

THE VILLAGES @ HIGHLANDS RANCH

AS OF NOVEMBER 30, 2008

|                           |    | ASSETS      |            |
|---------------------------|----|-------------|------------|
| CASH                      |    |             |            |
| 1010 CASH-BANK OF CHOICE  | \$ | (8,086.44)  |            |
| 1022 RES-RBC WEALTH MGMT  |    | 117,484.70  |            |
|                           |    | -----       |            |
| TOTAL CASH                |    |             | 109,398.26 |
|                           |    |             | -----      |
| ACCOUNTS RECEIVABLE       |    |             |            |
| 1110 DUES RECEIVABLE      |    | 7,486.31    |            |
| 1115 ALLOW FOR BAD DEBT   |    | (2,500.00)  |            |
| 1130 DUE TO RESERVES      |    | 25,000.00   |            |
| 1134 PREPAID INSURANCE    |    | 1,223.00    |            |
|                           |    | -----       |            |
| TOTAL RECEIVABLES         |    |             | 31,209.31  |
|                           |    |             | -----      |
| TOTAL ASSETS              |    |             | 140,607.57 |
|                           |    |             | =====      |
| LIABILITIES & EQUITY      |    |             |            |
| CURRENT LIABILITIES       |    |             |            |
| 2115 PREPAID ASSESSMENTS  |    | 13,233.39   |            |
| 2190 DUE FROM OPERATING   |    | 25,000.00   |            |
|                           |    | -----       |            |
| TOTAL LIABILITIES         |    |             | 38,233.39  |
|                           |    |             | -----      |
| EQUITY                    |    |             |            |
| 2930 WORKING CAPITAL      |    | 54,616.00   |            |
| 2940 CURRENT EARNINGS     |    | (27,722.47) |            |
| 2941 CURRENT EARNINGS     |    | 27,722.47   |            |
| 2950 RESERVE FUND-PRIOR   |    | 144,611.88  |            |
| 2955 RESERVE FUND-CURRENT |    | (37,262.00) |            |
| 2960 OPERATING FUND-PRIOR |    | (69,131.23) |            |
| 2965 OPERATING FD-CURRENT |    | 9,539.53    |            |
|                           |    | -----       |            |
| TOTAL EQUITY              |    |             | 102,374.18 |
|                           |    |             | -----      |
| TOT LIABILITY AND EQUITY  |    |             | 140,607.57 |
|                           |    |             | =====      |

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Budget Comparison Report  
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PREPARED BY  
WESTERN STATES PROPERTY SERVICES, INC.

| INCOME                             | BUDGET           | ACTUAL           | CURR. VARIANCE  | YTD BUDGET        | YTD ACTUAL        | YTD VARIANCE    |
|------------------------------------|------------------|------------------|-----------------|-------------------|-------------------|-----------------|
| 5110 ASSESSMENTS                   | \$ 26,809.00     | \$ 26,809.00     | \$ 0.00         | \$ 294,899.00     | \$ 294,899.00     | \$ 0.00         |
| 5111 UTILITIES REIMBURSED          | (159.00)         | (159.00)         | 0.00            | (1,749.00)        | (1,749.00)        | 0.00            |
| 5210 LATE FEE CHARGE               | 0.00             | 140.00           | 140.00          | 0.00              | 1,555.00          | 1,555.00        |
| 5220 COLLECTION COST REC           | 250.00           | 384.58           | 134.58          | 2,750.00          | 3,906.62          | 1,156.62        |
| 5240 CAPITALIZATION                | 0.00             | 0.00             | 0.00            | 0.00              | 330.00            | 330.00          |
| 5255 MISC INCOME                   | 0.00             | 0.00             | 0.00            | 0.00              | 340.00            | 340.00          |
| 5450 TRANSFERS TO RESERVE          | (3,235.00)       | (3,235.00)       | 0.00            | (35,585.00)       | (35,585.00)       | 0.00            |
| <b>TOTAL INCOME</b>                | <b>23,665.00</b> | <b>23,939.58</b> | <b>274.58</b>   | <b>260,315.00</b> | <b>263,696.62</b> | <b>3,381.62</b> |
| <b>EXPENSES</b>                    |                  |                  |                 |                   |                   |                 |
| 7030 MANAGEMENT FEES               | 3,000.00         | 3,000.00         | 0.00            | 33,000.00         | 33,000.00         | 0.00            |
| 7040 LEGAL FEES                    | 0.00             | 31.00            | (31.00)         | 600.00            | 792.22            | (192.22)        |
| 7045 LEGAL COLLECTIONS             | 250.00           | 384.58           | (134.58)        | 2,750.00          | 3,263.66          | (513.66)        |
| 7055 AUDIT FEES                    | 0.00             | 0.00             | 0.00            | 1,500.00          | 1,400.00          | 100.00          |
| 7060 PRINTING & COPYING            | 200.00           | 474.93           | (274.93)        | 2,200.00          | 1,648.70          | 551.30          |
| 7062 POSTAGE                       | 0.00             | 29.72            | (29.72)         | 0.00              | 323.99            | (323.99)        |
| 7081 WEB SITE                      | 0.00             | 25.00            | (25.00)         | 0.00              | 25.00             | (25.00)         |
| 7086 BAD DEBT EXPENSE              | 0.00             | 0.00             | 0.00            | 2,000.00          | 890.36            | 1,109.64        |
| 7090 MISC ADMINISTRATIVE           | 25.00            | 15.00            | 10.00           | 275.00            | 877.45            | (602.45)        |
| <b>TOTAL ADMINISTRATIVE</b>        | <b>3,475.00</b>  | <b>3,960.23</b>  | <b>(485.23)</b> | <b>42,325.00</b>  | <b>42,221.38</b>  | <b>103.62</b>   |
| 7120 INCOME TAXES                  | 0.00             | 0.00             | 0.00            | 0.00              | 739.32            | (739.32)        |
| 7130 INSURANCE                     | 1,625.00         | 0.00             | 1,625.00        | 6,517.00          | 4,669.75          | 1,847.25        |
| <b>TOTAL TAXES &amp; INSURANCE</b> | <b>1,625.00</b>  | <b>0.00</b>      | <b>1,625.00</b> | <b>6,517.00</b>   | <b>5,409.07</b>   | <b>1,107.93</b> |
| 7230 BLDG & FACILITY RPR           | 60.00            | 0.00             | 60.00           | 660.00            | 0.00              | 660.00          |

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|                                  | BUDGET           | ACTUAL           | CURR. VARIANCE    | YTD BUDGET        | YTD ACTUAL        | YTD VARIANCE      |
|----------------------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| 7250 LIGHT MAINTENANCE           | 90.00            | 0.00             | 90.00             | 990.00            | 1,483.44          | (493.44)          |
| 7260 FENCE REPAIRS               | 45.00            | 86.72            | (41.72)           | 495.00            | 466.95            | 28.05             |
| 7290 OTHER BUILDING MAINT        | 0.00             | 0.00             | 0.00              | 250.00            | 0.00              | 250.00            |
| <b>TOTAL BUILDING MAINT</b>      | <b>195.00</b>    | <b>86.72</b>     | <b>108.28</b>     | <b>2,395.00</b>   | <b>1,950.39</b>   | <b>444.61</b>     |
| 7320 GAS/ELECTRIC                | 265.00           | 207.75           | 57.25             | 6,943.00          | 8,824.69          | (1,881.69)        |
| 7370 WATER/SEWER                 | 210.00           | 2,784.44         | (2,574.44)        | 37,050.00         | 28,619.40         | 8,430.60          |
| 7380 TRASH REMOVAL               | 3,260.00         | 3,559.96         | (299.96)          | 35,860.00         | 38,720.71         | (2,860.71)        |
| <b>TOTAL UTILITIES</b>           | <b>3,735.00</b>  | <b>6,552.15</b>  | <b>(2,817.15)</b> | <b>79,853.00</b>  | <b>76,164.80</b>  | <b>3,688.20</b>   |
| 7410 LANDSCAPE RENOVATION        | 0.00             | 808.59           | (808.59)          | 15,000.00         | 22,205.63         | (7,205.63)        |
| 7415 LANDSCAPE CONTRACT          | 2,100.00         | 0.00             | 2,100.00          | 57,460.00         | 57,460.00         | 0.00              |
| 7440 SPRINKLER SYS MAINT         | 0.00             | 241.65           | (241.65)          | 10,500.00         | 15,867.47         | (5,367.47)        |
| 7550 SNOW REMOVAL                | 6,500.00         | 0.00             | 6,500.00          | 32,500.00         | 13,792.08         | 18,707.92         |
| 7551 HAND WATERING               | 400.00           | 0.00             | 400.00            | 1,200.00          | 0.00              | 1,200.00          |
| 7590 MISC LANDSCAPE              | 0.00             | 0.00             | 0.00              | 7,850.00          | 5,425.24          | 2,424.76          |
| <b>TOTAL GROUNDS MAINTENANCE</b> | <b>9,000.00</b>  | <b>1,050.24</b>  | <b>7,949.76</b>   | <b>124,510.00</b> | <b>114,750.42</b> | <b>9,759.58</b>   |
| 7810 POOL/SPA CONTRACT           | 663.00           | 662.50           | 0.50              | 5,300.00          | 6,100.00          | (800.00)          |
| 7815 POOL/SPA SUPPLIES           | 0.00             | 0.00             | 0.00              | 2,910.00          | 5,160.83          | (2,250.83)        |
| 7820 POOL/SPA REPAIRS            | 0.00             | 0.00             | 0.00              | 2,100.00          | 2,400.20          | (300.20)          |
| <b>TOTAL REC/FACILITY EXP</b>    | <b>663.00</b>    | <b>662.50</b>    | <b>0.50</b>       | <b>10,310.00</b>  | <b>13,661.03</b>  | <b>(3,351.03)</b> |
| <b>TOTAL EXPENSES</b>            | <b>18,693.00</b> | <b>12,311.84</b> | <b>6,381.16</b>   | <b>265,910.00</b> | <b>254,157.09</b> | <b>11,752.91</b>  |
| <b>NET PROFIT/LOSS</b>           | <b>4,972.00</b>  | <b>11,627.74</b> | <b>6,655.74</b>   | <b>(5,595.00)</b> | <b>9,539.53</b>   | <b>15,134.53</b>  |

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|                         | BUDGET   | ACTUAL     | CURR. VARIANCE | YTD BUDGET | YTD ACTUAL  | YTD VARIANCE |
|-------------------------|----------|------------|----------------|------------|-------------|--------------|
| RESERVE REVENUE         |          |            |                |            |             |              |
| 9200 POOL STRUCTURES    | \$ 84.00 | \$ 84.00   | \$ 0.00        | \$ 924.00  | \$ 924.00   | \$ 0.00      |
| 9201 POOL FURNITURE     | 84.00    | 84.00      | 0.00           | 924.00     | 924.00      | 0.00         |
| 9205 POOL/SPA           | 125.00   | 125.00     | 0.00           | 1,375.00   | 1,375.00    | 0.00         |
| 9210 FENCES             | 597.00   | 597.00     | 0.00           | 6,567.00   | 6,567.00    | 0.00         |
| 9220 PAINT/STAIN        | 317.00   | 317.00     | 0.00           | 3,487.00   | 3,487.00    | 0.00         |
| 9230 COMMON LIGHTING    | 95.00    | 95.00      | 0.00           | 1,045.00   | 1,045.00    | 0.00         |
| 9235 CONCRETE           | 1,598.00 | 1,598.00   | 0.00           | 17,578.00  | 17,578.00   | 0.00         |
| 9240 TREE REPLACEMENT   | 335.00   | 335.00     | 0.00           | 3,685.00   | 3,685.00    | 0.00         |
| 9350 INTEREST INCOME    | 0.00     | 205.21     | 205.21         | 0.00       | 4,367.00    | 4,367.00     |
| TOTAL REVENUE           | 3,235.00 | 3,440.21   | 205.21         | 35,585.00  | 39,952.00   | 4,367.00     |
| EXPENSE                 |          |            |                |            |             |              |
| 9505 POOL/SPA           | 0.00     | 6,085.00   | (6,085.00)     | 0.00       | 6,085.00    | (6,085.00)   |
| 9520 PAINT/STAIN        | 0.00     | 0.00       | 0.00           | 0.00       | 4,953.00    | (4,953.00)   |
| 9535 CONCRETE           | 0.00     | 0.00       | 0.00           | 0.00       | 49,721.00   | (49,721.00)  |
| 9540 EMERGENCY REPAIRS  | 0.00     | 0.00       | 0.00           | 0.00       | 16,455.00   | (16,455.00)  |
| TOTAL EXPENSES          | 0.00     | 6,085.00   | (6,085.00)     | 0.00       | 77,214.00   | (77,214.00)  |
| EXCESS/LOSS OF RESERVES | 3,235.00 | (2,644.79) | (5,879.79)     | 35,585.00  | (37,262.00) | (72,847.00)  |