

Nuevo Road Multi-Family Project

INVESTMENT HIGHLIGHTS:

Property:	Two (2) legal parcels in Perris, CA, Western Riverside County.
Acres:	29.81
Zoning:	Commercial Community and Commercial
Investment:	\$65 million
Land Costs:	\$7.5 million
Residual Proceeds:	\$82 million
Profit:	\$17 million
Project IRR:	20%
Term:	60 months

We are looking for an equity investor for a 29.81 acre multi-family development located in the City of Perris, CA. As of July 2007, this property is appraised at \$8,440,000. We will require \$7,500,000 to close escrow on the acquisition of the property. We have until October 22, 2007 to close this transaction without additional cost. The full investment is approximately \$65 million. The Sponsor is Modtech, a NASDAQ traded modular construction and development company headquartered a few miles from the subject property.

Perris is 70 miles from Los Angeles and 20 miles from Riverside in the West Riverside County region. This property is 1.7 miles east of the 215 Freeway in a neighborhood of commercial, residential and vacant property.

The property has 9.84 acres zoned commercial community (CC) and approximately 20 acres zoned MFR 14 with a senior housing overlay of 50 units per acre. The City would consider a down-zoning of the commercial community to a MFR-22 zoning for the entire 30 acres. This would allow for a minimum of 400 units (the maximum number of units would be approximately 1,500 as a senior development), plus the additional commercial development opportunity for a senior care facility or office/retail.

The vertical construction costs are guaranteed. A Phase I was completed in July, 2007 finding no significant outstanding environmental issues related to the property.

Please review the attached and contact me with questions or comments. If you believe you know someone else that may be a more suitable investment partner, please feel free to forward this as appropriate. Thank you.

Best regards,

Harry Clark
Managing Director, Project Finance