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Performance Report

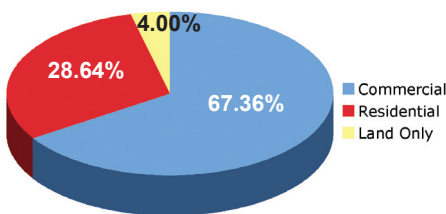
as of 2/28/11

- Last Month's Annualized Return: 7.2%
- Year to date: 7.2%
- Number of loans: 115
- Gross loan portfolio dollars: \$40,379,939
(76% in 1st and 24% in 2nd position)
- Average loan to value: 45.09%
- Average loan amount: \$351,130

Past 12 Month's Annualized Returns:

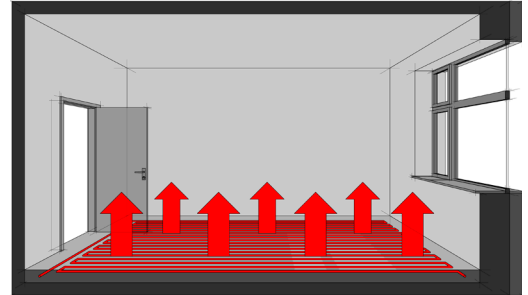
Month	Income Partner	Growth Partner
Mar '10	7.2%	7.4%
April '10	7.2%	7.4%
May 10	7.2%	7.4%
June '10	7.2%	7.4%
July '10	7.2%	7.4%
Aug '10	7.2%	7.4%
Sept '10	7.2%	7.4%
Oct '10	7.2%	7.4%
Nov '10	7.2%	7.4%
Dec '10	7.2%	7.4%
Jan '11	7.2%	7.4%
Feb '11	7.2%	7.4%

Property Types



Heated Floors, a Warm Welcome for Chilly Buyers

When you feel a chill in the air and the leaves start to turn (okay, not so much in California) but certainly in other parts of the country, then you know it's time to load up the fireplaces with wood, close up the windows, and turn on the floors. Turn on the floors? Yes, radiant heating is as attractive to cold toes as peanut butter is to jelly – they just go together.



These days, radiant floors are becoming more popular especially for those interested in green design. There are several benefits for the environment and your pocketbook. As the floors get toasty warm, they help heat the rest of the room by warming it up and making it more comfortable on a cold night. And if you heat your pool with solar energy or geothermal renewable energy systems, they can be used to power your heated floors too. A lot of people rely on central heating systems and while these work, they often fill the upper part of the room with hot air – making it stuffy and not quite providing the warmth needed where people are actually located in the room. The even heat distribution from heated floors also helps lower the cost of the home's heating bill. But perhaps the two biggest advantages are silent and unseen heating. With no heat registers or radiators, you can place furniture where ever you like without being concerned about blocking a heating system. Of course, there will be no forced hot-air fan noise, making this system both an invisible and silent heating design.

The concept isn't new, heated floors date back centuries. The Romans used to channel hot air underneath their floors to warm their villas. Today, the allure of going green increases the interest of installing radiant floors.

Radiant floors are easier to put in during the construction phase of a new home or when you're remodeling since the pipes are laid down beneath the flooring. The move toward radiant heat in floors is logical but that's not the only place you'll find radiant heating installations. It's also being installed in ceilings, walls, and driveways to help melt away the snow and ice

According to the U.S. Department of Energy, there are three types of radiant floors: air-heated, electric, and hydronic (liquid), which are the most effective and popular. On their website they say "Hydronic radiant floor systems pump heated water from a boiler through tubing laid in a pattern underneath the floor. In some systems, the temperature in each room is controlled by regulating the flow of hot water through each tubing loop." A system then uses zoning valves or pumps and thermostats to regulate the temperature for the rooms.

cont. p2

Heated Floors... (cont.)

The Energy Department writes that “Because of the relatively high cost of electricity, electric radiant floors are usually only cost-effective if they include a significant thermal mass, such as a thick concrete floor, and your electric utility company offers time-of-use rates.” However, if the concrete mass is large enough, the heat will be retained in it for eight to 10 hours, providing warmth in that room without the need of any further electricity to heat it.

According to the Energy Department, air-heat radiant floors are the least affordable for residential homes because “air cannot hold large amounts of heat”.

Whether you’re thinking of installing radiant floors or you already have them and are getting ready to sell, understand that they can be a benefit, not only for your family’s comfort but also when it comes time to sell – highlight them when you list your home. Being knowledgeable about the type of radiant floor heat that you use and how it will transfer warmth and cost-savings to the future buyer is a win-win. **S**

*by Phoebe Chongchua
excerpted from realitytimes.com*

Company News

As you prepare for your annual tax filing, don’t forget that your K-1 reports from Private Capital Fund will be arriving shortly after February’s end. Fund investors are always welcome to contact their Relationship Managers at Stonecrest in reference to their K-1’s – or other fund-related questions. **S**

Featured Loan: Sunnyvale, CA

Our featured property this month is located at 1034 Lynn Way, in Sunnyvale, CA. This 1,795sqft ranch style home has three bedrooms and two bathrooms, and rests on a 7,740sqft lot. It is located in a quiet, well-established residential neighborhood. It has a two car garage and is in average condition.



The borrower had this investment property free clear of any liens and was looking for a line of credit to take care of various obligations and provide some reserves. After evaluating the borrower’s overall profile, we were able to extend a new first deed of trust for \$150,000 into a value of \$875,000. With a great loan-to-value of 17%, this deal is a valuable addition to our fund! **S**

Feng Shui: Water Element

Feng Shui is an ancient Chinese ascetic which plays upon the idea of creating ideal energy flow within your home and life. Its goal is to achieve proper flow of Qi, pronounced “chee”, or life energy. And through proper energy flow, you can help invite balance, harmony, and prosperity into your life. The five elements commonly mentioned in Feng Shui, as well as in other areas of Chinese culture, are metal, earth, fire, water, and wood. In this article, the focus will be on the basics of “water.”

In this discipline, it is all about placement. You can start with the front door to your home. By placing a water feature on the left-side of the door’s exterior (inside looking out), you can bring in good luck. However, water features on both sides of your front door can lead to misfortune.

Water that is healthy flows and moves, just as Qi should flow and move throughout your home. Fountains can purify your air and environment, reducing allergens. And, according to principles of Feng Shui, they can serve to bring in luck and good wealth.

Where else should you place water features? Ask yourself where you’d like to enhance learning. Try out an office or kid’s study area. Avoid placing a water feature in a bedroom, bathroom, or kitchen.

Consider placing a fish tank or water feature in your “wealth spot”, located at the corner diagonally across from the living room entrance. Even a small goldfish bowl can work its Feng Shui magic. **S**

*by Carla Hill
excerpted from realitytimes.com*