

William Lyon Homes
Cash Flow Forecast through March 18th, 2012 (Excluding Emergence)
 in \$000s, unless otherwise stated or unit data

Week Ending	Dec-28	Jan-01	Jan-08	Jan-15	Jan-22	Jan-29	Feb-05	Feb-12	Feb-19	Feb-26	Mar-04	Mar-11	Mar-18	Total
Receipts														
Units Closed	0	12	9	11	6	9	3	6	11	5	2	2	2	78
ASP	\$0	\$304	\$522	\$299	\$109	\$195	\$205	\$285	\$285	\$193	\$230	\$230	\$230	\$285
Homes	\$0	\$3,642	\$4,787	\$3,297	\$1,191	\$1,757	\$616	\$1,701	\$2,913	\$984	\$461	\$461	\$461	\$22,240
Land Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Joint Venture Distributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Project Fees	59	10	10	10	19	98	383	284	25	0	105	106	106	100
Total Receipts	59	3,652	4,846	3,296	1,210	1,855	1,048	1,985	2,837	964	567	567	567	23,538
Disbursements														
Land Acquisitions, Fees, and SPE Cont.	(282)	0	(137)	0	(1,512)	0	(1,500)	(137)	0	(282)	0	0	(137)	(3,947)
Operating Disbursements	(8,878)	(4,083)	(5,034)	(1,208)	(1,857)	(1,183)	(2,488)	(1,609)	(2,288)	(1,812)	(2,847)	(2,114)	(2,847)	(37,347)
Professionals' Fees and G&A	(217)	(173)	(173)	(173)	(858)	(655)	(488)	(488)	(498)	(488)	(423)	(461)	(461)	(8,551)
Other Disbursements	(1,000)	0	0	0	0	0	0	0	0	0	0	0	0	(1,000)
Joint Venture Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Disbursements	(10,097)	(4,253)	(5,243)	(1,380)	(4,024)	(1,838)	(4,463)	(2,243)	(2,786)	(2,372)	(3,070)	(2,600)	(3,331)	(47,844)
Cash Flow Available for Debt Service	(8,838)	(604)	(487)	1,916	(2,814)	17	(3,414)	(278)	162	(1,408)	(2,403)	(2,033)	(2,763)	(24,306)
Debt Service														
Interest (Colony)	0	0	(2,829)	0	0	0	(2,829)	0	0	0	(2,829)	0	0	(7,898)
Interest (Senior Notes)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest and Fees (DIP Facility)	(769)	0	0	0	0	(128)	0	0	0	(200)	0	0	0	(1,094)
Other Debt Payments (1)	(115)	(815)	(85)	0	(115)	0	(85)	0	0	0	(2,584)	0	0	(3,821)
Total Debt Service	(884)	(815)	(2,725)	0	(115)	(128)	(2,725)	0	0	(200)	(5,213)	0	0	(12,803)
Total Cash Flow	(\$10,833)	(\$1,219)	(\$3,223)	\$1,916	(\$2,929)	(\$109)	(\$677)	(\$278)	\$152	(\$1,603)	(\$7,746)	(\$2,093)	(\$2,763)	(\$98,912)
Beginning Book Cash Balance (2)	\$7,700	\$3,183	\$4,402	\$7,625	\$5,709	\$4,937	\$8,745	\$14,905	\$16,184	\$16,032	\$16,699	\$24,355	\$28,448	\$7,700
Plus: Total Cash Flow	(10,833)	(1,219)	(3,223)	1,916	(2,929)	(109)	(677)	(278)	152	(1,603)	(7,716)	(2,093)	(2,763)	(39,912)
Ending Book Cash Balance (Pre-DIP)	(\$3,133)	(\$4,032)	(\$7,821)	(\$5,709)	(\$2,929)	(\$4,937)	(\$14,905)	(\$16,184)	(\$16,032)	(\$16,699)	(\$24,355)	(\$28,448)	(\$30,912)	(\$30,912)
DIP Draws	\$10,000	\$0	\$6,000	\$0	\$0	\$0	\$5,000	\$5,000	\$0	\$0	\$4,000	\$0	\$0	\$20,000
DIP Balances	\$10,000	\$10,000	\$16,000	\$16,000	\$16,000	\$16,000	\$20,000	\$25,000	\$25,000	\$25,000	\$30,000	\$30,000	\$30,000	\$30,000
Book Cash Balances	\$4,867	\$6,868	\$7,376	\$9,291	\$8,373	\$6,266	\$6,096	\$6,616	\$9,148	\$9,381	\$6,646	\$3,852	\$788	\$788
Total Liquidity Including DIP	\$11,817	\$10,898	\$13,372	\$15,291	\$14,383	\$12,266	\$14,096	\$14,616	\$17,311	\$17,311	\$14,646	\$10,652	\$788	\$788
Exc. Checks Outstanding (Frost)	\$2,868	\$2,500	\$2,600	\$2,600	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
Bank Cash	\$3,137	\$5,088	\$3,876	\$11,781	\$4,883	\$3,785	\$7,081	\$12,318	\$12,468	\$10,881	\$4,146	\$6,052	\$3,288	\$3,288

(1) Upon the payoff of all associated with the Sun Curlew project, provided to the Senior Secured Term Loan Agreement, the assets become collateral under the Colony term loan.

(2) Beginning Book Cash Balance of \$7.7 million for the week ending 12/25/2011 is an estimate as of 12/18/2011, which includes of \$2.9 million of estimated book cash, plus \$4.8 million of accrued receivable for homes that were closed as of 12/18/2011.

William Lyon Homes
Covenant Summary through March 18th, 2012 (Excluding Emergence)
 In \$000s, unless otherwise stated or unit data

Estimated Professionals Fee Payments by Week for 13 Weeks Ended March 18, 2012

Week Ending	Dec-25	Jan-01	Jan-08	Jan-15	Jan-22	Jan-29	Feb-06	Feb-12	Feb-19	Feb-26	Mar-04	Mar-11	Mar-18	Total
Incurred (Carve Out Provision)														
Legal - Pechulski	\$62.5	\$62.5	\$50.0	\$50.0	\$50.0	\$50.0	\$50.0	\$100.0	\$100.0	\$100.0	\$100.0	\$82.5	\$82.5	\$900.0
Legal - Irel	62.5	62.5	50.0	50.0	50.0	50.0	50.0	62.5	62.5	62.5	62.5	62.5	62.5	750.0
Financial Advisors - A&M	150.0	150.0	50.0	50.0	50.0	50.0	50.0	87.5	87.5	87.5	87.5	62.5	62.5	1,025.0
BOD Fees	10.0	10.0	8.0	8.0	8.0	8.0	8.0	10.0	10.0	10.0	10.0	10.0	10.0	120.0
Milbank / Local - Noteholder Legal	81.3	81.3	65.0	65.0	65.0	65.0	65.0	75.0	75.0	75.0	75.0	62.5	62.5	912.5
HL - Noteholder FA	33.8	33.8	27.0	27.0	27.0	27.0	27.0	31.3	31.3	31.3	31.3	31.3	31.3	390.0
Akin - Colony Legal	106.3	106.3	85.0	85.0	85.0	85.0	85.0	106.3	106.3	106.3	106.3	106.3	106.3	1,275.0
Trustee Fees	6.3	6.3	5.0	5.0	5.0	5.0	5.0	6.3	6.3	6.3	6.3	6.3	6.3	75.0
Unidentified Professional Fees	25.0	25.0	20.0	20.0	20.0	20.0	20.0	25.0	25.0	25.0	25.0	25.0	25.0	300.0
Total Incurred (Carve Out)	\$537.5	\$537.5	\$360.0	\$360.0	\$360.0	\$360.0	\$360.0	\$503.8	\$503.8	\$503.8	\$503.8	\$428.8	\$428.8	\$5,747.5
Cushioned Carve Out [1]														\$6,897.0
Paid:														
Legal - Pechulski	\$0.0	\$0.0	\$0.0	\$0.0	\$50.0	\$50.0	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$80.0	\$80.0	\$480.0
Legal - Irel	0.0	0.0	0.0	0.0	50.0	50.0	40.0	40.0	40.0	40.0	40.0	50.0	50.0	400.0
Financial Advisors - A&M	0.0	0.0	0.0	0.0	120.0	120.0	40.0	40.0	40.0	40.0	40.0	70.0	70.0	580.0
BOD Fees	0.0	0.0	0.0	0.0	10.0	10.0	8.0	8.0	8.0	8.0	8.0	10.0	10.0	80.0
Milbank / Local - Noteholder Legal	0.0	0.0	0.0	0.0	81.3	81.3	65.0	65.0	65.0	65.0	65.0	75.0	75.0	637.5
HL - Noteholder FA	0.0	0.0	0.0	0.0	33.8	33.8	27.0	27.0	27.0	27.0	27.0	31.3	31.3	265.0
Akin - Colony Legal	0.0	0.0	0.0	0.0	106.3	106.3	85.0	85.0	85.0	85.0	85.0	106.3	106.3	850.0
Trustee Fees	0.0	0.0	0.0	0.0	6.3	6.3	5.0	5.0	5.0	5.0	5.0	6.3	6.3	50.0
Unidentified Professional Fees	0.0	0.0	0.0	0.0	25.0	25.0	20.0	20.0	20.0	20.0	20.0	25.0	25.0	200.0
Total Paid [2]	\$0.0	\$0.0	\$0.0	\$0.0	\$482.5	\$482.5	\$330.0	\$330.0	\$330.0	\$330.0	\$330.0	\$453.8	\$453.8	\$3,522.5
Professional Fee Rollforward														
Beginning Balance	\$0.0	\$537.5	\$1,075.0	\$1,435.0	\$1,795.0	\$1,672.5	\$1,550.0	\$1,580.0	\$1,753.8	\$1,927.5	\$2,101.3	\$2,275.0	\$2,250.0	\$0.0
Add: Fees Incurred	537.5	537.5	360.0	360.0	360.0	360.0	360.0	503.8	503.8	503.8	503.8	428.8	428.8	5,747.5
Less: Fees Paid	0.0	0.0	0.0	0.0	(482.5)	(482.5)	(330.0)	(330.0)	(330.0)	(330.0)	(330.0)	(453.8)	(453.8)	(3,522.5)
Ending Balance	\$537.5	\$1,075.0	\$1,435.0	\$1,795.0	\$1,672.5	\$1,550.0	\$1,580.0	\$1,753.8	\$1,927.5	\$2,101.3	\$2,275.0	\$2,250.0	\$2,225.0	\$2,225.0

[1] The amounts referenced above for estate professionals constitute the Carve-Out referenced in the DIP Order.

[2] To the extent payments to a professional are not made as shown, there shall be no reduction to the Carve-Out as to such professional.