

Performance Report

as of 7/31/11

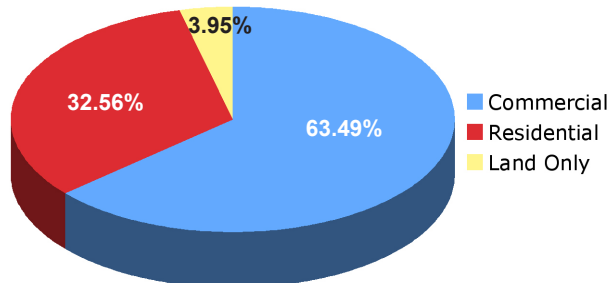
- Last Month's Annualized Return: 7.2%
- Year to date: 7.2%
- Number of loans: 116
- Gross loan portfolio dollars: \$39,675,245
(79% in 1st and 21% in 2nd position)
- Average loan-to-value: 44.15%*
- Average loan amount: \$342,028

*calculated when loans are initially funded

Past 12 Month's Annualized Returns:

<u>Month</u>	<u>Income Partner</u>	<u>Growth Partner</u>
Aug '10	7.2%	7.4%
Sept '10	7.2%	7.4%
Oct '10	7.2%	7.4%
Nov '10	7.2%	7.4%
Dec '10	7.2%	7.4%
Jan '11	7.2%	7.4%
Feb '11	7.2%	7.4%
Mar '11	7.2%	7.4%
April '11	7.2%	7.4%
May '11	7.2%	7.4%
June '11	7.2%	7.4%
July '11	7.2%	7.4%

Property Types



Featured Property: Modesto, CA



Our featured property this month, located at 500 S. 9th St., in Modesto, California, is commonly referred to as the Cook Market Place. This 72,500 sqft commercial property built in 1920 rests on a 119,790 sqft lot that covers an entire city block. The property currently has nine tenants that occupy 96% of the building and who generate gross rents of \$33,350 monthly. Many of the tenants have been there for over ten years and some have occupied the site for over twenty.

The Borrower has been both a real estate investor and a trust deed investor. He had an opportunity to purchase a note from an auction at a substantial discount, but was short on the funds needed to close the deal. He owned this property free and clear of any liens and looked to us to provide him with a short term loan. Our borrower has very strong financials and great credit history. Stonecrest provided a 1st deed of trust for \$725,000 at a loan-to-value of 31.7%, based on a value of \$2.29 million. 