

**Vestin Realty Mortgage**  
**10Q filing November 10, 2008**

Silver Star Destinations, LLC, is a commercial loan to provide financing for three commercial retail properties, Sunriver Mall, Marcello Building and Chrome Pony comprising approximately 17.53 gross acres located in Sunriver, OR and commonly referred to as the Sunriver Mall. The loan is secured by a first lien on the property, and is guaranteed by principals of the borrower. The outstanding balance on the loan is \$26.7 million, of which our portion is approximately \$25.7 million. The loan matured on September 28, 2008, and the borrower failed to either pay the loan or extend the term. As of September 30, 2008, this loan has been considered non-performing for the last month. Our manager has commenced both foreclosure proceedings and litigation against the personal guarantors in order to enforce the personal guarantees. As of September 30, 2008, based on our manager's evaluation, updated appraisals and a letter of intent to purchase the note and deed of trust dated October 22, 2008, our manager has provided a specific allowance of approximately \$13.9 million, of which our portion is approximately \$13.4 million. The purchase agreement of \$13.0 million, which our portion would be approximately \$12.3 million, is scheduled to close on or before December 19, 2008; however, there can be no assurance that the sale will be completed.