



The Downturn Analyst

Restructuring Strategies Report: Suncrest, LLC

Contents

1	Position of the Secured Creditor, Zions Bank, and Unsecured Creditors	2
2	The Loan Restructuring Process and Bankruptcy	3
2.1	Restructuring Strategy: Sale versus Foreclosure	3
2.2	Post-Petition Financing Process.....	4
2.3	Sale Process	5
2.4	Settlement with Unsecured Creditors.....	6
3	Asset Appraisal and Expected Recovery by Zions.....	8
4	Problem Areas in the Restructuring	9
4.1	Tussle with the Committee of Unsecured Creditors	9
4.2	Liabilities under the Master Development Agreement with the City	11
	Appendix I: Timetable of Restructuring Milestones.....	13
	Appendix II: Members of the Committee of Unsecured Creditors.....	14
	Appendix III: Original Restructuring Budget in Restructuring & Reorganization Agreement	15
	Appendix IV: Revised Restructuring Budget Approved in Final Motion for Post-Petition Financing	16

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Appendix I: Timetable of Restructuring Milestones

Date	Event
2/26/2008	Notice of default on construction loan sent by Zions
3/27/2008	Restructuring and Reorganization Agreement entered into by and among SunCrest, Zions and WLI
4/11/2008	Suncrest files for voluntary Chapter 11 petition (with schedules and statements)
4/23/2008	Order approving sale procedure and bid protections in connection with sale of substantially all assets and authorizing use of cash collateral
4/18/2008	The US Trustee constituted the Committee of Unsecured Creditors
4/25/2008	Suncrest files supplemental motion for post-petition financing
5/7/2008	Suncrest files amended Schedule F (unsecured non-priority claims)
5/16/2008	Suncrest files a full set of amended schedules
5/22/2008	Order granting motion for interim and final orders authorizing the debtor to obtain post-petition financing
6/11/2008	Order granting motion to extend sales procedures deadlines and sale hearing date and notice of extension of post-petition financing
6/23/2008	Conduct of auction for section 363 sale
6/26/2008	Sale hearing; court entered order approving sale of substantially all assets to Zions
6/30/2008	Sale to Zions closed
7/3/2008	Order granting Committee's motion for authority to file complaints against Zions, WLI et al
8/5/2008	Committee files motion to appoint examiner
10/7/2008	Agreed order granting motion to approve settlement/compromise by and between the debtor, WLI, Zions and the committee
12/3/2008	Order granting motion to convert case to chapter 7

Appendix II: Members of the Committee of Unsecured Creditors

The seven Committee members include:

1. WW Clyde (Chairperson)
Attn: Brian Babcock, Esq.
505 East 200 South, Suite 300
Salt Lake City, UT 84102
Tel: (801) 531-7000
Fax: (801) 531-7060
2. Proterra Inc.
Attn: Chuck Ackerlow
261 East Broadway, Suite 100
Salt Lake City, UT 84111
Tel: (801) 363-3390
Fax: (801) 363-3395
3. TS Electric
Attn: Brian Babcock, Esq.
505 East 200 South, Suite 300
Salt Lake City, UT 84102
Tel: (801) 531-7000
Fax: (801) 531-7060
4. Stantec Consulting, Inc.
Attn: Jacob Jensen
3995 South 700 East
Salt Lake City, UT 84107
Tel: (801) 261-0090
Fax: (801) 266-1671
5. Grass Master Inc.
Attn: David A. Sullivan
1192 East Draper Parkway, Suite 221
Draper, UT 84020
Tel: (801) 598-5355
Fax: (801) 501-0306
6. IGES Ingenieros, LLC
Attn: Tyler Jensen, Esq.
476 West Heritage Park Boulevard, Suite 200
Layton, UT 84041
Tel: (801) 773-9488
Fax: (801) 733-9489
7. Howrey, LLP
Attn: John H. Bogart, Esq.
170 South Main, Suite 400
Salt Lake City, UT 84101
Tel: (801) 533-8383
Fax: (801) 531-1486

Appendix III: Original Restructuring Budget in Restructuring & Reorganization Agreement

SunCrest L.L.C.

8-Week Budget of 4-12-08 through 6-6-08

	Week Ending	04/18/08	04/25/08	05/02/08	05/09/08	05/16/08	05/23/08	05/30/08	06/06/08
EXPENSES	8-Week Total	5	6	7	8	9	10	11	12
Overhead ¹	\$ 101,379	\$ 12,586	\$ 12,586	\$ 12,586	\$ 13,176	\$ 12,461	\$ 12,461	\$ 12,461	\$ 13,061
Ongoing SWPPP ²	65,600	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200
Emergency SWPPP repair ³	25,000	-	12,500	12,500	-	-	-	-	-
SunCrest Market Subsidy ⁴	12,000	-	-	-	6,000	-	-	-	6,000
Snow removal ⁵	2,500	1,500	1,000	-	-	-	-	-	-
Litigation ⁶	8,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Restructuring/Reorganization Legal Costs ⁷	320,000	45,000	30,000	27,500	27,500	27,500	77,500	52,500	32,500
Marketing Budget ⁸	80,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Suncrest Independent Representative ⁹	60,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Comcast Bulk Agreement ¹⁰	99,000	33,000	-	-	33,000	-	-	-	33,000
Totals	\$ 773,479	\$ 118,786	\$ 82,786	\$ 79,286	\$ 106,376	\$ 66,661	\$ 116,661	\$ 91,661	\$ 111,261

Assumptions

1. Assumes reduced staff to 3 full-time personnel (a land specialist, a financial specialist, and an administrative assistant) plus a weekend sales person.
2. Storm Water Pollution Prevention Plan work involves and inspection work and installation work.
3. Costs for per incident for emergency rebuild cost after a major event (e.g. rapid run off or rare storm event); estimated one event for April runoff
4. Made the first week of each month to offset operating costs for the SunCrest Market; the March subsidy of \$7,100 was not paid and is not contemplated to be paid in this budget cycle.
5. Snow removal for information center parking lot and Tallwoods subdivision; best estimate.
6. Estimated costs to simply manage any potential litigation issues that may flare up during budget period.
7. Includes fees for both Vinson & Elkins ("V&E") and McKay, Burton, & Thurman ("MBT"). Figures assume a Chapter 11 filing the week ending April 11, 2008 and an auction/sale hearing the week ending May 30, 2008. Aggregate estimated legal costs of V&E during budgeted period are \$295,000. Aggregate estimated legal costs of MBT during budgeted period \$25,000.
8. Expense to hire a firm to put together a sales package/book and then market said package to firm's client list for a 363 sale.
9. Expenses related to oversight work completed by B. Baird at \$7,500 per week
10. Expense associated with providing cable and internet service to entire community. The Feb. and Mar. payment of \$66,700 was removed from this budget but is still owed. A payment from the Suncrest Owners Association helps offset this expense, but the payment is sporadic because of collections issues with homeowners. The first payment is for Feb. and Mar. service. The payment in Apr. is for Apr. service through 4/24/08, May is for service through 5/24/08, and so on.
<i>This budget is an estimated budget and may not be used for any other purpose without the prior written consent of SunCrest L.L.C. Amounts estimated are cumulative and are not required to be incurred in the week estimated, and will be funded irrespective of the timing and incurrence of such amounts.</i>

Source: Excerpt from the Restructuring and Reorganization Agreement dated as of March 27, 2008 entered into by Suncrest, Zions and WLI.

Restructuring Strategies Report: Suncrest, LLC

Appendix IV: Revised Restructuring Budget Approved in Final Motion for Post-Petition Financing

SunCrest L.L.C.
10-Week Budget of 4-12-08 through 6-20-08

	Week Ending	04/18/08	04/25/08	05/02/08	05/09/08	05/16/08	05/23/08	05/30/08	06/06/08	06/13/08	06/20/08
EXPENSES	10-Week Total	5	6	7	8	9	10	11	12	13	14
Overhead ¹	\$ 126,301	\$ 12,586	\$ 12,586	\$ 12,586	\$ 13,176	\$ 12,461	\$ 12,461	\$ 12,461	\$ 13,061	\$ 12,461	\$ 12,461
Ongoing SWPPP ²	82,000	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200
Emergency SWPPP repair ³	25,000	-	12,500	12,500	-	-	-	-	-	-	-
SunCrest Market Subsidy ⁴	12,000	-	-	-	6,000	-	-	-	6,000	-	-
Snow removal ⁵	2,500	1,500	1,000	-	-	-	-	-	-	-	-
Litigation ⁶	10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Restructuring/Reorganization Legal Costs ⁷	375,000	45,000	30,000	27,500	27,500	27,500	77,500	52,500	32,500	27,500	27,500
Marketing Budget ⁸	100,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Suncrest Independent Representative ⁹	75,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Comcast Bulk Agreement ¹⁰	99,000	33,000	-	-	33,000	-	-	-	33,000	-	-
Creditor Committee	60,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
US Trustee Fees	30,000	-	-	-	-	-	-	-	-	-	30,000
Totals	\$ 996,801	\$ 124,786	\$ 88,786	\$ 85,286	\$ 112,376	\$ 72,661	\$ 122,661	\$ 97,661	\$ 117,261	\$ 72,661	\$ 102,661

Assumptions

1. Assumes reduced staff to 3 full-time personnel (a land specialist, a financial specialist, and an administrative assistant) plus a weekend sales person.
2. Storm Water Pollution Prevention Plan work involves and inspection work and installation work.
3. Costs for per incident for emergency rebuild cost after a major event (e.g. rapid run off or rare storm event); estimated one event for April runoff
4. Made the first week of each month to offset operating costs for the SunCrest Market; the March subsidy of \$7,100 was not paid and is not contemplated to be paid in this budget cycle.
5. Snow removal for information center parking lot and Tallwoods subdivision; best estimate.
6. Estimated costs of \$7,000 are to simply manage any potential litigation issues that may flare up during budget period. Costs of \$3,000 are to pay for data collection of a water meter related to a court order on Basin 7A at \$1,000 per month for April, May, and June.
7. Includes fees for both Vinson & Elkins ("V&E") and McKay, Burton, & Thurman ("MBT"). Figures assume a Chapter 11 filing the week ending April 11, 2008 and an auction/sale hearing the week ending May 30, 2008. Aggregate estimated legal costs of V&E during budgeted period are \$345,000. Aggregate estimated legal costs of MBT during budgeted period \$30,000.
8. Expense to hire a firm to put together a sales package/book and then market said package to firm's client list for a 363 sale.
9. Expenses related to oversight work completed by B. Baird at \$7,500 per week
10. Expense associated with providing cable and internet service to entire community. The Feb. and Mar. payment of \$66,700 was removed from this budget but is still owed. A payment from the Suncrest Owners Association helps offset this expense, but the payment is sporadic because of collections issues with homeowners. The first payment is for Feb. and Mar. service. The payment in Apr. is for Apr. service through 4/24/08, May is for service through 5/24/08, and so on.
<i>This budget is an estimated budget and may not be used for any other purpose without the prior written consent of SunCrest L.L.C. Amounts estimated are cumulative and are not required to be incurred in the week estimated, and will be funded irrespective of the timing and incurrence of such amounts.</i>

Source: Excerpt from Agreed Final Order Authorizing the Debtor to Obtain Post-Petition Financing and to Use Cash Collateral on May 22, 2008.

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