

**Income Statement (Cash)**  
**Sherwood Pointe Apartments - (sherwood)**  
**Months: Jul 2006**

Prepared For:

Sherwood Pointe Apartments, LLC  
 1100 Via Verde  
 San Dimas, CA 91773

Prepared By:

D&S Management, Inc.  
 11317 S. Western Suite 200  
 Oklahoma City, OK 73170

	Month to Date	%	Year to Date	%
<b><u>RENT INCOME</u></b>				
Rent	21,439.16	84.67	120,742.60	86.80
Affordable Rent	1,130.00	4.46	3,650.00	2.62
Less: Concessions	(592.00)	(2.34)	(966.00)	(0.69)
Less: Employee Concessions	0.00	0.00	(247.50)	(0.18)
Plus: Prepaid Rent	(688.00)	(2.72)	2,130.00	1.53
Plus: MTM Charges	40.00	0.16	40.00	0.03
<b>NET RENTAL INCOME</b>	<b>21,329.16</b>	<b>84.24</b>	<b>125,349.10</b>	<b>90.11</b>
<b><u>EXPENSE REIMBURSEMENT</u></b>				
Electric	0.00	0.00	31.71	0.02
Legal Fees	334.00	1.32	998.00	0.72
<b>TOTAL REIMBURSEMENT</b>	<b>334.00</b>	<b>1.32</b>	<b>1,029.71</b>	<b>0.74</b>
<b><u>BAD DEBT RECOVERY</u></b>				
Property Damage Recovery	0.00	0.00	145.00	0.10
Unit Damage Recovery	75.00	0.30	1,544.00	1.11
<b>TOTAL BAD DEBT RECOVERY</b>	<b>75.00</b>	<b>0.30</b>	<b>1,689.00</b>	<b>1.21</b>
<b><u>OTHER INCOME</u></b>				
Forfeited Deposit	551.67	2.18	1,476.67	1.06
Laundry Income	1,643.25	6.49	2,817.50	2.03
Pay Phone Income	1.73	0.01	26.62	0.02
Miscellaneous Income	655.00	2.59	2,420.06	1.74
Late Fee	560.00	2.21	3,501.00	2.52
Application Fee	170.00	0.67	695.00	0.50
NSF Fee	0.00	0.00	100.00	0.07
<b>TOTAL OTHER INCOME</b>	<b>3,656.65</b>	<b>14.44</b>	<b>12,725.85</b>	<b>9.15</b>
<b>TOTAL INCOME</b>	<b>25,319.81</b>	<b>100.00</b>	<b>139,104.66</b>	<b>100.00</b>
<b><u>EXPENSES</u></b>				
<b><u>REPAIRS &amp; MAINTENANCE</u></b>				
Pool Supplies & Repair	802.03	3.17	835.64	0.60
Clubhouse & Amenity Repair	0.00	0.00	243.00	0.17
Electrical Repair/Supplies	143.59	0.57	335.92	0.24
Plumbing Repair/Supplies	573.68	2.27	996.57	0.72
HVAC Supplies & Repair	349.18	1.38	349.18	0.25
Appliance Repair	109.33	0.43	218.80	0.16
Carpentry Supplies	305.87	1.21	305.87	0.22
Hardware Supplies	183.07	0.72	1,071.49	0.77
Locks & Keys	289.03	1.14	653.05	0.47
Lighting/Light Bulbs	235.07	0.93	665.03	0.48
Glass/Mirrors	149.80	0.59	611.57	0.44
<b>TOTAL REPAIRS &amp; MAINTENANCE</b>	<b>3,140.65</b>	<b>12.40</b>	<b>6,286.12</b>	<b>4.52</b>
<b><u>CLEANING &amp; DECORATING EXPENSE</u></b>				
Make Ready Repair	0.00	0.00	509.00	0.37
Contract Painting	840.00	3.32	1,095.00	0.79
Paint & Supplies	839.58	3.32	4,420.28	3.18

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Contract Cleaning	0.00	0.00	125.00	0.09
Cleaning Supplies	35.80	0.14	90.85	0.07
Carpet Cleaning	0.00	0.00	500.97	0.36
Carpet Repair	0.00	0.00	15.00	0.01
Floor Tile & Supplies	137.79	0.54	2,293.28	1.65
Mini Blinds	1,283.77	5.07	2,093.08	1.50
Drywall Repair	0.00	0.00	145.00	0.10
<b>TOTAL CLEANING &amp; DECOR EXPENSE</b>	<b>3,136.94</b>	<b>12.39</b>	<b>11,287.46</b>	<b>8.11</b>
<b><u>ADMINISTRATIVE EXPENSES</u></b>				
Office Supplies	0.00	0.00	886.85	0.64
Postage & Freight	7.56	0.03	91.70	0.07
Employee Uniforms	0.00	0.00	98.56	0.07
Licenses/Permits/Fees	50.00	0.20	1,323.00	0.95
Credit Reports	34.95	0.14	166.25	0.12
Eviction/Legal Fees	514.00	2.03	939.00	0.68
Bank Service Charges	0.00	0.00	10.85	0.01
Petty Cash Expenditures	0.00	0.00	200.00	0.14
Telecommunications	576.03	2.28	1,522.70	1.09
<b>TOTAL ADMIN. EXPENSE</b>	<b>1,182.54</b>	<b>4.67</b>	<b>5,238.91</b>	<b>3.77</b>
<b><u>SERVICE EXPENSES</u></b>				
Landscaping/Grounds	850.00	3.36	2,125.00	1.53
Extermination	157.50	0.62	1,127.00	0.81
Waste Management	612.08	2.42	3,051.72	2.19
<b>TOTAL SERVICE EXPENSES</b>	<b>1,619.58</b>	<b>6.40</b>	<b>6,303.72</b>	<b>4.53</b>
<b><u>LEASING EXPENSES</u></b>				
Advertising	516.00	2.04	601.01	0.43
Brochures/Flyers	1,288.04	5.09	1,288.04	0.93
Resident Services	0.00	0.00	100.00	0.07
<b>TOTAL LEASING EXPENSES</b>	<b>1,804.04</b>	<b>7.13</b>	<b>1,989.05</b>	<b>1.43</b>
<b><u>UTILITIES EXPENSE</u></b>				
Electricity-Common	478.96	1.89	1,127.75	0.81
Electricity-Vacants	810.78	3.20	1,588.75	1.14
Water/Sewer	1,864.30	7.36	7,081.22	5.09
Gas-Common	135.50	0.54	622.28	0.45
<b>TOTAL UTILITIES EXPENSE</b>	<b>3,289.54</b>	<b>12.99</b>	<b>10,420.00</b>	<b>7.49</b>
<b><u>PROPERTY EXPENSE</u></b>				
Property Taxes	3,116.62	12.31	6,233.24	4.48
Insurance	2,500.04	9.87	5,370.08	3.86
<b>TOTAL PROPERTY EXPENSE</b>	<b>5,616.66</b>	<b>22.18</b>	<b>11,603.32</b>	<b>8.34</b>
<b><u>PAYROLL EXPENSE</u></b>				
Property Manager Salaries	3,823.29	15.10	10,730.29	7.71
Leasing Agent Salaries	863.72	3.41	1,022.77	0.74
Supervisor Salaries	33.69	0.13	1,090.54	0.78
Maint/Make Ready	3,448.51	13.62	7,497.33	5.39
Worker Comp.	113.06	0.45	258.12	0.19
Mileage	21.70	0.09	389.35	0.28
<b>TOTAL PAYROLL EXPENSE</b>	<b>8,303.97</b>	<b>32.80</b>	<b>20,988.40</b>	<b>15.09</b>
<b><u>MANAGEMENT EXPENSE</u></b>				
Management Fees	2,000.00	7.90	10,000.00	7.19
<b>TOTAL MNGT FEES</b>	<b>2,000.00</b>	<b>7.90</b>	<b>10,000.00</b>	<b>7.19</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>30,093.92</b>	<b>118.86</b>	<b>84,116.98</b>	<b>60.47</b>

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<i>NET OPERATING INCOME</i>	<i>(4,774.11)</i>	<i>(18.86)</i>	<i>54,987.68</i>	<i>39.53</i>
<i>DEBT EXPENSE</i>				
1st Mortgage-Expense	20,331.52	80.30	40,663.04	29.23
<i>TOTAL DEBT SERVICE</i>	<i>20,331.52</i>	<i>80.30</i>	<i>40,663.04</i>	<i>29.23</i>
<i>CAPITAL EXPENSES</i>				
New Carpet	0.00	0.00	1,597.27	1.15
Hot Water Tank Replacement	453.01	1.79	453.01	0.33
New Furniture/Playground	0.00	0.00	3,250.00	2.34
Computers/Software	0.00	0.00	1,289.00	0.93
Upgrade Contract Painting	0.00	0.00	2,550.00	1.83
Tools/Machinery	580.21	2.29	607.33	0.44
New Signage	0.00	0.00	243.00	0.17
Gates/Fencing	0.00	0.00	4,992.00	3.59
<i>TOTAL CAPITAL EXPENSES</i>	<i>1,033.22</i>	<i>4.08</i>	<i>14,981.61</i>	<i>10.77</i>
<i>TOTAL NET INCOME</i>	<i>(26,138.85)</i>	<i>(103.23)</i>	<i>(656.97)</i>	<i>(0.47)</i>
<i>DEFERRED REPAIR EXPENSES</i>				
Deferred/Pool Repair	8,262.65	32.63	16,467.65	11.84
Deferred/Gates-Fencing	1,175.00	4.64	1,175.00	0.84
Deferred Exterior Repair	0.00	0.00	243.00	0.17
Deferred Interior Office Repairs	0.00	0.00	5,625.00	4.04
Deferred Floor Tile	0.00	0.00	197.53	0.14
Deferred Appliance Expense	0.00	0.00	13,047.00	9.38
Deferred Plumbing	0.00	0.00	2,500.00	1.80
Deferred Electrical	1,268.20	5.01	1,268.20	0.91
Deferred Landscaping	0.00	0.00	14,500.00	10.42
Deferred Roof Repair	0.00	0.00	3,500.00	2.52
Deferred Parking Lot	4,406.16	17.40	8,812.32	6.34
Deferred Signage	0.00	0.00	4,836.46	3.48
<i>TOTAL DEFERRED EXPENSE</i>	<i>15,112.01</i>	<i>59.68</i>	<i>72,172.16</i>	<i>51.88</i>
<i>Cash Flow</i>	<i>(41,250.86)</i>	<i>(162.92)</i>	<i>(72,829.13)</i>	<i>(52.36)</i>