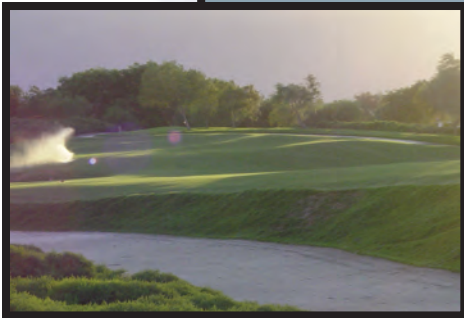




Views from south facing lots over the new lake on the nine fairway.



Construction of a 900 foot lake on the number nine fairway.

WESTGATE

Closing:

During Escrow negotiated 50% increase in land size by purchasing seven additional acres from the golf course for \$43K and acre.

During Escrow, negotiated for the right to build one lake and water feature on the course.

Entitlement:

Projected to secure final map within 12 months of purchase of the property. While still providing play for the golf course by setting up temporary greens. Structured an agreement to obtain water and sewer from the adjacent property owner. (These utilities were not available at close of escrow to the site).



Views from northwest facing lots over the new lake on the seven fairway.

Sales Accomplishments:

Positioned and branded the Westgate Development as one of the premier residential communities in the desert with anticipated home sale prices on par with the ultra high end homes in the desert. (Anticipated finished home prices in Westgate are 2.5 to 10 Million.) Prior to Westgate sellout, no homes in Westgate sold for over 1.2 million. After Westgate, production homes in the club are selling for 1.2 million and estate homes for over \$3 Million.

Home prices adjacent to Westgate development have appreciated 50% in one year, when other home prices in the Valley have increased 30%.

Average lot price obtained: \$630K. Prior comps in the club were less than \$400K, thus demonstrating the marketing and branding effectiveness of the NCCM and B&A team.

Polled almost 2/3 of the lot buyers to determine design preferences and discuss privacy vs. view tradeoffs.



The construction team during installation of the new 1,400 foot lake on the number seven fairway. From left: Luke Dye-Sema Golf, Gary Luscombe-Sema, Frank Eder-NCCM, and Perry Dye-Dye Designs.

Developed architectural and landscape design guidelines that optimized buyer preference to first and foremost provide ultimate privacy while still maintaining mountain views.

The senior planner at the city of Rancho Mirage stated that this was the best thought out high end development he has seen because of the design guidelines. This planner, Carl Bishop has been with the City of Rancho Mirage from over 10 years.



Fairway on the number seven hole (looking west) before construction.

Investment Results

- 65% IRR to ING Realty Partners (institutional investor)
- Negotiated purchase of adjacent land to almost double size of target property prior to close of escrow
- Acquired target property in May of 2003
- Obtained full residential development entitlements of target property and adjacent land in November of 2003
- Completed golf course improvements by January of 2004 to better market properties
- Sold out (contracted) all but one estate lot by March 2004
- Closed all escrows but one by October 2004
- Completed all horizontal improvements under budget - roads, water, sanitary sewer, storm drainage, grading, electric, phone, cable, common area improvements, golf course improvements, entry features/water features, and two large lakes.
- First investment of this kind managed by NCCM affiliate – accomplishments in this new area of expertise were the result of significant hands on management, research, and strategic alliances formed with experts in golf course community development and with local developers.

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