

June 2007

Report to Direct Lenders – Placer County Land Speculators LLC

Dear Direct Lenders:

We again write on behalf of the USACM Liquidating Trust as the successor servicer of your loans as a result of confirmation of the Debtors' Third Amended Joint Plan of Reorganization filed by, among others, USA Commercial Mortgage Company ("USACM").

We enclose your Monthly Statement that was prepared from the information turned over to the Trust by USACM. Please contact us in writing or by email if you see problems with the statement.

This status report updates our May 2007 report.

Borrower Communications. The borrower – Placer County Land Speculators, LLC – is owned by USA Investment Partners, LLC, which is now a chapter 11 debtor in bankruptcy in Las Vegas. We met with Lisa M. Poulin as the USAIP Trustee and her counsel Greg Garman of Gordon & Silver. We told them what we told you, that we need a satisfactory proposal to pay the loans by this month or we will commence foreclosure proceedings. They are investigating the possibility of sale of the collateral to repay the loans. On April 23, 2007, we forwarded to them an unsolicited offer to purchase the property for \$32 million cash or \$35 million with a seller carry back, subject to, among other things, a 60-day free look period. They have not indicated whether they responded to that offer. You will recall that the principal balance on the first loan is \$31.5 million.

Guarantors. Joseph Milanowski and Thomas Hantges guaranteed the debt. We made demand on them on your behalf. Because they were being sued by other creditors, and could transfer their assets while suits were pending, we decided to join with USA Capital Diversified Trust Deed Fund LLC and Nevada State Bank in an involuntary bankruptcy filing against them. The bankruptcy petitions were filed on May 29, 2007, and on Friday, June 8, 2007, the United States Trustee, acting by order of the bankruptcy court on our motion with Diversified, appointed separate interim trustees for Hantges (Michael Carmel) and Milanowski (Ford Elsaesser). We will work cooperatively with the trustees to locate Hantges' and Milanowski's assets to obtain payment for the guarantees and other claims.

Taxes. With your consent, on June 6, 2007, the Trust advanced \$678,649.19 to Placer County to pay the back taxes. This is an advance senior to your loan which bears interest at the prime rate. Placer County has requested that the Trust advance current taxes, and we request your consent to that advance on the same terms.

Development Expenses. A group of Placer Vineyards owners has billed the Borrower \$459,850 for its share of development expenses. In our prior letter we asked you to consent to the Trust's advance of \$364,805 for what we thought was the Borrower's share of development expenses incurred in obtaining zoning and other entitlements for the property. At least one of you withheld consent in order to discuss this issue with counsel. The Trust is considering whether to pay the entire bill to avoid your collateral being adversely affected by the nonpayment. Borrower has advised the Trust that if this bill is not paid, your collateral will not obtain the zoning entitlements that would allow it to be developed and sold as part of the initial phase of the project. Borrower says that without making the payment, your collateral will effectively be farm land for the next several years. We can not confirm the consequences of a failure to make this payment. However, the Trust will need the consent of the Lenders that if the Trust advances its funds to pay this billing, then the advance will be deemed made on behalf of the Lenders, to be recovered before you receive payment, with interest on the advance at the prime rate of interest.

Future Reports

This report, and subsequent reports, will be posted on the USACM Liquidating Trust website. If you need additional information, or if you have questions or concerns, please contact the Trust as Servicing Agent at the following:

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Attorneys for the USACM Liquidating Trust

Dated: Wednesday, July 18, 2007.

USACM Liquidating Trust Geoffrey L. Berman, Trustee	Lewis And Roca LLP Rob Charles Susan M. Freeman Counsel for USACM Liquidating Trust
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AGREEMENT:

Taxes

The USACM Liquidating Trust will be repaid for sums advanced to pay taxes on the collateral for the Placer Vineyards Loans, with interest at the prime rate from the date of advance, from sums collected on the Loans, before I receive payment.

Consent
No

Development Costs

The USACM Liquidating Trust will be repaid for sums advanced to pay the billing for development work on the collateral for the Placer Vineyards Loans, with interest at the prime rate from the date of advance, from sums collected on the Loans, before I receive payment.

Consent
No

Lender Signature

Lender Name (print or type)

Lender Number From Statement (print or type)

Date