might arise in a liquidation case set forth above, are then
8 compared with the value of the distributions offered to such Classes of Claims under the Plan. As
9 set forth in greater detail below, and subject to the information and disclosures set forth in the Plan
10 and Disclosure Statement, FTI has determined that while the proceeds from a liquidation may be
11 sufficient to pay all Allowed Administrative Claims, Priority Claims, Priority Tax Claims and
12 Secured Claims in full, a liquidation would likely result in only a minimal distribution (less than
13 1%), if any, to holders of Allowed General Unsecured Claims.

14 15. The information set forth in the Plan Distribution Analysis provides an analysis of
15 distributions to be made to Creditors under the Plan. As set forth in the Plan Distribution
16 Analysis, all Impaired Classes of Secured Creditors will have their Allowed Secured Claims paid
17 in full over time under the terms set forth in the Plan. The payments to be made by the
18 Reorganized Debtors to the Creditors' Trust pursuant to the Cash Flow Note and the Secondary
19 Note shall be the sole source of distributions to holders of Allowed Claims in Class 3.⁶ Each
20 Creditor holding an Allowed Claim in Class 3 is entitled to a Pro Rata share of the Cash Flow
21 Note and the Secondary Note. The amount to be paid to a Creditor holding an Allowed Claim in
22 Class 3 may depend upon which of the following categories of Claims applies to a particular
23 Creditor's Claim: (1) the Creditor's Allowed Claim is asserted solely against the estate of
24 Gianulias; (2) the Creditor's Allowed Claim is asserted solely against the estate of Cameo; or (3)
25 the Creditor has valid, non-duplicative Allowed Claims against both the Gianulias and Cameo
26 estates (for example, a Creditor with enforceable guarantees issued by both Debtors).

27 ⁶ Holders of Allowed Claims in Class 3 will also receive distributions on account of any Avoidance
28 Action recoveries. Because of the uncertainties associated with such recoveries, these potential recoveries
were not included in any of the calculations.

1 16. The information set forth in the Liquidation Analysis provides a summary of the
2 estimated liquidation values of the Debtors' assets, assuming a chapter 7 liquidation in which a
3 trustee appointed by the Court would liquidate the assets of the Debtors' estates. After
4 considering the effects that a chapter 7 liquidation would have on the ultimate proceeds available
5 for distribution to Creditors, including (i) the increased costs and expenses of a liquidation under
6 chapter 7 including, among other costs, fees payable to a trustee in bankruptcy and professional
7 advisors to such trustee and (ii) the likely erosion in value of assets in a chapter 7 case in the
8 context of an expeditious liquidation and the "forced sale" atmosphere that would prevail under
9 chapter 7, and based upon the estimates, assumptions and disclosures described in the Disclosure
10 Statement and its exhibits, FTI determined that confirmation of the Plan will provide each holder
11 of an Allowed Claim with a recovery that is not less than such holder would receive pursuant to a
12 liquidation of the Debtors under chapter 7.

13 17. Underlying the Plan Financial Projections, Distribution Analysis, and Liquidation
14 Analysis are a number of estimates and assumptions that, although developed and considered
15 reasonable by the Debtors and FTI, are inherently subject to significant business, economic and
16 competitive uncertainties and contingencies beyond the control of the Debtors. The Liquidation
17 Analysis is also based on assumptions with regard to liquidation decisions that are subject to
18 change. Accordingly, the values reflected might not be realized if the Debtors were, in fact, to
19 undergo such a liquidation. The chapter 7 liquidation period is assumed to be a period in excess of
20 one year, allowing for, among other things, the (i) discontinuation of the Debtors' operations, (ii)
21 sale of assets and (iii) collection of receivables.

22 18. Below is a demonstration, in balance sheet format, that all creditors will receive at
23 least as much under the Plan as such creditor would receive under a chapter 7 liquidation.

24 **ASSETS VALUED AT LIQUIDATION VALUES:**

25	- Cash on hand at liquidation commencement (approx.)	\$250,000
26	- Membership Interests in Multi-Family Properties	\$9,791,632
27	- Membership Interests in Office/Retail Properties	\$2,807,932
28	- Membership Interests in Land Parcels	\$543,066
	- Membership Interests in Other Businesses	\$943,658
	- Private Residences/Land	\$5,886,850
	- Investments/Other	\$1,123,753

1	- Non-Exempt personal property	\$200,000
2	TOTAL ASSETS AT LIQUIDATION VALUE	\$21,546,892
3		=====
4	Less:	
5	Secured creditor's recovery	(\$11,360,148)
6	Less:	
7	Estimated capital gains tax on sale of assets	(\$2,770,745)
8	Less:	
9	Net Operating Cash Flow/(Loss) Through Liquidation Period	\$999,552
10	Less:	
11	Chapter 7 trustee fees and expenses (approx.)	(\$662,157)
12	Less:	
13	Chapter 11 administrative expenses (approx.)	(\$5,644,060)
14	Less:	
15	Priority claims (incl. property tax), excluding administrative expense claims	(\$64,680)
16	BALANCE FOR UNSECURED CLAIMS	\$2,044,654

ESTIMATED AMT. OF UNSECURED CLAIMS

IN CHAPTER 7 CASE \$252,780,507

Below is a demonstration, in tabular format, that all creditors and interest holders will receive at least as much under the Plan as such creditor or holder would receive under a chapter 7 liquidation.

<u>CLAIMS & CLASSES</u>	<u>ESTIMATED PAYOUT PERCENTAGE UNDER THE PLAN</u> ⁷	<u>EST. PAYOUT PERCENTAGE IN CHAPTER 7 LIQUIDATION</u> ⁸
Administrative Claims	100%	100%

⁷ For secured claims, Estimated Payout Percentage Under the Plan is calculated using the estimated collateral value for the secured claim as the secured claim amount, which may be less than the claim amount at the petition date. Any shortfall between collateral value and secured claim amount will result in the deficiency being treated as a general unsecured claim. The payout of the claim may take the form of either cash paid to the claimholder over time, or the collateral being surrendered to the secured claim holder in satisfaction of the secured claim (if applicable).

⁸ For secured claims, Estimated Payout Percentage In Chapter 7 Liquidation is calculated using the estimated recovery value for the secured claim in a Chapter 7 liquidation as the secured claim amount, which may be less than the claim amount at the petition date. Any shortfall between recovery value and secured claim amount will result in the deficiency being treated as a general unsecured claim. The payout of the claim may take the form of either cash or the collateral being surrendered to the secured claim holder in satisfaction of the secured claim (if applicable).

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<u>CLAIMS & CLASSES</u>	<u>ESTIMATED PAYOUT PERCENTAGE UNDER THE PLAN⁷</u>	<u>EST. PAYOUT PERCENTAGE IN CHAPTER 7 LIQUIDATION⁸</u>
Priority Tax Claims	100%	100%
Class 1A: Secured Claims of Pacific Mercantile	100%	100%
Class 1B-1: Secured Claim of Wells Fargo on Account of the Colorado Note	100%	100%
Class 1B-2: Secured Claim of Wells Fargo on Account of the Hawaii Note	100%	100%
Class 1C: Secured Claims of National Bank	100%	100%
Class 1D: Secured Claims of Marilyn Gianulias	100%	100%
Class 1E: Secured Claims of Gus Gianulias	100%	100%
Class 1F: Secured Claims of Countrywide	100%	100%
Class 1G: Secured Claims of Chase	100%	100%
Class 1H: Other Secured Claims	100%	100%
Class 2: Priority Claims	100%	100%
Class 3: General Unsecured Claims ⁹	25.9% (51.8% for those creditors with dual claims)	0.8%

⁹ There are three categories of claims in Class 3: (1) Creditors whose Allowed Claims are asserted solely against the estate of Gianulias; (2) Creditors whose Allowed Claims are asserted solely against the estate of Cameo; and (3) Creditors with valid, non-duplicative Allowed Claims against both the Gianulias and Cameo estates (for example, a Creditor with enforceable guarantees issued by both Debtors). As shown in the Plan Distribution Analysis, creditors with Allowed Claims in the first category (Gianulias only) and second category (Cameo only) are projected to receive distributions of approximately 25.9% of their Allowed Claims; and creditors with Allowed Claims in the third category (dual claims) are projected to receive distributions of approximately 51.8% of their Allowed Claims (payout percentage for dual claims of 25.9% is calculated using \$209,884,853 -- double the estimated claim amount of \$104,942,426 -- as the denominator; alternatively the recovery percentage can be presented as 51.8% if calculated using \$104,942,426 as the denominator). (As shown in the Liquidation Analysis, the corresponding distributions are estimated to be 0.8% for all categories of claims in Class 3.) These estimates are based on the application of current state and federal tax law, which potentially affects the amount of cash from operations that is available to make Plan payments. The tax laws are currently in flux due to changes in the

<u>CLAIMS & CLASSES</u>	<u>ESTIMATED PAYOUT PERCENTAGE UNDER THE PLAN⁷</u>	<u>EST. PAYOUT PERCENTAGE IN CHAPTER 7 LIQUIDATION⁸</u>
Class 4: Inter-Debtor Claims ¹⁰	0%	0%
Class 5: Subordinated Claims*	100%	100%

* There are no known claims in this class.

19. One of the key facets of the Plan is that it permits Mr. Gianulias to retain his ownership and control of Cameo and the Companies, which preserves significant value that would be unavoidably lost if the Debtors were divested of this ownership and control of Cameo and the Companies. Due to change in control clauses contained in loan agreements between these entities and a variety of lenders, a change in ownership or control of Cameo and/or certain of the Companies would trigger defaults under a wide array of loan agreements. FTI has analyzed the financial effect of these potential defaults, and the resulting consequences. Based on this analysis, FTI has determined that defaults resulting from a change in ownership and control of Cameo and/or the Companies (to someone other than Mr. Gianulias) would trigger significant pre-payment penalties. Comparing the potential financial impact of these penalty clauses on creditors to the proposed distributions to creditors under the Plan, FTI has concluded that unsecured creditors will receive more under the Plan than they would have received in a realistic liquidation scenario in which Mr. Gianulias' ownership and control of Cameo and/or the Companies is not preserved.

20. Based on the information set forth in the Disclosure Statement, all Persons holding impaired Claims will receive distributions under the Plan having a value of at least as much or

economy, and may be changed in a way which negatively impacts the amount of cash available to make Plan payments.

¹⁰ This consists of a claim of Gianulias against the Cameo estate of approximately \$10 million. The estimated percentage distribution is calculated to be the same as for the other creditors of Cameo (as if the two Debtors were not consolidated). Any payout of the Inter-Debtor Claim from the Cameo estate to the Gianulias estate would be distributed to creditors of Gianulias.

1 more than they would receive in a chapter 7 liquidation. Accordingly, the requirements of section
2 1129(a)(7) are satisfied.

3 **B. Section 1129(a)(11) -- Feasibility**

4 21. The Debtors, with the assistance of FTI, prepared financial projections of the
5 Reorganized Debtors' expected annual performance through the end of 2024 (the "Financial
6 Projections"), which are attached hereto as Exhibit C.¹¹ I personally assisted in the preparation of
7 the Financial Projections.

8 22. I am aware of the requirements of section 1129(a)(11) of the Bankruptcy Code
9 which requires, among other things, that the Court determine that confirmation is not likely to be
10 followed by the liquidation or the need for further financial reorganization of the debtor. In
11 connection with the development of the Plan, and for purposes of determining whether the Plan
12 satisfies this feasibility standard, FTI analyzed the Debtors' ability to meet their obligations under
13 the Plan and to maintain sufficient liquidity and capital resources to conduct their business
14 subsequent to their emergence from chapter 11. Based upon the estimates and assumptions
15 outlined in the Financial Projections, and subject to the accompanying disclosures set forth in the
16 Disclosure Statement, the Financial Projections demonstrate the Reorganized Debtors having
17 sufficient cash flow from the Companies' operations to make all required payments to Creditors
18 under the Plan.

19 23. The Financial Projections reflect the Reorganized Debtors' projected financial
20 performance for a fifteen-year period starting in 2010 and ending in 2024 (the "Projection
21 Period"), and are appended to the Disclosure Statement. The Financial Projections summarize the
22 Debtors' projected revenues, expenses, capital expenditures and financing needs of the
23 Reorganized Debtors for the Projection Period.

24 24. The Financial Projections were prepared in good faith based upon assumptions
25 believed to be reasonable. These assumptions include, without limitation, confirmation and
26 consummation of the Plan in accordance with its terms, the Reorganized Debtors' anticipated
27

28 ¹¹ The Financial Projections were attached as Exhibit 2 to the Disclosure Statement.

1 future performance, the future performance of the real estate market, certain assumptions with
2 respect to the Reorganized Debtors' competitors, general business and economic conditions and
3 other matters, many of which are beyond the control of the Reorganized Debtors. In addition,
4 unanticipated events and circumstances occurring subsequent to the preparation of the Financial
5 Projections may affect the Reorganized Debtors' actual financial results. Although FTI believes
6 that the Financial Projections are reasonable, variations between the actual financial results and
7 those projected are likely to occur and may be material. In addition, the risk of variations between
8 actual financial results and projections is increased for projections that extend out over a fifteen
9 year period, as small changes in the early years could have a significant impact in the later years.¹²

10 25. There are two aspects of a feasibility analysis. The first aspect considers whether
11 the Debtors will have enough cash on hand on the Effective Date of the Plan to pay all the claims
12 and expenses which are entitled to be paid on such date. This aspect of feasibility is satisfied as
13 illustrated here:

14	Estimated Cash Debtors will have on hand prior	
15	to or by the Effective Date	\$250,000
16	Needed:	
17	To Pay: Administrative Claims to be paid on Effective Date ¹³	\$144,060
18	To Pay: Statutory costs & charges	\$0
19	To Pay: Gap Claims to be paid on Effective Date	\$34,426
20	To Pay: Priority Claims if paid on Effective Date	\$30,254
21	(may be paid over five years from Effective Date)	
22	Balance after paying these amounts	\$41,260

23 26. The second aspect of feasibility considers whether the Debtors will have enough
24 cash over the term of the Plan to make the required payments thereunder. Based on the estimates
25 and assumptions set forth therein, and subject to the disclosures set forth in the Disclosure

26 ¹² The Financial Projections, which were prepared during September and October 2009, were
27 based, in part, on economic, competitive, and general business conditions prevailing at the time. Although
28 the projections and information are based upon an Effective Date in the first quarter of 2010, FTI does not
believe that having an actual Effective Date later in 2010 would have a material effect on the Financial
Projections.

¹³ The Administrative Claims of Professionals will not be paid on the Effective Date. Instead, the
Administrative Claims of Professionals will be paid, Pro Rata, from the cash generated by the Portfolio,
subject to the payment of \$1.8 million annually to the Reorganized Debtors in the first and second year
following the Effective Date and the payments to be made to Marilyn Gianulias on account of her Secured
Claim as set forth in the Plan.

1 Statement, the Financial Projections demonstrate that the Debtors will have adequate cash flow
2 during the next fifteen years to make all required Plan payments. Although it is challenging to
3 forecast, with any degree of specificity, cash flow figures up to fifteen years in the future, FTI
4 estimates that the net cash flow from the Companies will be sufficient in allowing the Debtors to
5 fund their operations going forward.

6 27. Furthermore, the terms of the Cash Flow Note provide that the monthly payments
7 are to be calculated based on Available Cash Flow. As a result, the feasibility associated with
8 making the Cash Flow Note's monthly payments is highly likely since the payments on the Cash
9 Flow Note are, with the exception of the payment due at maturity, purely a function of Available
10 Cash Flow.

11 28. Accordingly, the Plan is not likely to be followed by liquidation or the need for
12 further reorganization of the Debtors, and the Plan therefore meets the standards of section
13 1129(a)(11) of the Bankruptcy Code.

14 I declare under penalty of perjury that the foregoing is true and correct.

15 Executed this 7th day of July, 2010, at Los Angeles, California.

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18 Dominic I. Santos
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James C. Gianulias & Cameo Homes - Consolidated Estate Liquidation
Liquidation Analysis - Summary of Creditor Recovery by Class

		CONSOLIDATED ESTATES			
PROCEEDS AVAILABLE FROM LIQUIDATION OF ASSETS		Liquidation Values, Net	Liquidation Values, Gross		
	Multi-Family Properties ^[1]	\$ 9,791,632	\$ 9,791,632		
	Commercial Properties (Office & Retail)	2,807,932	2,807,932		
	Land Parcels ^[2]	543,066	543,066		
	Businesses ^[3]	943,658	943,658		
	Private Residences ^[4]	162,191	5,886,850		
	Investments / Other ^[5]	1,123,753	1,123,753		
	Personal Property ^[6]	-	200,000		
	Cash on Hand at Liquidation Commencement ^[7]	-	250,000		
	Tax Liability Incurred from Liquidation of Assets ^[8]	-	(2,770,745)		
	Total Proceeds from Assets	\$ 15,372,233	\$ 18,776,147		
ESTIMATED ALLOCATION OF PROCEEDS		Original Claim Amount	Estimated Claims	Estimated \$ Recovery	Implied % Recovery
I. Administrative Expenses					
	Trustee Fees ^[9]		\$ 662,157	\$ 662,157	100.0%
	Wind-down Income ^[10]		(2,428,942)	(2,428,942)	N/A
	Wind-down Costs ^[11]		1,429,390	1,429,390	100.0%
	Professional Fees ^[12]		5,500,000	5,500,000	100.0%
	Other Administrative Expenses (Excl. Professional Fees)		144,060	144,060	100.0%
	Total Administrative Expenses		5,306,665	5,306,665	100.0%
	Proceeds Available After Administrative Expenses		\$ 13,469,482		
II. Secured Claims					
	Secured 1A: Pacific Mercantile (Cambridge) ^[13]	\$ 3,007,750	\$ 543,066	\$ 543,066	100.0%
	Secured 1B-2: Wells Fargo (Hawaii) ^[13]	4,007,735	3,404,000	3,404,000	100.0%
	Secured 1C: National Bank of AZ (Old Greenwood) ^[13]	506,600	430,100	430,100	100.0%
	Secured 1F: Countrywide (Santa Rosa) ^[14]	472,500	527,871	527,871	100.0%
	Secured 1G: JP Morgan Chase (48th & Adams) ^[13]	625,623	383,180	383,180	100.0%
	Secured 1B-1: Wells Fargo (Colorado) ^[14]	256,714	289,132	289,132	100.0%
	Secured 1D: Robbins ^[14]	4,200,000	5,075,000	5,075,000	100.0%
	Secured 1E: Gus Gianulias (Santa Rosa) ^[13]	550,000	7,799	7,799	100.0%
	Secured 1E: Gus Gianulias (Colorado) ^[13]	700,000	700,000	700,000	100.0%
		14,326,922	11,360,148	11,360,148	100.0%
	Proceeds Available After Secured Claims		\$ 2,109,334		
III. Gap/Priority Claims					
	Gap Claims		\$ 34,426	\$ 34,426	100.0%
	Priority Claims ^[15]		30,254	30,254	100.0%
			64,680	64,680	100.0%
	Proceeds Available After Priority Claims		\$ 2,044,654		
IV. General Unsecured Claims					
	General Unsecured Creditors - Cameo Homes		\$ 19,847,622	\$ 160,541	0.8%
	General Unsecured Creditors - James Gianulias		23,048,033	186,428	0.8%
	General Unsecured Creditors - Dual Guarantees ^[16]		209,884,853	1,697,686	0.8%
	Other		-	-	0.0%
			252,780,507	2,044,654	0.8%
	Proceeds Available After General Unsecured Claims		\$ -		

Exhibit **A**
Page **13**

**James C. Gianulias & Cameo Homes - Consolidated Estate Liquidation
Liquidation Analysis - Summary of Creditor Recovery by Class**

Notes:

- [1] Includes Murrieta 492 and Murrieta 144 ownership interests.
- [2] Assumes all raw land parcels with the exception of Cambridge Square Partners will be foreclosed upon prior to liquidation.
- [3] Represents ownership interests in Napa Wine Group (Levendi) and LAGI.
- [4] Estimated proceeds for private residences reflects the gross asset value for purposes of calculating secured claims (excluding Atlantis Cove), less disposition costs and chapter 7 discounts. Proceeds from secured collateral to be first applied to respective secured claims.
- [5] Represents investments and automobiles.
- [6] Personal property includes furniture, collections and other personal property.
- [7] Estimated cash on hand as of January 1, 2010.
- [8] Tax liability based upon analysis by Haskell & White.
- [9] Calculation based upon the formula outlined by the United States Office of the Trustee.
- [10] Represents an estimate of 50% of 2010 income.
- [11] Represents an estimate of wind down costs based upon 2010 forecasted expenses for G Companies and James C. Gianulias.
- [12] Represents an estimate of \$3,700,000 for professional fees assumed to be accrued as of start of liquidation at January 1, 2010, plus \$200,000 per month through June 2010, and \$100,000 per month of professional fees thereafter through 2010 as the estate is wound down.
- [13] Secured claims are limited to the value of collateral less applicable asset disposition costs and chapter 7 liquidation discounts. The difference between the original claim and the secured portion is treated as an unsecured claim.
- [14] Estimated claim includes accrued interest through the effective date since estimated collateral value is in excess of secured claim.
- [15] Priority claims are comprised of various payments to property tax authorities.
- [16] Dual Guarantees reflect double the estimated claim amount of \$104,942,426 for purposes of calculating the Estimated Dollar Recovery for Dual Guarantee Claims.

James C. Gianulias & Cameo Homes - Consolidated
Plan of Reorganization Creditor Recovery by Class

CONSOLIDATED ESTATES

PROCEEDS AVAILABLE FROM PLAN		Estimated Proceeds	
Foreclosed Property Values ^[1]	\$	857,480	
Estimated Cash Flow for Plan Claims Payments		69,898,167	
Secondary UCC Note ("Back End Payment")		5,000,000	
Total Proceeds from Assets	\$	75,755,647	

ESTIMATED ALLOCATION OF PROCEEDS	Estimated Claims	Estimated \$ Recovery	Implied % Recovery
I. Administrative Expenses			
Professional Fees	\$ 3,700,000	\$ 3,700,000	100.0%
Other Administrative Expenses (Excl. Professional Fees)	144,060	144,060	100.0%
Total Administrative Expenses	3,844,060	3,844,060	100.0%
Proceeds Available After Administrative Expenses	\$ 71,911,587		
II. Secured Claims			
	Original Claim Amount	Estimated Secured Claim	Estimated \$ Recovery ^[6]
Secured 1A: Pacific Mercantile (Cambridge) ^[2]	\$ 3,007,750	\$ 3,007,750	New Note
Secured 1B-2: Wells Fargo (Hawaii) ^[2]	4,007,735	3,700,000	New Note
Secured 1C: National Bank of AZ (Old Greenwood) ^[4]	506,600	453,475	453,475
Secured 1F: Countrywide (Santa Rosa) ^[3]	472,500	527,871	New Note
Secured 1G: JP Morgan Chase (48th & Adams) ^[4]	625,623	404,005	404,005
Secured 1B-1: Wells Fargo (Colorado) ^[3]	256,714	289,132	New Note
Secured 1D: Robbins ^[5]	4,200,000	6,193,563	6,193,563
Secured 1E: Gus Gianulias (Santa Rosa) ^[7]	550,000	54,379	New Note
Secured 1E: Gus Gianulias (Colorado) ^[7]	700,000	700,000	New Note
	14,326,922	15,330,175	7,051,043
Proceeds Available After Secured Claims		\$ 64,860,544	
III. Gap/Priority Claims			
	Estimated Claims	Estimated \$ Recovery	Implied % Recovery
Gap Claims	\$ 34,426	\$ 34,426	100.0%
Priority Claims	30,254	30,254	100.0%
	64,680	64,680	100.0%
Proceeds Available After Priority Claims		\$ 64,795,864	
IV. General Unsecured Claims			
	Estimated Claims	Estimated \$ Recovery	Implied % Recovery
General Unsecured Creditors - Cameo Homes	\$ 19,847,622	\$ 5,145,636	25.9%
General Unsecured Creditors - James Gianulias	20,196,569	5,236,103	25.9%
General Unsecured Creditors - Dual Guarantees ^[8]	209,884,853	54,414,126	25.9%
Other	-	-	0.0%
	249,929,043	64,795,864	25.9%
Proceeds Available After General Unsecured Claims		\$ -	

[1] Represents estimated foreclosure value for secured lender collateral likely to be foreclosed under Plan (1C: Old Greenwood and 1G: 48th & Adams). Foreclosure values applied to respective secured lender claims to determine % recovery and deficiency claim.

[2] Estimated claim reflects proposed principal value of new note described in Plan of Reorganization.

[3] Estimated claims includes accrued interest through the effective date since estimated collateral value is in excess of debt.

[4] Estimated secured claim amount is capped at estimated foreclosure value after disposition costs of the underlying property with any deficiencies classified as an unsecured claims. (Property assumed to be foreclosed upon under Plan of Reorganization).

[5] Estimated secured claim amount reflects total payments under the Plan cash flow projection. Beginning note balance equals \$5.1 million which includes estimated accrued but unpaid interest through the Plan effective date.

[6] New Note payments will be made from estimated distributions to J. Gianulias.

[7] Secured claims are limited to the value of collateral. The difference between the original claim and the secured portion is treated as an unsecured claim.

[8] Dual Guarantees reflect double the estimated claim amount of \$104,942,426 for purposes of calculating the Estimated Dollar Recovery for Dual Guarantee Claims.

James Gianullas / Cameo Homes
Cash Flow Projection

	Projection Period															
	2009	Year 1 2010	Year 2 2011	Year 3 2012	Year 4 2013	Year 5 2014	Year 6 2015	Year 7 2016	Year 8 2017	Year 9 2018	Year 10 2019	Year 11 2020	Year 12 2021	Year 13 2022	Year 14 2023	Year 15 2024
River Knolls	\$ 124,320	\$ 171,626	\$ 114,104	\$ 114,104	\$ 114,104	\$ 114,104	\$ 114,104	\$ 114,104	\$ 114,104	\$ 114,104	\$ 114,104	\$ 114,104	\$ 114,104	\$ 114,104	\$ 114,104	\$ 114,104
Park Meadows	\$ 326,848	\$ 430,822	\$ 444,104	\$ 463,856	\$ 479,584	\$ 495,488	\$ 511,456	\$ 527,488	\$ 543,584	\$ 559,744	\$ 575,968	\$ 592,256	\$ 608,608	\$ 625,024	\$ 641,504	\$ 658,048
Fountain Valley Senior Housing	\$ 1,211,408	\$ 1,128,317	\$ 1,074,104	\$ 1,020,848	\$ 967,536	\$ 914,176	\$ 860,768	\$ 807,312	\$ 753,808	\$ 700,256	\$ 646,656	\$ 593,008	\$ 539,312	\$ 485,568	\$ 431,776	\$ 377,936
Park Glen	\$ 587,236	\$ 581,427	\$ 573,210	\$ 565,062	\$ 556,914	\$ 548,766	\$ 540,618	\$ 532,470	\$ 524,322	\$ 516,174	\$ 508,026	\$ 499,878	\$ 491,730	\$ 483,582	\$ 475,434	\$ 467,286
Park Mesa	\$ 624,713	\$ 680,679	\$ 695,457	\$ 715,369	\$ 735,321	\$ 755,313	\$ 775,345	\$ 795,417	\$ 815,529	\$ 835,681	\$ 855,873	\$ 876,105	\$ 896,377	\$ 916,689	\$ 937,041	\$ 957,433
Piccadilly Square	\$ 274,375	\$ 192,420	\$ 292,243	\$ 289,708	\$ 287,173	\$ 284,638	\$ 282,103	\$ 279,568	\$ 277,033	\$ 274,498	\$ 271,963	\$ 269,428	\$ 266,893	\$ 264,358	\$ 261,823	\$ 259,288
Piccadilly 422	\$ 68,018	\$ 127,419	\$ 138,308	\$ 183,662	\$ 210,668	\$ 237,674	\$ 264,680	\$ 291,686	\$ 318,692	\$ 345,698	\$ 372,704	\$ 399,710	\$ 426,716	\$ 453,722	\$ 480,728	\$ 507,734
Vila Buhna	\$ 342,876	\$ 251,227	\$ 251,091	\$ 225,700	\$ 202,734	\$ 179,768	\$ 156,802	\$ 133,836	\$ 110,870	\$ 87,904	\$ 64,938	\$ 41,972	\$ 19,006	\$ -3,960	\$ -28,994	\$ -56,988
ECP - County Gardens	\$ 14,081	\$ 12,138	\$ 10,685	\$ 10,578	\$ 11,947	\$ 13,316	\$ 14,685	\$ 16,054	\$ 17,423	\$ 18,792	\$ 20,161	\$ 21,530	\$ 22,900	\$ 24,269	\$ 25,638	\$ 27,007
ECP - County Estates	\$ 23,625	\$ 20,366	\$ 18,224	\$ 18,341	\$ 20,719	\$ 22,260	\$ 23,785	\$ 25,310	\$ 26,835	\$ 28,360	\$ 29,885	\$ 31,410	\$ 32,935	\$ 34,460	\$ 35,985	\$ 37,510
ECP - Greendale Village	\$ 202,929	\$ 174,933	\$ 165,006	\$ 166,221	\$ 175,141	\$ 182,449	\$ 189,157	\$ 195,865	\$ 202,573	\$ 209,281	\$ 215,989	\$ 222,697	\$ 229,405	\$ 236,113	\$ 242,821	\$ 249,529
ECP - Woodwind Gardens	\$ 59,365	\$ 51,173	\$ 45,777	\$ 45,200	\$ 49,981	\$ 54,318	\$ 58,655	\$ 62,992	\$ 67,329	\$ 71,666	\$ 75,993	\$ 80,320	\$ 84,647	\$ 88,974	\$ 93,301	\$ 97,628
Multi-Family Cash Flow (Total)	\$ 3,715,273	\$ 3,785,244	\$ 3,875,915	\$ 4,024,822	\$ 4,225,275	\$ 4,481,783	\$ 4,794,119	\$ 5,162,681	\$ 5,597,729	\$ 6,099,753	\$ 6,679,112	\$ 7,336,312	\$ 8,082,812	\$ 8,920,112	\$ 9,858,812	\$ 10,908,412
Coast Business Center	\$ 80,063	\$ 89,130	\$ 116,548	\$ 183,591	\$ 177,742	\$ 206,475	\$ 202,580	\$ 221,345	\$ 267,693	\$ 263,921	\$ 266,889	\$ 256,889	\$ 256,889	\$ 256,889	\$ 256,889	\$ 256,889
Crown Building	\$ 49,071	\$ 64,049	\$ 35,388	\$ 37,473	\$ 39,034	\$ 66,817	\$ 82,865	\$ 81,423	\$ 82,429	\$ 81,683	\$ 82,678	\$ 82,678	\$ 82,678	\$ 82,678	\$ 82,678	\$ 82,678
Dona Center	\$ 73,178	\$ 70,108	\$ 59,846	\$ 39,125	\$ 401,083	\$ 102,517	\$ 103,893	\$ 50,247	\$ 106,920	\$ 131,523	\$ 133,186	\$ 133,186	\$ 133,186	\$ 133,186	\$ 133,186	\$ 133,186
Greenbush Plaza	\$ 26,150	\$ 21,659	\$ 36,584	\$ 48,200	\$ 44,211	\$ 30,573	\$ 23,751	\$ 57,347	\$ 65,795	\$ 70,389	\$ 68,361	\$ 68,361	\$ 68,361	\$ 68,361	\$ 68,361	\$ 68,361
Grass Valley Shopping Center	\$ 685,723	\$ 591,907	\$ 701,237	\$ 280,284	\$ 437,242	\$ 603,091	\$ 760,342	\$ 775,822	\$ 760,185	\$ 832,684	\$ 907,679	\$ 907,679	\$ 907,679	\$ 907,679	\$ 907,679	\$ 907,679
Labarra Cannery Mall	\$ 87,662	\$ 51,971	\$ 113,644	\$ 107,812	\$ 92,860	\$ 101,252	\$ 133,316	\$ 137,935	\$ 144,117	\$ 125,002	\$ 166,872	\$ 168,872	\$ 168,872	\$ 168,872	\$ 168,872	\$ 168,872
Lucas / Gianullas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sundance Village	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Cash Flow (Total)	\$ 981,638	\$ 1,092,639	\$ 1,235,464	\$ 894,570	\$ 1,150,515	\$ 1,443,500	\$ 1,636,366	\$ 1,730,310	\$ 1,541,331	\$ 2,035,457	\$ 2,110,419	\$ 2,110,419	\$ 2,110,419	\$ 2,110,419	\$ 2,110,419	\$ 2,110,419
Social Security, Interest Income, etc.	\$ 28,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Refund	\$ 762,608	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income	\$ 621,768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cameo Homes (E)	\$ (283,214)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G Companies (E)	\$ (1,322,282)	\$ (1,320,000)	\$ (1,320,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
J. Gianullas Business/Personal Exp. (E)	\$ (482,014)	\$ (480,000)	\$ (480,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Re-Financing Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Portfolio Business Costs	\$ (2,087,920)	\$ (1,800,000)	\$ (1,800,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cameo Homes Taxes - Federal (E)	\$ -	\$ -	\$ (34,223)	\$ (34,103)	\$ (37,629)	\$ (40,637)	\$ (43,297)	\$ (45,648)	\$ (48,428)	\$ (52,212)	\$ (56,275)	\$ (60,703)	\$ (65,503)	\$ (70,679)	\$ (76,231)	\$ (82,161)
Cameo Homes Taxes - State (E)	\$ (800)	\$ -	\$ (11,379)	\$ (11,339)	\$ (12,512)	\$ (14,386)	\$ (16,178)	\$ (18,103)	\$ (20,587)	\$ (24,340)	\$ (28,952)	\$ (34,417)	\$ (40,847)	\$ (48,242)	\$ (56,603)	\$ (65,938)
J. Gianullas Taxes - Federal (E)	\$ -	\$ -	\$ (145,258)	\$ (5,875)	\$ (31,864)	\$ (108,737)	\$ (32,287)	\$ (205,087)	\$ (324,537)	\$ (428,752)	\$ (544,817)	\$ (680,679)	\$ (838,356)	\$ (1,018,956)	\$ (1,228,556)	\$ (1,469,156)
J. Gianullas Taxes - State (E)	\$ -	\$ -	\$ (34,869)	\$ -	\$ (7,951)	\$ (26,312)	\$ (9,490)	\$ (31,918)	\$ (62,376)	\$ (83,204)	\$ (114,568)	\$ (152,982)	\$ (204,558)	\$ (274,558)	\$ (364,558)	\$ (478,558)
Taxes	\$ (800)	\$ -	\$ (225,720)	\$ (51,321)	\$ (89,565)	\$ (187,137)	\$ (89,450)	\$ (222,890)	\$ (321,959)	\$ (477,133)	\$ (616,984)	\$ (801,157)	\$ (1,034,157)	\$ (1,320,944)	\$ (1,670,944)	\$ (2,108,157)
Cash Flow Available for Plan Pmts.	\$ 3,510,678	\$ 3,027,893	\$ 3,085,650	\$ 4,568,070	\$ 5,485,834	\$ 6,069,488	\$ 6,748,038	\$ 7,117,903	\$ 7,284,065	\$ 8,038,897	\$ 8,423,568	\$ 8,427,281	\$ 8,435,384	\$ 8,435,588	\$ 8,435,588	\$ 8,440,281

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James Gianulias / Cameo Homes
Cash Flow Projection

	Projection Period																
	2009	Year 1 2010	Year 2 2011	Year 3 2012	Year 4 2013	Year 5 2014	Year 6 2016	Year 7 2017	Year 8 2018	Year 9 2019	Year 10 2020	Year 11 2021	Year 12 2022	Year 13 2023	Year 14 2024	Year 15 2024	
Non-Property Plan Payments (Excluding UCC Payments) ⁽¹⁾																	
Admin Claims/Professional Fees ⁽²⁾																	
Admin Claims (Excl. Professional Fees)																	
Sec ID: Robbins (\$4.8 million) ⁽³⁾																	
Sec 1H: Other Secured																	
Gap Claims																	
Priority Tax Claims ⁽⁴⁾																	
Class 4: Inter-Debtor																	
Class 5: Subordinated Claims																	
Class 6: Equity Interests in Debtor																	
Total Non-Property Plan Payments (Excl. UCC)	\$ (3,710,809)	\$ (3,008,740)	\$ (3,100,000)	\$ (1,200,000)	\$ (1,200,000)	\$ (1,593,563)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow After Plan Payments	\$ (280,230)	\$ 49,144	\$ (13,350)	\$ 3,788,070	\$ 4,286,834	\$ 4,475,923	\$ 6,748,038	\$ 7,117,903	\$ 7,284,055	\$ 8,038,897	\$ 8,427,381	\$ 8,436,384	\$ 8,436,384	\$ 8,436,384	\$ 8,436,384	\$ 8,436,384	\$ 8,436,384
Cash Flow Split Between JCG & UCC																	
Beginning Cash	\$ 530,230	\$ 280,080	\$ 289,144	\$ 285,794	\$ 280,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Net Cash Flow Prior to UCC/JCG Split	(280,230)	49,144	(13,350)	3,788,070	4,286,834	4,475,923	6,748,038	7,117,903	7,284,055	8,038,897	8,427,381	8,436,384	8,436,384	8,436,384	8,436,384	8,436,384	8,436,384
Proceeds to UCC (Class 3)	-	-	-	(2,892,318)	(2,872,101)	(2,688,164)	(4,048,923)	(4,270,742)	(4,389,438)	(4,823,338)	(5,054,141)	(5,068,029)	(5,068,029)	(5,068,029)	(5,068,029)	(5,068,029)	(5,068,029)
Percentage Split	0.0%	0.0%	0.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Proceeds to JCG	-	-	-	(1,821,648)	(1,714,734)	(1,790,369)	(2,699,215)	(2,847,161)	(2,905,626)	(3,216,559)	(3,370,953)	(3,374,646)	(3,374,646)	(3,374,646)	(3,374,646)	(3,374,646)	(3,374,646)
Percentage Split	0.0%	0.0%	0.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Ending Cash	\$ 250,000	\$ 289,144	\$ 285,794	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Cumulative UCC Distribution	\$ -	\$ -	\$ -	\$ 2,282,318	\$ 4,854,419	\$ 7,538,973	\$ 11,588,785	\$ 15,858,537	\$ 20,217,976	\$ 25,041,316	\$ 30,086,456	\$ 35,151,884	\$ 40,213,703	\$ 45,276,855	\$ 50,342,007	\$ 55,407,159	\$ 60,472,311
Cumulative JCG Distribution	\$ -	\$ -	\$ -	\$ 1,521,546	\$ 3,338,278	\$ 5,028,649	\$ 7,726,864	\$ 10,573,025	\$ 13,478,651	\$ 16,694,210	\$ 20,063,637	\$ 23,434,590	\$ 26,808,135	\$ 30,183,770	\$ 33,559,405	\$ 36,935,040	\$ 40,310,675

Notes

- [1] Projections assume flat rents in 2010, rent growth of 1.0% in 2011, growth of 2.0% in 2012, 3.0% growth per annum through 2019 and flat net cash flow thereafter. Stabilized occupancy assumed to be 98% in years 2010 and beyond. Expense growth is projected at 3.0% per annum, and property taxes are assumed to grow at 3.0% for the East Coast Properties, and 2.0% for all other properties. Management fees are 5.0% of rental income for all properties, except the East Coast Properties which are set at 4.0%. Additionally, all properties incorporate a replacement reserve per door based upon the Korpezz average which is grown at 3.0% per annum.
- [2] Because the company has not prepared a capital budget for brown major capital projects past 2012, multi-family projections do not reflect any known capital expenditures beyond 2012 (besides an annual replacement reserve estimate). Similarly, East Coast Properties contain no known capital expenditures over the projection.
- [3] Properties with notes maturing during the projection period are assumed to refinance to keep existing terms. Refinance costs have not been assumed.
- [4] Commercial property cash flow has been projected with the use of a modeling software which incorporates lease terms for each property and tenant. Market rent growth is based upon market research reports relevant for each commercial property market.
- [5] Per Management's 2009 budget. Includes D. Gianulias compensation/benefits and miscellaneous business expenses.
- [6] Per Management's 2009 budget. 2010 budget includes G Companies staffing as follows: S. Thigpen, CEO; Carla Frailes and 3 full-time support staff; entitlement, development, construction, transaction sourcing and marketing; and J. McFadden and 2 full-time support staff, as well as an allocation of a few other support staff and business expenses (lease, IT, etc.).
- [7] Represents direct expenses for items such as trade publications, membership dues, primary residence utilities & homeowner association fees, business meals, insurance, medical bills, personal expenses, and primary residence mortgage.
- [8] Estimated tax payments are based upon Heald & White analysis.
- [9] A portion of estimated professional fees have been forecast to be paid in 2010 and 2011 due to holdback provisions ordered by the court and cash constraints.
- [10] Assumes note balance of \$5.1 million. Secured principal payments have been modeled to minimize interest paid, while maintaining sufficient cash balance for operations and other plan payments.
- [11] Priority claims are comprised of payments to various taxing authorities.
- [12] Other property plan payments (as described in the Plan and Disclosure Statement) will be made from distributions to J. Gianulias.

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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 840 Newport Center Drive, Suite 400, Newport Beach, CA 92660-6324

The foregoing document described as **DECLARATION OF DOMINIC I. SANTOS IN SUPPORT OF CONFIRMATION OF THE DEBTORS' FOURTH AMENDED PLAN OF REORGANIZATION (DATED MAY 27, 2010), AS MODIFIED** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On July 7, 2010, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

Service information continued on attached page

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL(indicate method for each person or entity served):
On _____, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. *Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.*

Service information continued on attached page

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on July 7, 2010, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. *Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.*

SERVED VIA PERSONAL DELIVERY
Chambers of Honorable Robert W. Kwan
United States Bankruptcy Court
411 W. Fourth Street
Santa Ana, CA 92701

Office of the United States Trustee
Attn: Michael Hauser, Esq.
411 W. Fourth Street, # 9041
Santa Ana, CA 92701-4593

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

7/7/2010
Date

Lori Gauthier
Type Name

/s/ Lori Gauthier
Signature

1 SERVED VIA NOTICE OF ELECTRONIC FILING ("NEF")

- 2
- 3 • John B Acierno ecfcacb@piteduncan.com
 - 4 • Jess R Bressi jbressi@luce.com
 - 5 • Frank Cadigan frank.cadigan@usdoj.gov
 - 6 • Jon M Chatalian efile@pbgc.gov, chatalian.jon@pbgc.gov
 - 7 • Sean T Cork scork@ssd.com
 - 8 • Paul J Couchot pcouchot@winthropcouchot.com,
9 pj@winthropcouchot.com;sconnor@winthropcouchot.com
 - 10 • Melissa Davis mdavis@shbllp.com
 - 11 • Susan S Davis sdavis@coxcastle.com
 - 12 • Daniel Denny ddenny@gibsondunn.com
 - 13 • Lei Lei Wang Ekvall lekvall@wgllp.com
 - 14 • David K Eldan malvarado@pmcos.com, rpinal@pmcos.com;calendar@pmcos.com
 - 15 • Alan J Friedman afriedman@irell.com
 - 16 • Jose A Garcia ecfcacb@piteduncan.com
 - 17 • Beth Gaschen bgaschen@wgllp.com
 - 18 • Robert P Goe kmurphy@goeforlaw.com,
19 rgoe@goeforlaw.com;mforsythe@goeforlaw.com
 - 20 • Michael J Hauser michael.hauser@usdoj.gov
 - 21 • Whitman L Holt wholt@stutman.com
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 - 24 • Lance N Jurich ljurich@loeb.com, kpresson@loeb.com
 - 25 • Bradford Klein brad.e.klein@gmail.com
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