



The **Stoplight Solution** system is a three-step process which provides financial institutions with detailed information on their commercial real estate loan portfolio for internal credit and regulatory reviews, investor and participant reports and efficient portfolio and risk management functions.

ORGANIZE

Organize loan files and create a simplified file management system. This involves collection of legal documents, third party reports, credit memos and operating statements in an electronic format.



COMPILE

Compile information gathered during the due diligence process using relevant documents to build a customized financial model. More than 100 key characteristics of any loan can be accessed within seconds.



CATEGORIZE

Categorize loans into three distinct buckets using the data obtained during the loan file due diligence process.



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Sample Asset Summary Report

Property Name	ABC Office Complex	LAS Stoplight Solution	Yellow
Client Loan #	1340		
City	Houston	Note Date	12/19/2006
State	TX	Original Balance	4,000,000
Property Type	Office	Original Loan/Unit	67
Property SubType	Suburban	Current Balance	3,500,000
Total SF/Units	60,000	Current Balance/Unit	58
Occupancy (%)	91.11	Initial Pool Balance %	0.78%
Occupancy Date	6/30/2009	Client Initial Pool Balance %	0.83%
Year Built	1990	Interest Rate (%)	6.5000
Year Renovated	2006	Amortization Type	Interest Only, Amortizing Balloon
Current Appraised Value	5,000,000	Maturity Date	2/1/2017
Current Appraised CapRate (%)	8.00	Remaining I/O Period	0
Current Appraised Value Date	7/20/2009	Remaining Term	80
UW EGI	600,332	Remaining Amort Term	320
UW Expenses	200,577	Title Type	Fee Simple
UW NOI	399,755	Crossed Loan (Y/N)	No
UW NCF	390,229	Loan Purpose	Acquisition
Most Recent EGI	648,226	Current LTV (%)	70.00
Most Recent Expenses	221,563	Maturity LTV (%)	65.85
Most Recent NOI	426,663	2nd Most Recent NOI DSCR	1.61x
Most Recent NOI Date	T-12 5/31/2009	Most Recent NOI DSCR	1.55x
2nd Most Recent NOI	462,589	UW DSCR	1.40x
Asset Description	Property is a multi-tenant office property in Houston, Texas, located approximately 10 miles west of the central business district. The site contains seven 1-story office buildings.		
Operating Performance and Rent Roll Analysis	The June 2009 rent roll shows approximately 40 tenants with no single tenant representing more than 10% of the total square footage; Tenant roster consists of local and regional tenants; Significant tenant rollover in the next few years and with office market at 20+% vacancy, a Phase II analysis was performed on the asset. Market metrics according to CBRE, Colliers and Marcus & Millichap show net absorption, construction and rental rates down in 2Q2009 with vacancy rising. The Phase II re-underwriting of the asset shows the breakeven occupancy of approximately 80%.		
Market Summary	A market study indicates the ABC Office Complex property has 3 spaces available for lease at \$12-\$12.50/SF/Year. These rents are inline with the market and also slightly higher than the weighted average rent at the property as of the June 2009 rent roll. The total square footage of space available equates to an occupancy of 70% versus the 91% reported as of the June 2009 rent roll. Thus, the leases that expired since the last rent roll received by the lender in June 2009 did in fact rollover with the tenants vacating the space		
LAS Additional Commentary	Due to significant rollover in the next few years and borrower's lack of net worth and liquidity, there is concern on the borrower's ability to manage the near term roll. Therefore, we categorize the loan as Yellow.		
Borrower Information:	LAS Valuation Analysis:		
Principal Name	Tom Smith	Additional Due Dil Required (Yes/No)	Yes
Recourse (Yes/No)	Yes	LAS Value	NAP
Guarantor Net Worth / Current Balance	0.50x	LAS Impairment	NAP
Guarantor Liquidity / Annual Debt Service	0.75x	LAS Impairment Methodology	NAP
Guarantor Financials Date	12/31/2008		
Top 3 Tenant Information:	Tenant Name	Size	Tenant SF%
Largest Tenant	Miller & Associates Law Firm	6,000	10.0%
Second Largest Tenant	James King, CPA	4,200	7.0%
Third Largest Tenant	Clark Anderson	3,600	6.0%
			Lease Expiration
			1/31/2014
			11/30/2009
			11/30/2010
Risk Rating Information:	Loan Syndication:		
Risk Rating as of Latest Review	Satisfactory	% Sold to Participants	75.00%
Risk Rating Review Date	6/30/2009	Current Sold Amount	\$2,625,000
Risk Rating from Tape	3	% Owned by Client	25.00%
Risk Rating from Tape Description	Satisfactory	Amt Owned by Client	\$875,000
Current Delinquency Status	No		

Client Testimonial

I have had the pleasure of contracting Lighthouse Advisory Services to perform a complete review and evaluation of our commercial real estate portfolio. We looked at several larger firms during our due-diligence and selection process however the skill set of Lighthouse fit perfectly with our desired scope of work. We worked side by side during their review. They were open to feedback but held strong in their convictions. Their expertise covered all of the vital areas of review, origination, underwriting, and accounting treatment of ALLL. We were very impressed by the work product. The amount of data collected during their review was unbelievably valuable in our ongoing monitoring of the portfolio. Our financial institution is now better equipped to be proactive to the changes in the economy and the commercial real estate market. I have and will continue to recommend Lighthouse as a value added service to any financial institution.

John Bretthauer
Chief Lending Officer
California Credit Union