

**A. U.S. Department of Housing and Urban Development**

**B. Type of Loan**

1.  FHA                      2.  FMHA                      3.  Conv. Unins.  
 4.  VA                              5.  Conv. Ins.

6. File Number                      7. Loan Number  
 102804                                      2008050552

**Settlement Statement**

8. Mortgage Ins. Case No.

**C. Note:** This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked ("POC") were paid outside the closing: they are shown here for information purposes and are not included in the totals.

**D. Name of Borrower:** Frances Greenspan, 3206 Baumberg Avenue, Hayward, CA 94545

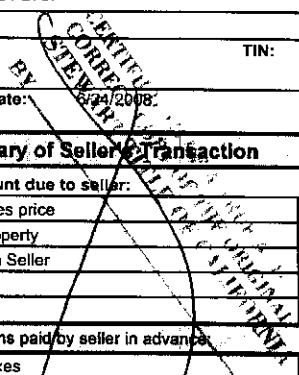
**E. Name of Seller:** 1350 Escondido Coastal, 1010 Turquoise Street Suite 200, San Diego, CA 92109

**F. Name of Lender:** Home Loan Network, 1721 W Greentree Dr Ste 101, Tempe, AZ 85284-2707

**G. Property Location:** 1350 North Escondido Boulevard, Unit 13, Escondido, CA 92026

**H. Settlement Agent:** Stewart Title of California, Inc. (408) 232-2700                      TIN: 954607898  
**Place of Settlement:** 1900 McCarthy Blvd., Suite 112, Milpitas, CA 95035

**I. Settlement Date:** 6/24/2008                      **Proration Date:** 6/24/2008



J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross amount due from borrower:		400. Gross amount due to seller:	
101. Contract sales price		401. Contract sales price	310,000.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)		403. Deposit from Seller	
104. Payoff Borrower 1st loan		404.	
105. Payoff Borrower 2nd loan		405.	
Adjustments for items paid by seller in advance:		Adjustments for items paid by seller in advance:	
106. City/town taxes		406. City/town taxes	
107. County taxes                      6/24/2008                      to 7/1/2008		407. County taxes                      6/24/2008                      to 7/1/2008	35.25
108. Assessments		408. Assessments	
109. HOA dues		409. HOA dues	
110.		410.	
111.		411.	
112. Credit from Buyer to Seller		412. Credit from Buyer to Seller	
120. Gross amount due from borrower:		420. Gross amount due to seller:	310,035.25
200. Amounts paid by or in behalf of the borrower:		500. Reduction in amount due to seller:	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	200,340.10
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204. New 2nd Loan		504. Payoff of first mortgage loan	109,505.02
205. Additional Deposit		505. Payoff of second mortgage loan	
206. additional Deposit		506.	
207. additional deposit		507. Payoff third mortgage loan	
208.		508.	
209. Credit from seller to buyer		509. Credit from seller to buyer	
Adjustments for items unpaid by seller:		Adjustments for items unpaid by seller:	
210. City/town taxes		510. City/town taxes	
211. County taxes		511. County taxes	
212. Assessments		512. Assessments	
213. HOA dues                      6/1/2008                      to 6/24/2008		513. HOA dues                      6/1/2008                      to 6/24/2008	190.13
214. MRWCPA		514. MRWCPA	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total paid by/for borrower:		520. Total reduction in amount due seller:	310,035.25
300. Cash at settlement from/to borrower:		600. Cash at settlement to/from seller:	
301. Gross amount due from borrower (line 120)		601. Gross amount due to seller (line 420)	310,035.25
302. Less amount paid by/for borrower (line 220)		602. Less total reduction in amount due seller (line 520)	310,035.25
303. CASH (I)FROM (X)TO BORROWER		603. CASH (I)FROM (X)TO SELLER	0.00

**SUBSTITUTE FORM 1099 SELLER STATEMENT** - The information contained in Blocks E, G, H and I and on line 401 (or, if line 401 is asterisked, lines 403 and 404), 408, 407 and 408-412 (applicable part of buyer's real estate tax reportable to the IRS) is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

**SELLER INSTRUCTION** - If this real estate was your principal residence, file form 2119, Sale or Exchange of Principal Residence, for any gain, with your income tax return; for other transactions, complete the applicable parts of form 4797, Form 6252 and/or Schedule D (Form 1040).

You are required by law to provide Stewart Title of California, Inc. (408) 232-2700 with your correct taxpayer identification number. If you do not provide Stewart Title of California, Inc. (408) 232-2700 with your correct taxpayer identification number, you may be subject to civil or criminal penalties.

L. Settlement Charges		7/2/08 12:31 PM	File Number: 102804
700.	Total sales/broker commission	Based on : \$310,000.00= \$5,000.00	
	Division of commission (line 700) as follows:		
701.	\$5,000.00	to United Equity	
702.			
703.	Commission paid at settlement	\$5000	5,000.00
704.			
705.			
800.	Items payable in connection with loan		
801.	Loan origination fee	to Global Funding Group Inc. ( 1%)	
802.	Loan discount		
803.	Appraisal fee	to All Appraisals	
804.	Credit report		
805.	Lender's inspection fee		
806.	Mortgage insurance application fee		
807.	Assumption fee		
808.	Tax Service fee	to Home Loan Network	
809.	Document fee		
810.	Processing fee	to Global Funding Group Inc.	
811.	Wire fee		
812.	Underwriting fee	to Home Loan Network	
813.	Flood Determination fee	to Home Loan Network	
814.	Yield Spread Premium	to Global Funding Group Inc.	POCL 1240.00
815.	Yield Spread Premium - 2nd loan		
816.	Application fee		
817.	Administration fee		
818.	Loan Broker fee	to Global Funding Group Inc.	
819.	Funding fee		
820.	Warehouse fee	to Home Loan Network	
821.			
900.	Items required by lender to be paid in advance		
901.	Interest from	6/23/2008 to 7/1/2008 at \$48.08330/day for 8 days.	
902.	Mortgage insurance premium for		
903.	Hazard insurance premium for		
904.	Interest from to @ /day - 2nd loan		
905.	Flood Insurance premium		
1000.	Reserves deposited with lender		
1001.	Hazard insurance		
1002.	Mortgage insurance		
1003.	City property taxes		
1004.	County property taxes		
1005.	Annual assessments (maint.)		
1006.			
1007.			
1008.			
1009.	Aggregate Adjustment		
1100.	Title charges		
1101.	Settlement or closing fee	to Stewart Title of California, Inc	455.00
1102.	Abstract or title search		
1103.	Title examination		
1104.	Title insurance binder		
1105.	Document preparation	to Stewart Title of California, Inc	100.00
1106.	Notary fees /Signing fee	to Bahareh Shamlou	
1107.	Attorney's fees to		
	<i>includes above items no.:</i>		
1108.	Title insurance	to Stewart Title of California, Inc.	506.83
	<i>includes above items no.:</i> 1102 and 1103		
1109.	Lender's coverage	\$248,000.00 \$469.70	
1110.	Owner's coverage	\$310,000.00 \$506.83	
1111.	Endorsement fees:	to Stewart Title of California, Inc.	
1112.	Wire processing fee \$17 each	to Stewart Title of California, Inc	17.00
1113.	Courier/Delivery processing fee	to Stewart Title of California, Inc	40.00
1114.	Loan tie-in fee		
1115.	Email processing fee		
1116.	Demand processing fee		
1117.	2nd loan/Additional Policy fees		
1118.			
1119.			
1120.			
1121.			
1200.	Government recording and transfer charges		
1201.	Recording fees:	Deed \$41.00 Mortgage \$77.00 Release \$12.00	12.00
1202.	City/county tax/stamps:	Deed \$341.00	341.00
1203.	State tax/stamps:		
1204.	City Transfer Tax		
1205.	tax report fee	to Stewart Title of California, Inc.	
1206.			

1300.	Additional settlement charges		
1301.	Survey		
1302.	Pest inspection		
1303.	Property Taxes 2007-2008 + pena	San Diego County Tax Collector	1,957.62
1304.	delinquent hoa dues	to Somerset Villas HOA	5,967.26
1305.	transfer fees	to Coastal Association	
1306.	Withholding Tax		
1307.	transaction coordination fee	to Candice Meyers	297.39
1308.	marketing fee	to 3 MAC	180,454.00
1309.	oustanding AP	to PCD	5,192.00
1400.	Total settlement charges (entered on lines 103, section J and 502, section K)		200,340.10

CERTIFICATION: I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of HUD-1 Settlement Statement.

\_\_\_\_\_  
Frances Greenspan

\_\_\_\_\_  
1350 Escondido Coastal

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

\_\_\_\_\_  
Stewart Title of California, Inc.  
Purchasers/Borrowers

\_\_\_\_\_  
Date  
Sellers

\_\_\_\_\_  
Frances Greenspan

\_\_\_\_\_  
1350 Escondido Coastal

**WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see Title 18 U.S. Code Section 1001 and Section 1010.**

7/17/2008

Stewart Title  
1900 McCarthy Blvd. # 112  
Milpitas, CA 95035

**Re:** Seller, 1350 Escondido Coastal LLC, a limited liability company  
**Buyer:** Greenspan  
1350 N. Escondido Blvd. Unit # 13

Dear Donna,

Please find enclosed the following documentation:

1. Two originals of the Addendum to Purchase Agreement ("Addendum"), each of which has been signed by Seller.

I am delivering to you the aforementioned documents to be handled in strict conformance with the escrow instructions provided for herein, as follows:

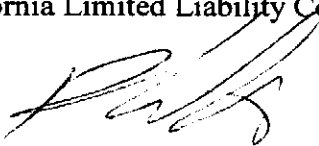
1. You are to obtain the original signatures of Buyer and Buyer's lender on both copies of the Addendum that I am delivering to you at this time. One fully executed original will then be distributed to Seller and Buyer, respectively, once you are in a position to close this Escrow pursuant to the other instructions you have received, as amended hereby.
2. Please provide one copy of the Addendum to Buyer's lender.
3. Please disclose the disbursements reflected on the attached on both the Seller and Buyer's closing statements.

If you have any questions regarding this letter of instructions, please feel free to call me immediately before taking any further action.

Thank you for your assistance in this matter.

Very truly yours,

1350 Escondido Coastal, LLC,  
A California Limited Liability Company

A handwritten signature in black ink, appearing to read "Ralph Giannella". The signature is written in a cursive style with a large, sweeping initial "R".

Ralph Giannella

RG/\_\_\_

Encls.

## **Addendum to Purchase Agreement**

**1350 N. Escondido Blvd. # 13**

**Acknowledgement of Closing Costs, Payment of Seller Expenses, and Market Conditions**

### **Closing Costs:**

1350 Escondido Coastal, LLC ("Seller") will not pay any closing costs for buyer.

### **Marketing, Advertisement and Seller Expenses:**

Buyer's lender acknowledges that in the normal course of its business, Seller retains or has retained the services of sales consultants, marketing executives and product position consultants to advertise, promote and generate potential buyers for its property. Such outside consultants and/or professionals may be used in addition to commissioned sales agents, whether or not they have direct involvement in the subject transaction.

Seller's use of such professionals to procure, source and develop a market for the sale of condominiums in the property and all costs associated therewith is Seller's sole responsibility. Regardless of their involvement in any individual transaction, if the information noted in the paragraph below is completed, Seller has agreed to pay such professionals from a portion of the proceeds otherwise due Seller from Buyer's escrow.

3Mac Asset Portfolio, ("Consultant") has been engaged by Seller to source, establish and promote Seller's properties via common and/or proprietary marketing efforts. Consultant has not acted as an agent or broker to any party in this transaction. Consultant shall receive a fee in the amount of **\$180,454.00** from the proceeds of this transaction to be paid by Seller, through escrow, at the closing of this transaction. By signing below, Buyer and Buyer's lender acknowledge that Seller is paying substantial fees and commissions and granting significant concessions in association with the sale of condominiums within the project.

### **Market Conditions:**

Current conditions in the residential real estate market have resulted in significantly increased numbers of foreclosures, short sales and REO listings. It is anticipated that this project may

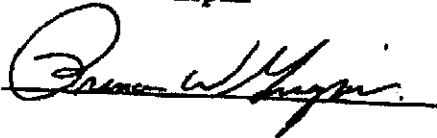
currently and in the future have a number of these situations, all of which could reduce the value of condominiums in the project as a result of increased supply and corresponding downward pressure on pricing. Accordingly, Seller makes no representations or warranties as to the current or future value of the condominium being purchased by Buyer.

**Disclosure:**

Any closing costs, marketing fees, concessions, seller incentives, real estate commissions or commission bonuses being paid by seller on this transaction are fully disclosed to buyer and buyer's lender with this acknowledgement and on the transactions' estimated closing statement. Escrow to provide both buyers' and sellers' sides of estimated closing statement to buyer's lender for approval prior to closing.

By signing below, Buyer, Buyer's lender and Seller acknowledge receipt of this information.

**"Buyer" Frances Greenspan**

Signature 

Date 7-30-07

**"Seller"**

Name: 1350 Escondido Coastal LLC

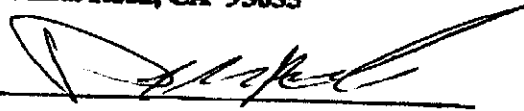
Signature 

Date 7/17/08

**"Buyers Lender"**

Name: Raymond Davouvi

Company: Pacific Residential Financing  
3031 Tisch Way # 610  
Santa Rosa, CA 95035

Signature 

Date 7/30/07