

**EMVEST MORTGAGE FUND LLC  
(A LIMITED LIABILITY COMPANY)  
BALANCE SHEET  
July 31, 2008**

**ASSETS**

<b>Current Assets</b>			
Cash in Bank	\$	2,008,514	
Accrued Interest Receivable		<u>153,023</u>	
<b>Total Current Assets</b>			<b>\$2,161,537</b>
<b>Loan Portfolio</b>			
Mortgage Loans held	\$	4,041,882	
Loans in Process & Advanced Costs		184,163	
Allowance for Foreclosed Assets		<u>(1,670,508)</u>	
			<b>\$2,555,537</b>
<b>Other Assets</b>			
Real Estate Owned	\$	2,322,561	
Bond - Certificate of Deposit		<u>10,000</u>	
<b>Total Other Assets</b>			<b>\$2,332,561</b>
<b>Total Assets</b>			<b><u><u>\$7,049,635</u></u></b>

**LIABILITIES AND EQUITY**

<b>Current Liabilities</b>			
Accrued Expenses - Attorney for Receiver	\$	48,510	
Accrued Expenses - Receiver		<u>220,024</u>	
<b>Total Current Liabilities</b>			<b>\$ 268,534</b>
<b>Total Members' Equity</b>			<b><u>6,781,101</u></b>
<b>Total Liabilities and Members' Equity</b>			<b><u><u>\$ 7,049,635</u></u></b>

OK  
8/14/08

**EMVEST MORTGAGE FUND LLC  
(A LIMITED LIABILITY COMPANY)  
INCOME STATEMENT  
FOR THE SEVEN MONTHS ENDED JULY 31, 2008**

<b>Revenue</b>		
<b>Interest Income</b>		<b>\$ 170,534</b>
		<hr/>
<b>Total Revenue</b>		<b>\$ 170,534</b>
<b>Operating Expenses</b>		
<b>Accounting/Bus Operations - Receiver</b>	67,907	
<b>Advance Insurance</b>	61,717	
<b>Attorney Expenses - Receiver</b>	12,249	
<b>Bad Debt</b>	900,000	
<b>Bank Service Charges</b>	277	
<b>Dues &amp; Subscriptions</b>		
<b>Filing Fees</b>		
<b>Legal Fees</b>		
<b>Licenses, Fees &amp; Permits</b>	250	
<b>Litigation Response - Receiver</b>	10,055	
<b>Loan Documentation</b>	500	
<b>Loan Servicing - FCI</b>	570	
<b>Office Expense</b>	4,542	
<b>Printing and Reproductions</b>		
<b>REO Costs</b>	25,613	
<b>Taxes</b>	6,800	
<b>Tax Issues - Receiver</b>	7,531	
<b>Telephone</b>		
		<hr/>
<b>Total Operating Expenses</b>		<b>\$1,098,011</b>
		<hr/>
<b>Net Ordinary Income</b>		<b>(927,477)</b>
<b>Other Income/(Expense)</b>		
<b>Other Income</b>	43,643	
<b>Interest Other</b>	-	
<b>Other Expense</b>		
		<hr/>
<b>Net Other Income/(Expense)</b>		<b>43,643</b>
		<hr/>
<b>Net Income</b>		<b>\$ (883,834)</b>
		<hr/> <hr/>

**EMVEST MORTGAGE FUND LLC**  
**(A LIMITED LIABILITY COMPANY)**  
**RECAP OF MEMBERS EQUITY**  
**FOR THE TIME PERIOD 01/01/02 THROUGH 7/31/08**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Y-T-D 2008</u>	<u>Totals</u>
Members' Equity at Beginning of Year	-0-	\$ 3,774,359	\$ 10,646,176	\$ 15,269,624	\$ 15,003,527	\$15,840,643	\$9,105,176	
Capital Contributions	\$ 4,215,807	8,080,495	8,014,408	0	0	0	0	20,310,710
Net Income	97,702	520,460	721,953	1,147,862	2,790,958	70,881	(883,834)	4,465,982
Distributions to Members	(124,574)	(908,462)	(1,570,242)	(857,856)	(992,290)	(687,881)	(315,472)	(5,501,037)
Withdrawals to Members	(182,734)	(426,570)	(2,140,175)	(556,103)	(973,373)	(6,214,386)	(1,124,769)	(11,776,521)
Rounding						1	1	2
Syndication Costs	<u>(231,842)</u>	<u>(394,106)</u>	<u>(402,496)</u>	<u>-</u>	<u>11,821</u>	<u>95,918</u>	<u>0</u>	<u>(920,705)</u>
Members' Equity at End of Year	<u>\$ 3,774,359</u>	<u>\$ 10,646,176</u>	<u>\$ 15,269,624</u>	<u>\$ 15,003,527</u>	<u>\$ 15,840,643</u>	<u>\$9,105,176</u>	<u>\$6,781,102</u>	<u>\$ 6,578,431</u>
Book Value of \$10,000 Investment	\$ 9,359	\$ 9,109	\$ 8,695	\$ 8,817	\$ 9,811	\$ 9,275	\$ 7,946	

