



Investor Report: May 07, 2009

# **BLUE CITY INVESTMENTS I LIMITED**

## **THE BANK OF NEW YORK**

Issuer Security Trustee, Issuer Note Trustee, Principal Paying Agent,  
Lookback Calculation Agent and Registrar



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**Note Valuation - 5/07/2009**

Due Period covered by this Investor Report: 2/09/2009 - 5/07/2009  
 Report Determination Date: 5/07/2009  
 Payment Date relating to this Investor Report: 5/07/2009  
 Preceding Payment Date: 2/09/2009  
 Interest Accrual Period (Floating Rate Notes): 2/09/2009 - 5/07/2009  
 Interest Accrual Period (Fixed Rate Notes): 2/09/2009 - 5/07/2009  
 Libor Rate for Interest Accrual Period: 1.24125%  
 Legal Final Maturity Date of Notes: 11/07/2016

| Class          | Identifier   | Original Note Balance   | Beginning Note Balance  | Interest Rate Index | All-In Rate | Day Count | Accrued Interest Amount | Total Principal Repaid and Prepaid Amounts | Total Distribution     | Ending Note Balance     |
|----------------|--------------|-------------------------|-------------------------|---------------------|-------------|-----------|-------------------------|--|------------------------|-------------------------|
| CLASS A1       | XS0259691623 | \$399,000,000.00        | \$399,000,000.00        | 3 Month Libor       | 2.84125%    | 87        | \$2,739,675.31          | \$0.00                                     | \$2,739,675.31         | \$399,000,000.00        |
| CLASS A3       | XS0267260346 | \$262,500,000.00        | \$262,500,000.00        | 3 Month Libor       | 5.04125%    | 87        | \$3,198,042.97          | \$0.00                                     | \$3,198,042.97         | \$262,500,000.00        |
| <b>CLASS A</b> |              | <b>\$661,500,000.00</b> | <b>\$661,500,000.00</b> |                     |             |           | <b>\$5,937,718.28</b>   | <b>\$0.00</b>                              | <b>\$5,937,718.28</b>  | <b>\$661,500,000.00</b> |
| CLASS B1       | XS0259701018 | \$143,000,000.00        | \$143,000,000.00        | Fixed               | 13.75000%   | 90        | \$4,915,625.00          | \$0.00                                     | \$4,915,625.00         | \$143,000,000.00        |
| <b>CLASS B</b> |              | <b>\$143,000,000.00</b> | <b>\$143,000,000.00</b> |                     |             |           | <b>\$4,915,625.00</b>   | <b>\$0.00</b>                              | <b>\$4,915,625.00</b>  | <b>\$143,000,000.00</b> |
| CLASS C        | XS0272445726 | \$50,500,000.00         | \$50,500,000.00         | Fixed               | 13.75000%   | 90        | \$1,735,937.50          | \$0.00                                     | \$1,735,937.50         | \$50,500,000.00         |
| <b>CLASS C</b> |              | <b>\$50,500,000.00</b>  | <b>\$50,500,000.00</b>  |                     |             |           | <b>\$1,735,937.50</b>   | <b>\$0.00</b>                              | <b>\$1,735,937.50</b>  | <b>\$50,500,000.00</b>  |
| CLASS D        | XS0273296243 | \$70,000,000.00         | \$70,000,000.00         | Fixed               | 1.00000%    | 90        | \$175,000.00            | \$0.00                                     | \$175,000.00           | \$70,000,000.00         |
| <b>CLASS D</b> |              | <b>\$70,000,000.00</b>  | <b>\$70,000,000.00</b>  |                     |             |           | <b>\$175,000.00</b>     | <b>\$0.00</b>                              | <b>\$175,000.00</b>    | <b>\$70,000,000.00</b>  |
| <b>Totals</b>  |              | <b>\$925,000,000.00</b> | <b>\$925,000,000.00</b> |                     |             |           | <b>\$12,764,280.78</b>  | <b>\$0.00</b>                              | <b>\$12,764,280.78</b> | <b>\$925,000,000.00</b> |



Note Valuation (Contd.) - 5/07/2009

| Class          | Identifier   | Original Note Balance   | Beginning Note Balance  | Accrued Interest Amount | Expected Principal Repaid Amounts | Mandatory Principal Amounts Repaid | Prepaid Principal Amounts | Total Distribution     | Expected Principal Payment Next Period | Ending Note Balance     |
|----------------|--------------|-------------------------|-------------------------|-------------------------|-----------------------------------|------------------------------------|---------------------------|------------------------|--|-------------------------|
| CLASS A1       | XS0259691623 | \$399,000,000.00        | \$399,000,000.00        | \$2,739,675.31          | \$0.00                            | \$0.00                             | \$0.00                    | \$2,739,675.31         | \$0.00                                 | \$399,000,000.00        |
| CLASS A3       | XS0267260346 | \$262,500,000.00        | \$262,500,000.00        | \$3,198,042.97          | \$0.00                            | \$0.00                             | \$0.00                    | \$3,198,042.97         | \$0.00                                 | \$262,500,000.00        |
| <b>CLASS A</b> |              | <b>\$661,500,000.00</b> | <b>\$661,500,000.00</b> | <b>\$5,937,718.28</b>   | <b>\$0.00</b>                     | <b>\$0.00</b>                      | <b>\$0.00</b>             | <b>\$5,937,718.28</b>  | <b>\$0.00</b>                          | <b>\$661,500,000.00</b> |
| CLASS B1       | XS0259701018 | \$143,000,000.00        | \$143,000,000.00        | \$4,915,625.00          | \$0.00                            | \$0.00                             | \$0.00                    | \$4,915,625.00         | \$0.00                                 | \$143,000,000.00        |
| <b>CLASS B</b> |              | <b>\$143,000,000.00</b> | <b>\$143,000,000.00</b> | <b>\$4,915,625.00</b>   | <b>\$0.00</b>                     | <b>\$0.00</b>                      | <b>\$0.00</b>             | <b>\$4,915,625.00</b>  | <b>\$0.00</b>                          | <b>\$143,000,000.00</b> |
| CLASS C        | XS0272445726 | \$50,500,000.00         | \$50,500,000.00         | \$1,735,937.50          | \$0.00                            | \$0.00                             | \$0.00                    | \$1,735,937.50         | \$0.00                                 | \$50,500,000.00         |
| <b>CLASS C</b> |              | <b>\$50,500,000.00</b>  | <b>\$50,500,000.00</b>  | <b>\$1,735,937.50</b>   | <b>\$0.00</b>                     | <b>\$0.00</b>                      | <b>\$0.00</b>             | <b>\$1,735,937.50</b>  | <b>\$0.00</b>                          | <b>\$50,500,000.00</b>  |
| CLASS D        | XS0273296243 | \$70,000,000.00         | \$70,000,000.00         | \$175,000.00            | \$0.00                            | \$0.00                             | \$0.00                    | \$175,000.00           | \$0.00                                 | \$70,000,000.00         |
| <b>CLASS D</b> |              | <b>\$70,000,000.00</b>  | <b>\$70,000,000.00</b>  | <b>\$175,000.00</b>     | <b>\$0.00</b>                     | <b>\$0.00</b>                      | <b>\$0.00</b>             | <b>\$175,000.00</b>    | <b>\$0.00</b>                          | <b>\$70,000,000.00</b>  |
| <b>Totals</b>  |              | <b>\$925,000,000.00</b> | <b>\$925,000,000.00</b> | <b>\$12,764,280.78</b>  | <b>\$0.00</b>                     | <b>\$0.00</b>                      | <b>\$0.00</b>             | <b>\$12,764,280.78</b> | <b>\$0.00</b>                          | <b>\$925,000,000.00</b> |



Quarterly Summary - 5/07/2009

**Special Reserve Account ("SRA")**

|  |              |
|--|--------------|
| Balance of the SRA as of the date of the Last Report:                                | \$250,000.00 |
| Payments made to the Issuer Security Trustee from the SRA on the date of the Report: | \$0.00       |
| Balance of the SRA as of the date of the Report (After Any Payment Made Above):      | \$250,000.00 |
| Interest Amounts earned on the SRA on the date of the Report:                        | \$133.09     |
| Balance of the SRA as of the date of the Report (on the above):                      | \$250,000.00 |

**Partial Credit Guarantee Reserve Account ("PCGRA")**

|  |                  |
|--|------------------|
| Balance of the PCGRA as of the date of the Last Report:  | \$200,000,000.00 |
| Payments made from the PCGRA on the date of the Report:  | \$0.00           |
| Balance of the PCGRA as of the date of the Report (After Any Payments Made Above)  | \$200,000,000.00 |
| Cumulative Disbursements under the PCGRA for which amounts are held by the Phase 1 Onshore Security Trustee by virtue of an Inconvertibility Event   | \$0.00           |
| Cumulative Disbursements under the PCGRA for which amounts are held by the Phase 1 Onshore Security Trustee by virtue of a Non-transferability Event | \$0.00           |
| Interest Amounts earned on the PCGRA on the date of the Report   | \$82,886.29      |
| Released Amounts from the PCGRA :  | \$0.00           |
| Balance of the PCGRA as of the date of the Report (on the above):  | \$200,000,000.00 |

**Senior Debt Service Reserve Account ("SDSRA")**

|  |                 |
|--|-----------------|
| Balance of the SDSRA as of the date of the Last Report:                            | \$60,863,000.00 |
| Payments made from the SDSRA on the date of the Report                             | \$5,937,718.00  |
| Balance of the SDSRA as of the date of the Report (After Any Payments Made Above): | \$54,925,796.00 |
| Interest Amounts earned on the SDSRA on the date of the Report                     | \$32,398.74     |
| Required Balance of the SDSRA as of the date of the Report:                        | \$60,863,000.00 |
| Released Amounts from the SDSRA:   | \$0.00          |
| Additional Mandatory Deposits Received to Replenish the SDSRA:                     | \$0.00          |
| Balance of the SDSRA as of the date of the Report (on the above):                  | \$54,925,796.00 |

**Second Senior Debt Service Reserve Account ("SSDSRA")**

|  |        |
|--|--------|
| Balance of the SSDSRA as of the date of the Last Report: | \$0.00 |
| Payments made from the SSDSRA on the date of the Report: | \$0.00 |



Quarterly Summary - 5/07/2009

**Second Senior Debt Service Reserve Account ("SSDSRA")**

|   |        |
|---|--------|
| Balance of the SSDSRA as of the date of the Report (After Any Payments Made Above): | \$0.00 |
| Interest Amounts earned on the SSDSRA on the date of the Report:                    | \$0.00 |
| Required Balance of the SSDSRA as of the date of the Report:                        | \$0.00 |
| Released Amounts from the SSDSRA:   | \$0.00 |
| Additional Mandatory Deposits Received to Replenish the SSDSRA:                     | \$0.00 |
| Balance of the SSDSRA as of the date of the Report (on the above):                  | \$0.00 |

**Junior Debt Service Reserve Account ("JDSRA")**

|  |                 |
|--|-----------------|
| Balance of the JDSRA as of the date of the Last Report:  | \$39,325,000.00 |
| Payments made from the JDSRA on the date of the Report with respect to debt service:             | \$4,915,625.00  |
| Payments made from the JDSRA on the date of the Report with respect to payments to the Borrower: | \$0.00          |
| Balance of the JDSRA as of the date of the Report (After Any Payments Made Above):               | \$34,409,375.00 |
| Interest Amounts earned on the JDSRA on the date of the Report :                                 | \$20,933.57     |
| Required Balance of the JDSRA as of the date of the Report:                                      | \$39,325,000.00 |
| Released Amounts from the JDSRA:   | \$0.00          |
| Balance of the JDSRA as of the date of the Report (on the above):                                | \$34,409,375.00 |

**Credit Insurance**

|  |                  |
|--|------------------|
| Cumulative Credit Insurance Available on the date of Report:   | \$399,000,000.00 |
| Cumulative Credit Insurance Available for the period to the next Payment Date:                               | \$399,000,000.00 |
| Cumulative Credit Insurance Reduction on the date of Report:   | \$0.00           |
| Credit Insurance Available on the period to the next Payment Date:   | \$399,000,000.00 |
| Credit Insurance Compensation Claimed on the date of the Report:   | \$0.00           |
| Cumulative Credit Insurance Compensation Claimed to the last Payment Date:                                   | \$0.00           |
| Cumulative Credit Insurance Compensation Paid to the last Payment Date:                                      | \$0.00           |
| Cumulative Credit Insurance Compensation Claimed and Unpaid to the last Payment:                             | \$0.00           |
| Cumulative Credit Insurance Compensation Claimed and subject to the Waiting Period to the last Payment Date: | \$0.00           |
| Cumulative Credit Insurance Compensation Claimed and Denied to the last Payment Date:                        | \$0.00           |
| Cumulative Credit Insurance Premiums Paid to the last Payment Date:  | \$31,122,000.00  |
| Credit Insurance Premiums Paid on the date of Report:  | \$0.00           |
| Credit Insurance Premium Due at the end of the period to the next Payment Date:                              | \$0.00           |



Quarterly Summary - 5/07/2009

**Credit Insurance**

|   |                 |
|---|-----------------|
| Balance of the Credit Insurance Premium Reserve on the date of Report:  | \$25,935,000.00 |
| Cumulative Credit Insurance Compensation Paid to the last Payment Date:   | \$0.00          |
| Payments Made to the Credit Insurance Provider on the date of the Report:   | \$0.00          |
| Outstanding Claims of the Credit Insurance Provider for Reimbursement in Respect of Compensation Paid on or prior to the last Payment Date: | \$0.00          |

**Phase Releases**

|   |                   |
|---|-------------------|
| Phases Released in the Quarter to the date of the Report:                   | 0 / 0 / 0 / 0 / 0 |
| Cumulative Phases Released to Date:   | 0 / 0 / 0 / 0 / 0 |
| Phases Released in the Quarter to the date of the Report for a Release Fee: | 0 / 0 / 0 / 0 / 0 |
| Release Fees Paid in the Quarter:   | \$0.00            |
| Cumulative Release Fees Paid to the last Payment Date:                      | \$0.00            |
| Phases Providing Security on the Notes:                                     |                   |

**Valuation**

|                                     |                    |
|-------------------------------------|--------------------|
| Date of Previous Valuation:         | 11/03/2006         |
| Date of Last Valuation:             | 11/07/2007         |
| Previous Valuation:                 | \$879,100,000.00   |
| Last Valuation:                     | \$2,118,400,000.00 |
| Increase / (Decrease) in Valuation: | \$1,239,300,000.00 |



**Residential Sales Tests - 5/07/2009**

**Calculation Parameters**

|   |                         |                             |
|---|-------------------------|-----------------------------|
| Cumulative Net Proceeds from Sales of Residential Units                 | <u>\$53,890,000.00</u>  |                             |
|   |                         | <u>\$53,600,000.00</u> (A)  |
| Expected Cumulative Net Proceeds from Sales of Residential Units        | <u>\$453,000,000.00</u> |                             |
|   |                         | <u>\$453,000,000.00</u> (B) |
| <b>Sales Test Coverage Ratio (A/B)</b>                                  |                         | <b>11.90%</b>               |
| Required Residential Sales Test 1 Threshold Ratio (During Months 18-66) |                         | 87.50%                      |
| Required Residential Sales Test 2 Threshold Ratio (During Months 24-66) |                         | 82.50%                      |
| Required Residential Sales Test 3 Threshold Ratio (During Months 30-66) |                         | 80.00%                      |
| Required Residential Sales Test 4 Threshold Ratio (During Months 30-66) |                         | 75.00%                      |
| Required Residential Sales Test 5 Threshold Ratio (During Months 36-57) |                         | 70.00%                      |
| Required Residential Sales Test 6 Threshold Ratio (During Months 60-81) |                         | 70.00%                      |

**Test Result** **FAIL**



**Capital Expenditure Test - 5/07/2009**

**Calculation Parameters**

|   |                             |                             |                 |
|---|-----------------------------|-----------------------------|-----------------|
| Actual Capital Expenditure  | <u>\$266,222,370.00</u>     |                             |                 |
|   |                             | <u>\$266,222,370.00</u>     | <b>(A)</b>      |
| <br>Expected Capital Expenditure  | <br><u>\$576,134,790.00</u> |                             |                 |
|   |                             | <br><u>\$576,134,790.00</u> | <br><b>(B)</b>  |
| <br><b>Capital Expenditure Test Ratio (A/B)</b>                         |                             |                             | <br>46.56%      |
| Required Residential Sales Test 1 Threshold Ratio (During Months 18-66) |                             |                             | 107.50%         |
| Required Residential Sales Test 2 Threshold Ratio (During Months 24-66) |                             |                             | 110.00%         |
| Required Residential Sales Test 3 Threshold Ratio (During Months 30-66) |                             |                             | 115.00%         |
| Required Residential Sales Test 4 Threshold Ratio (During Months 30-66) |                             |                             | 120.00%         |
| Required Residential Sales Test 5 Threshold Ratio (During Months 36-57) |                             |                             | 125.00%         |
| Required Residential Sales Test 6 Threshold Ratio (During Months 60-81) |                             |                             | N/A             |
| <br><b>Test Result</b>  |                             |                             | <br><b>PASS</b> |





**Disclaimer - 5/07/2009**



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