

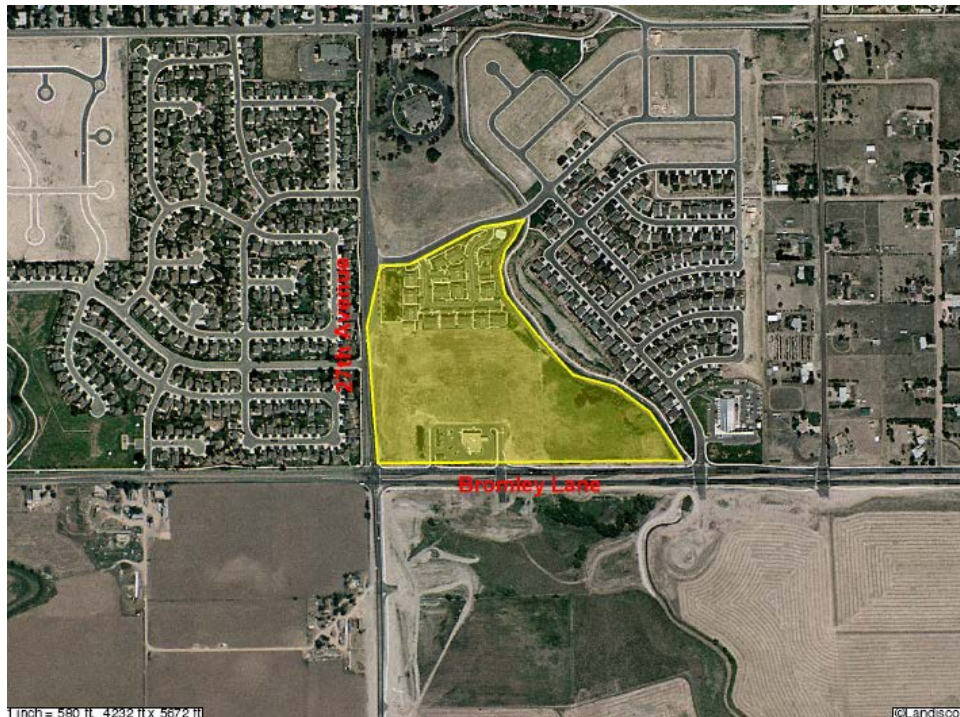
Southwestern Investment Group

Historical Project Summaries

SW Bromley, LLC (Residential & Commercial)

Summary

Located at the northeast corner of 27th Avenue and Bromley Lane, in Brighton, Colorado, this 31.0 acre parcel was put under option contract by SWIG in December 1998 with conditions precedent to allow the completion of annexation, zoning, platting and engineering. SWIG purchased the parcel in July of 1999 for \$2.57 million (approximately \$82,900 per acre). SWIG was able to complete the entitlements for a grocery anchored shopping center, high-density residential and additionally entitled a 4-acre mixed use parcel. The location eventually became Brighton's highest traffic corner. The transaction was capitalized by SWIG principals and an external equity investor with a \$1.97 million equity investment. The total transaction size, including land acquisition and entitlement/development costs was \$2.87 million. SWIG brought the retail pads, residential lots and 4-acre parcel to a finished condition. The retail pads and anchor parcel was purchased by Safeway for future development, and SWIG retained repurchase and future development rights on the inline space. The residential parcels were sold to Parkside Homes, while the mixed use parcel was sold to an Adams County non-profit. Additionally, SWIG negotiated a land swap with an adjoining landowner to acquire and additional 5-acres. The total proceeds from the sales were \$5.25 million.



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Financial Summary

Project P&L

The value-add from SWIG's entitlement and development of the parcel was significant and generated an overall profit of \$1.97 million. SWIG was effectively able to recognize raw land in an area in great need of retail service, design, entitle and develop the parcel and ultimately attract significant interest from retail end-users.

Acquisition and Entitlement		Sales and Profit	
\$ 1,635,704	Land cost-Parcel I	\$ 500,000	Sale of 5 acres on 3/9/2000; exchanged for Parcel II
937,034	Land cost-Parcel II	2,725,000	Sale of anchor site 10/31/2000
298,131	Additional costs	1,005,000	Sale of 9 acres on 5/25/2001
		795,266	Sale of pad site on 12/12/2003, with note collected in 1/2004
2,870,869	Total cost	(162,019)	Costs of sale
(900,000)	Debt from 3rd party	(921,509)	Less debt and interest
<u>\$ 1,970,869</u>	Capital invested	<u>(1,970,869)</u>	Less Equity
		<u>\$ 1,970,869</u>	

Cash Flows and Returns

The project resulted in a 51.0% levered equity IRR overall and a 35.0% to the external investor. The cash flows of the project are summarized below. The project was funded with \$1.97 million in equity capital by SWIG, and \$900,000 million in bank debt.

	Total					External Equity				
	Equity Contributions	Loans from Members	Distributions, Interest, etc.	Net (provided)/received	Cumulative	Equity Contributions	Loans from Members	Distributions, Interest, etc.	Net (provided)/received	Cumulative
1998	(25,000)	-	-	(25,000)	(25,000)	(25,000)	-	-	(25,000)	(25,000)
1999	(1,701,897)	-	-	(1,701,897)	(1,726,897)	(1,701,897)	-	-	(1,701,897)	(1,726,897)
2000	1,726,897	-	210,848	1,937,745	210,848	1,726,897	-	183,898	1,910,795	183,898
2001	(41,105)	-	968,900	927,794	1,138,642	(20,788)	-	543,001	522,214	706,112
2002	(655)	-	82,583	81,929	1,220,571	(510)	-	47,430	46,920	753,032
2003	(13,526)	-	40,000	26,474	1,247,045	(6,898)	-	20,400	13,502	766,533
2004	55,890	-	668,538	724,428	1,971,473	28,196	-	341,189	369,384	1,135,918
2005	(604)	-	-	(604)	1,970,869	-	-	-	-	1,135,918
			IRR	50.61%				IRR	34.69%	