

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

ASSETS

Current Assets		
Cash in Bank	\$ 1,322,608	
Accrued Interest Receivable	131,407	
Total Current Assets		\$1,454,015
Loan Portfolio		
Mortgage Loans held	\$ 3,110,722	
Loans in Process & Advanced Costs	249,523	
Allowance for Foreclosed Assets	(1,670,508)	
		\$1,689,737
Other Assets		
Real Estate Owned	\$ 3,766,536	
Bond - Certificate of Deposit	10,000	
		\$3,776,536
Total Other Assets		\$3,776,536
Total Assets		\$6,920,288

LIABILITIES AND EQUITY

Current Liabilities		
Accrued Expenses - Attorney for Receiver	\$ 47,778	
Accrued Expenses - Receiver	220,193	
		\$ 267,971
Total Current Liabilities		\$ 267,971
Total Members' Equity		6,652,317
Total Liabilities and Members' Equity		\$ 6,920,288

W. H. King
11-14-08

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

Revenue	
Interest Income	\$ 226,601
	<hr/>
Total Revenue	\$ 226,601
Operating Expenses	
Accounting/Bus Operations - Receiver	89,813
Advance Insurance	87,646
Attorney Expenses - Receiver	26,079
Bad Debt	900,000
Bank Service Charges	947
Licenses, Fees & Permits	250
Litigation Response - Receiver	11,380
Loan Documentation	500
Loan Servicing - FCI	630
Miscellaneous	554
Office Expense	8,870
REO Costs	26,347
Taxes	6,800
Tax Issues - Receiver	7,531
	<hr/>
Total Operating Expenses	\$ 1,167,347
Net Ordinary Income	(940,746)
	<hr/>
Other Income/(Expense)	
Other Income	59,745
Interest Other	-
Other Expense	1,243
	<hr/>
Net Other Income/(Expense)	58,502
Net Income	\$ (882,244)
	<hr/> <hr/>

EMVEST MORTGAGE FUND LLC
(A LIMITED LIABILITY COMPANY)
RECAP OF MEMBERS EQUITY
FOR THE TIME PERIOD 01/01/02 THROUGH 10/31/08

	<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	(882,244)	4,467,572
Distributions to Members	(124,574)	(908,462)	(1,570,242)	(857,856)	(992,290)	(687,881)	(445,844)	(5,631,409)
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	(2)	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>\$6,652,317</u>	<u>\$ 6,449,649</u>
Book Value of \$10,000 Investment	\$ 9,359	\$ 9,109	\$ 8,695	\$ 8,817	\$ 9,811	\$ 9,275	\$ 7,795	

Emvest Mortgage Fund								
Schedule of Accrued Interest								
10/31/08								
FCI		Balance at		Last	End of	# of		Interest
Loan #	Name	10/31/08	Rate	Payment	Month	Days		Due
ALG/115	Lerman	287,383.03	12.250%	09/01/08	10/31/08	60		5,787.03
FCI/1	Thomas	540,000.00	14.500%	05/08/08	10/31/08	176		37,755.62
ALG/122	Sellers	288,917.31	12.000%	04/13/07	10/31/08	567	F	26,121.29
FCI/8	Praise	160,000.00	12.950%	11/11/07	10/31/08	355	BK	9,707.18
ALG/123	Zohn	223,181.72	12.000%	07/09/08	10/31/08	114		8,364.73
FCI/17	Martinez	584,191.29	12.250%	11/26/06	10/31/08	705	F	6,862.25
FCI/20	Mendoza	348,500.00	12.500%	04/27/08	10/31/08	187	BK	18,618.49
FCI/25	Tashchyan	368,048.76	12.000%	12/21/07	10/31/08	315	F	15,851.31
FCI/27	Nelson	310,500.00	12.500%	10/09/08	10/31/08	22		2,339.38
	Grand Totals	3,110,722.11						131,407.28