

Lost Canyons

EXECUTIVE SUMMARY



The Offering: In conjunction with Hillwood Communities, the California Division of Land Advisors Organization (“Exclusive Agent”) is pleased to present the unique opportunity to acquire the Lost Canyons Residential Master Plan located in the City of Simi Valley. The following describes the available villages and units within each parcel.

Parcel	1 Club Core	2 North Tapo Canyon	3 Dry Canyon	4 South Tapo Canyon	Total / Average
Developable Acreage	83.2 ac.	84.9 ac.	172.0 ac.	63.0 ac.	403.1 ac.
Total Lots	116 (all Bungalow lots)	57 (10 Bungalow lots)	143 (13 Bungalow lots)	48	364
Product Type	Single Family Detached	Single Family Detached	Single Family Detached	Single Family Detached	Single Family Detached
Minimum Lot Size	6,004 SF	12,617 SF (6,143 SF Bungalow)	10,014 SF (6,029 SF Bungalow)	12,296 SF	10,003 SF
Average Lot Size	9,080 SF	18,850 SF	19,250 SF	25,850 SF	16,690 SF
Average Pad Size	7,740 SF	13,570 SF	12,400 SF	15,587 SF	11,490 SF
Entitlements	Approved Specific Plan, EIR, Master PD Program Plan and Tentative Tract Map				
Property Condition Delivery Options					
Scenario 1	Paper lots in bulk-no master infrastructure	Paper lots In bulk-no master infrastructure	Paper lots in bulk-no master infrastructure	Paper lots In bulk-no master infrastructure	--
Scenario 2	Paper Lots (Seller provides master infrastructure) ⁽¹⁾	Paper Lots (Seller provides master infrastructure) ⁽¹⁾	Paper Lots (Seller provides master infrastructure) ⁽¹⁾	Paper Lots (Seller provides master infrastructure) ⁽¹⁾	--
Scenario 3	Blue Top Lots (Seller provides master infrastructure) ⁽²⁾	Blue Top Lots (Seller provides master infrastructure) ⁽²⁾	Paper Lots (Seller provides master infrastructure) ⁽¹⁾	Paper Lots (Seller provides master infrastructure) ⁽¹⁾	--

⁽¹⁾ ⁽²⁾ – All definitions for Master Infrastructure, Paper and Blue Top Lots are contained in the Virtual Data Room.

**The Offering,
(Continued):**

The opportunity consists of 364 residential lots with an approved Specific Plan, Final EIR, GPA, Master PD Program Plan and Tentative Tract Map No. 5734.

Buyers may offer on a single parcel or multiple parcels under the following three scenarios

Scenario 1: Purchase the entire residential master plan in bulk as paper lots. The buyer will be responsible for fulfilling the master developer role and obligations of the existing entitlements. Seller will retain the golf course and will be responsible for constructing the golf club amenities and reconfiguring the golf course. Buyer constructs master infrastructure and develops the lots.

Scenario 2: Purchase unimproved paper lots in total or by specific parcel with Seller constructing the golf club amenities, reconfiguring the golf course and building the master infrastructure (as shown on attached exhibit 3). Buyer is responsible for constructing the improvements within the individual parcels. Refer to Exhibit 3 for more details.

Scenario 3: Purchase lots in blue-top condition for the two parcels north of Lost Canyons Drive (Club Core and/or North Tapo) and/or purchase unimproved paper lots for the two parcels south of Lost Canyons Drive (Dry Canyon and/or South Tapo). Seller is responsible for the construction of the golf club amenities, for reconfiguring the golf course, building the master infrastructure, and grading of the Club Core and North Tapo planning areas. Buyer is responsible for constructing the remaining improvements within the individual parcels. Refer to Exhibit 3 for more details.

**Structure of
Transaction:**

Contract Form: To be provided by Seller

Deposits: The **Initial Deposit** shall be equal to five percent (5%) of the anticipated Purchase Price. Deposit shall be paid at the Opening of Escrow and shall remain refundable during the Feasibility Period.

Prior to the expiration of the Feasibility Period, a **Second Deposit** in the amount of five percent (5%) shall be placed into escrow for a total deposit amount of ten percent (10%).

Upon expiration of the Feasibility Period, the Initial and Second Deposits shall be released to Seller and shall be non-refundable except for Seller's default.

If the Buyer is purchasing lots in a **blue-top condition**, at closing, an additional non-refundable nine percent (9%) deposit will be required making the total Earnest Money for these parcels equal to nineteen percent (19%).

Due Diligence:

The Feasibility Period will commence upon delivery of a mutually executed Letter of Intent and will continue for a period not to exceed 45 days.

During the initial 10 business days of the Feasibility Period, Purchaser and Seller will negotiate a binding Purchase and Sales Agreement.

Close of Escrow: Close of escrow will occur the later of 15 days after the expiration of the Feasibility Period or 15 days after receipt of the pending agency permits (401, 404, and 1602). Any infrastructure or improvements necessary to be completed by Seller shall be done as a post-closing obligation.

Purchase Price: Submit offer.

Profit Participation Agreement: In addition to the Purchase Price, all transactions will include a Profit Participation Agreement (PPA), with builders sharing with the Seller on a 50/50 basis above a stated return. Buyer is to submit the profit participation threshold assuming both with and without the formation of a Community Facilities District ("CFD").

Master Marketing Fee: In addition to the Purchase Price, builder shall pay a Master Marketing Fee of one percent (1%) of the total sales price of each residence.

Timing: **Marketing Process:** In order to participate in this offering, please execute the Confidentiality Agreement provided. Only then will access be granted to the detailed project information on the Virtual Data Room (VDR).

Information Meeting: An information session and site tour will be held Friday, September 19, 2014 time TBD at the Lost Canyon Golf Club House. All interested parties are encouraged to attend.

Offers Due: Tuesday, September 30, 2014 at Noon Pacific Time submitted to:

Land Advisors Organization

8105 Irvine Center Drive, Suite 1460

Irvine, CA 92618

Attn: Randy Coe

Tel 949.852.8288 x18

rcoe@landadvisors.com

or Michel Faris

Tel 949.852.8288 x14

mfaris@landadvisors.com

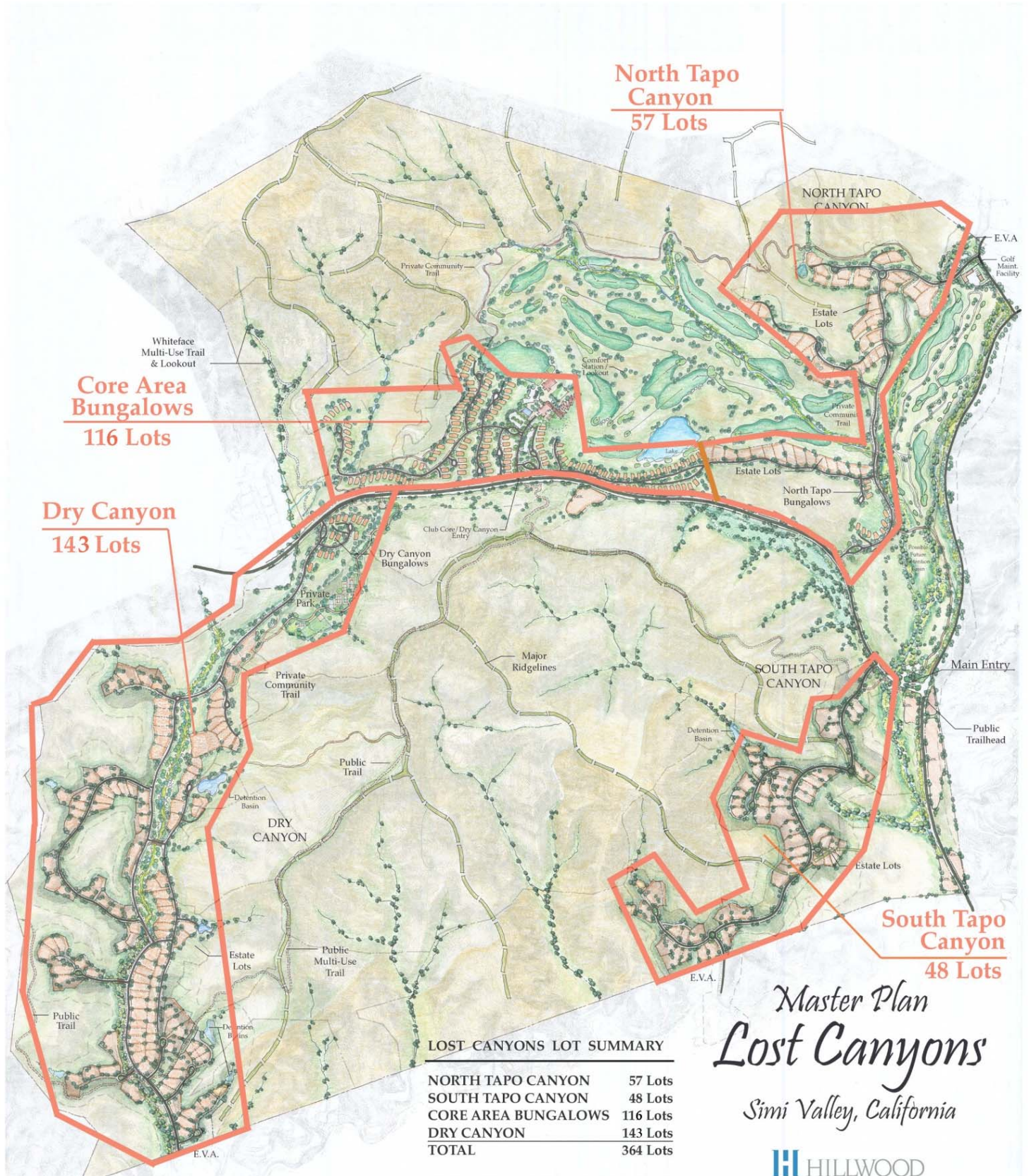
Attached Exhibits The following items are attached:

1. Location Map
2. Land Plan with Parcels
3. Master Infrastructure Summary
4. Golf Course and Amenity Improvements
5. Due Diligence Materials list to be available in the Lost Canyons Virtual Data Room

EXHIBIT 1
LOCATION MAP



EXHIBIT 2
LAND PLAN WITH PARCELS



LOST CANYONS LOT SUMMARY

NORTH TAPO CANYON	57 Lots
SOUTH TAPO CANYON	48 Lots
CORE AREA BUNGALOWS	116 Lots
DRY CANYON	143 Lots
TOTAL	364 Lots

Master Plan
Lost Canyons

Simi Valley, California



EXHIBIT 3 MASTER INFRASTRUCTURE SUMMARY

Under Sales Scenarios 2 and 3, Seller to act as the master developer and construct the following major infrastructure items:

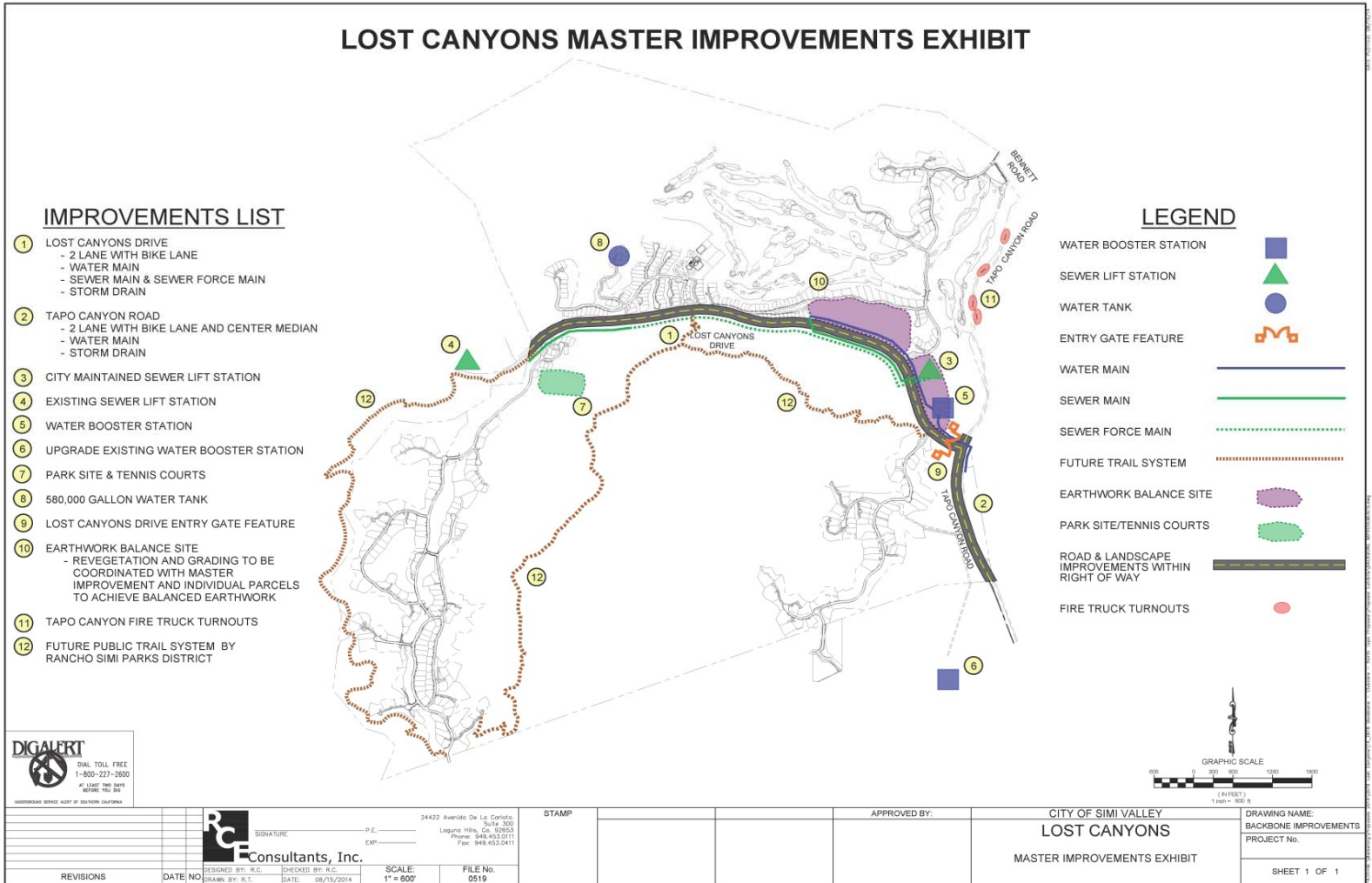


EXHIBIT 4(A)
GOLF COURSE & AMENITY IMPROVEMENT

Seller will retain ownership of the Lost Canyons Golf Club and be responsible for the remodel of the golf course, working in conjunction with renowned golf course architect, Gil Hanse. Hanse is also the architect of nearby Rustic Canyon Golf Club, which has consistently been rated a top course in Southern California. Hanse was also responsible for overseeing the restoration of the Los Angeles Country Club (North Course) George Thomas Original Design. In addition, Gil Hanse renovated the Blue Monster Course at Trump National Doral (host of the World Golf Championship); and was recently selected to design the golf course in Rio de Janeiro which will host the 2016 Olympic Games. Hanse also designed The Boston Golf Club and Castle Stuart Golf Links in Scotland (host of the Scottish Open).

The golf facility improvements will include re-routing of several existing holes, modifications to the existing Club House, dining facility and the addition of a pool and fitness center, which will be available to residents. These improvements will greatly-enhance the amenity package and benefit existing and new golf course patrons and future residents of the residential community at Lost Canyons.

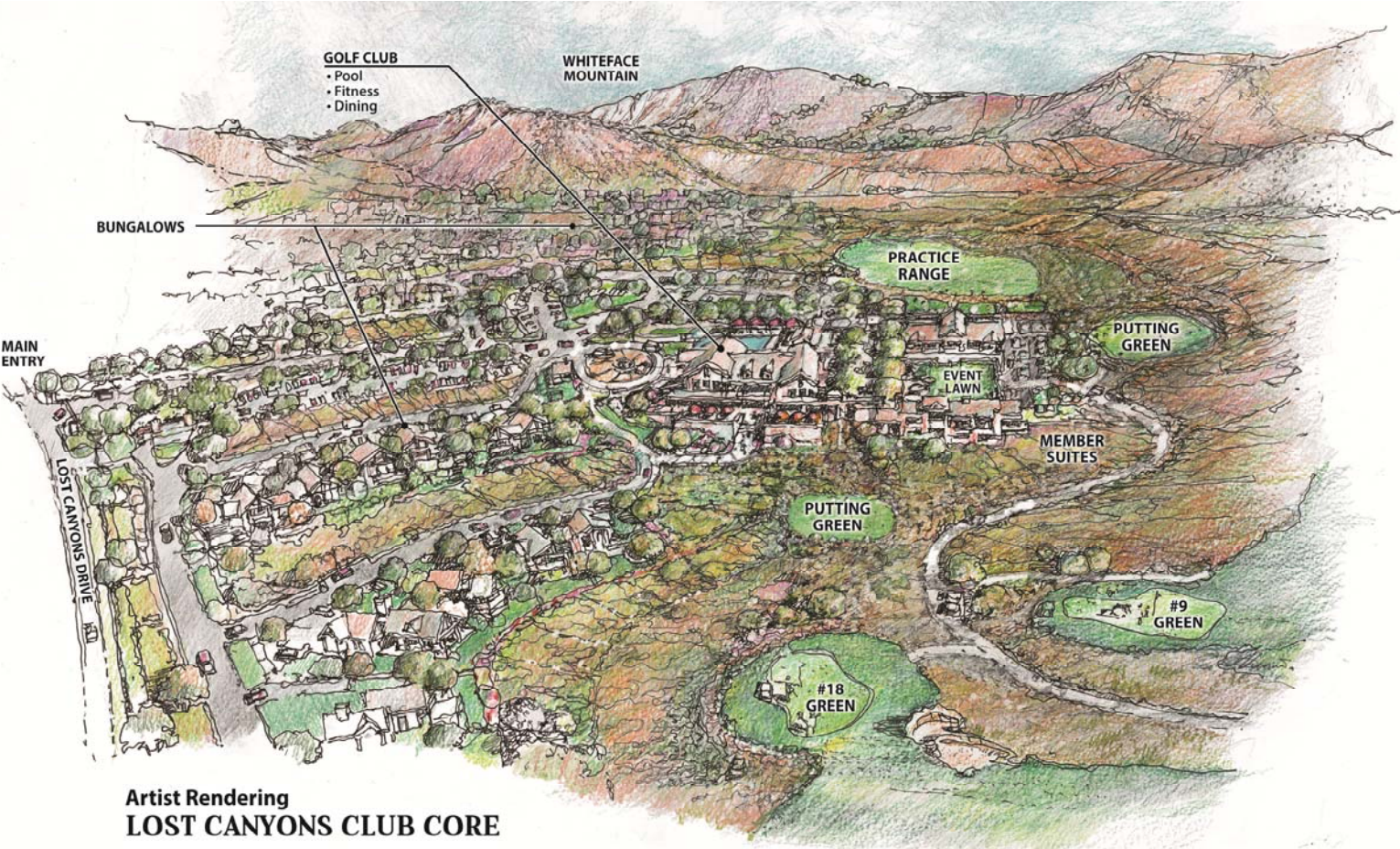


Golf Course



Rendering of Remodeled Golf Clubhouse, Pool and Fitness Center

EXHIBIT 4(B)



Artist Rendering
LOST CANYONS CLUB CORE

EXHIBIT 5
VIRTUAL DATA ROOM MATERIALS LIST

- A. Offering Materials
 - Lost Canyons Offering Brochure (August 2014)
- B. Entitlements
 - COA
 - FEIR
 - GPA 89/Z/S/705/SP/S/13
 - Whiteface Specific Plan – Amendment #7
 - Master PD Permit
 - TTM #5734
 - TTM Large Lot Parcel Map
 - Pending Permits (401, 404 and 1602)
 - Architectural Approval
- C. Improvement Cost Estimate
 - Scenario 1 – Paper lots in bulk
 - Scenario 2 – Paper lots per planning area
 - Scenario 3
 - Blue topped lots for Club Core and North Tapo Canyon
 - Paper lots for Dry Canyon and South Tapo Canyon
 - City of Simi Valley New Dwelling Construction Fee Estimate
- D. C.F.D. & HOA
 - HOA Assessment
 - Amenity Access Agreement
 - CFD (to be provided)
- E. Market Study (John Burns Real Estate Consulting)
- F. Site Photos

CONSULTANT TEAM

Planner

John Gamlin, Sofia Investments, Inc.

Land Planning & Design

Aniko Kurczinak, AKD Land Planning & Design

Civil Engineer

Rich Clark, RCE Consultants, Inc.

Specific Plan & Landscape

FORMA Companies

Geotechnical Engineer

Ted Wolfe, Geologist & Siamak Jafroudi, Engineer
Petra Geotechnical Inc.

Architect

Nick Fullerton Architects, PC

Golf Course Architect

Gil Hanse, Hanse Golf Course Design, Inc.

Public Outreach

Naber-Mole Associates

Legal

Allen Matkins Leck Gamble Mallory & Natsis LLP

CFD

Chris Lightburne, DPFG

Marketing

Mark Paolucci, Communication Arts

Traffic Engineer

Bob Matson, RBF Engineering

Hydrology

John McCarthy, RBF Engineering

Real Estate Consulting

Mollie Carmichael, John Burns Real Estate Consulting