

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: Desert Capital REIT, Inc.

Case No. 11-16624
 AMENDED
 CHAPTER 11
 MONTHLY OPERATING REPORT
 (GENERAL BUSINESS CASE)

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: Jun-11 PETITION DATE: 04/29/11

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
 Dollars reported in \$1

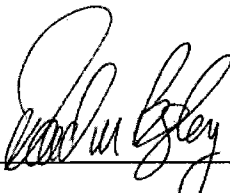
	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
2. Asset and Liability Structure			
a. Current Assets	\$388,255	\$287,466	
b. Total Assets	\$19,091,772	\$18,990,983	\$18,990,983
c. Current Liabilities	\$37,600	\$5,000	
d. Total Liabilities	\$40,253,171	\$40,220,571	\$40,220,571
			Cumulative (Case to Date)
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	
a. Total Receipts	\$149,767	\$0	\$149,767
b. Total Disbursements	\$48,978	\$349,108	\$398,086
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$100,789	(\$349,108)	(\$248,319)
d. Cash Balance Beginning of Month	\$132,496	\$481,604	\$481,604
e. Cash Balance End of Month (c + d)	\$233,284	\$132,496	\$233,284
			Cumulative (Case to Date)
4. Profit/(Loss) from the Statement of Operations	\$100,789	(\$349,108)	(\$248,319)
5. Account Receivables (Pre and Post Petition)	\$154,970	\$154,970	
6. Post-Petition Liabilities	\$37,600	\$5,000	
7. Past Due Post-Petition Account Payables (over 30 days)	\$0	\$0	

At the end of this reporting month:	<u>Yes</u>	<u>No</u>
8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)	_____	No _____
9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)	Noted in cash detail _____	_____
10. If the answer is yes to 8 or 9, were all such payments approved by the court?	Pre-petition retainers _____	_____
11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)	No _____	_____
12. Is the estate insured for replacement cost of assets and for general liability?	Yes _____	_____
13. Are a plan and disclosure statement on file?	No _____	_____
14. Was there any post-petition borrowing during this reporting period?	No _____	_____

15. Check if paid: Post-petition taxes _____; U.S. Trustee Quarterly Fees _____; Check if filing is current for: Post-petition tax reporting and tax returns: _____.
 (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 7/21/2011



 Responsible Individual

STATEMENT OF OPERATIONS
(General Business Case)

For the Month Ended 06/30/11

<u>Current Month</u>				<u>Cumulative</u>	<u>Next Month</u>
<u>Actual</u>	<u>Forecast</u>	<u>Variance</u>		<u>(Case to Date)</u>	<u>Forecast</u>
	\$0	\$0	Revenues:		
	\$0	\$0	1 Gross Sales	\$0	\$0
	\$0	\$0	2 less: Sales Returns & Allowances	\$0	\$0
\$0	\$0	\$0	3 Net Sales	\$0	\$0
	\$0	\$0	4 less: Cost of Goods Sold (Schedule 'B')	\$0	\$0
\$0	\$0	\$0	5 Gross Profit	\$0	\$0
\$0	\$0	\$0	6 Interest	\$0	\$0
22,704.97	\$0	\$22,705	7 Other Income: Rents	\$22,705	\$23,000
90,736.11	\$0	\$90,736	8 LLC distributions received	\$90,736	\$0
36,326.00	\$0	\$36,326	9 Inter company, closed account	\$36,326	\$0
			10 Total Revenues	\$149,767	\$23,000
			Expenses:		
	\$0	\$0	11 Compensation to Owner(s)/Officer(s)	\$0	\$0
	\$0	\$0	12 Salaries	\$0	\$0
	\$0	\$0	13 Commissions	\$0	\$0
	\$0	\$0	14 Contract Labor	\$0	\$27,500
			Rent/Lease:		
	\$0	\$0	15 Personal Property	\$0	\$0
	\$0	\$0	16 Real Property	\$51,880	\$0
	\$0	\$0	17 Insurance	\$0	\$0
	\$0	\$0	18 Management Fees	\$0	\$0
	\$0	\$0	19 Depreciation	\$0	\$0
			Taxes:		
	\$0	\$0	20 Employer Payroll Taxes	\$0	\$0
	\$0	\$0	21 Real Property Taxes	\$0	\$0
	\$0	\$0	22 Other Taxes	\$0	\$0
	\$0	\$0	23 Other Selling	\$0	\$0
	\$0	\$0	24 Other Administrative	\$2,157	\$2,000
	\$0	\$0	25 Interest	\$0	\$0
	\$0	\$0	26 Other Expenses: Board expenses	\$8,844	\$0
	\$0	\$0	27 Other	\$63	\$0
	\$0	\$0	28 Legal	\$236,164	\$0
16,378.43	\$0	(\$16,378)	29 Accounting	\$16,378	\$0
	\$0	\$0	30	\$0	\$0
	\$0	\$0	31	\$0	\$0
	\$0	\$0	32	\$0	\$0
	\$0	\$0	33	\$0	\$0
	\$0	\$0	34	\$0	\$0
			35 Total Expenses	\$315,486	\$29,500
\$16,378	\$0	(\$16,378)	36 Subtotal	(\$165,719)	(\$6,500)
\$133,389	\$0	\$133,389	Reorganization Items:		
			37 Professional Fees	\$82,600	\$0
32,600.00	\$0	(\$32,600)	38 Provisions for Rejected Executory Contracts	\$0	\$0
	\$0	\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case	\$0	\$0
	\$0	\$0	40 Gain or (Loss) from Sale of Equipment	\$0	\$0
	\$0	\$0	41 U.S. Trustee Quarterly Fees	\$0	\$0
	\$0	\$0	42	\$0	\$0
			43 Total Reorganization Items	\$82,600	\$0
\$32,600	\$0	\$32,600	44 Net Profit (Loss) Before Federal & State Taxes	(\$248,319)	(\$6,500)
\$100,789	\$0	\$100,789	45 Federal & State Income Taxes	\$0	\$0
	\$0	\$0	46 Net Profit (Loss)	(\$248,319)	(\$6,500)
\$100,789	\$0	\$100,789			

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 06/30/11

Assets	From Schedules	Market Value
Current Assets		
1 Cash and cash equivalents - unrestricted		\$233,284
2 Cash and cash equivalents - restricted		
3 Accounts receivable (net)	A	\$154,970
4 Inventory	B	N/A
5 Prepaid expenses		
6 Professional retainers		
7 Other: _____		
8 _____		
9 Total Current Assets		\$388,255
Property and Equipment (Market Value)		
10 Real property	C	\$0
11 Machinery and equipment	D	\$0
12 Furniture and fixtures	D	\$0
13 Office equipment	D	\$0
14 Leasehold improvements	D	\$0
15 Vehicles	D	\$0
16 Other: _____	D	
17 _____	D	
18 _____	D	
19 _____	D	
20 _____	D	
21 Total Property and Equipment		\$0
Other Assets		
22 Loans to shareholders		
23 Loans to affiliates		
24 Ownership interest in LLCs		\$8,203,517
25 Claims against insurance re: ongoing litigation		\$10,500,000
26 _____		
27 _____		
28 Total Other Assets		\$18,703,517
29 Total Assets		\$19,091,772

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined

Liabilities and Equity
(General Business Case)

Liabilities From Schedules		
Post-Petition		
Current Liabilities		
30 Salaries and wages		
31 Payroll taxes		
32 Real and personal property taxes		
33 Income taxes		
34 Sales taxes		
35 Notes payable (short term)		
36 Accounts payable (trade)	A	\$5,000
37 Real property lease arrearage		
38 Personal property lease arrearage		
39 Accrued professional fees		
40 Current portion of long-term post-petition debt (due within 12 months)		
41 Other: _____		
42 <u>Due to Desert Capital TRS for intercompany transfers</u>		\$32,600
43 _____		
44 Total Current Liabilities		\$37,600
45 Long-Term Post-Petition Debt, Net of Current Portion		
46 Total Post-Petition Liabilities		\$37,600
Pre-Petition Liabilities (allowed amount)		
47 Secured claims	F	Undetermined
48 Priority unsecured claims	F	Undetermined
49 General unsecured claims	F	\$40,215,571
50 Total Pre-Petition Liabilities		\$40,215,571
51 Total Liabilities		\$40,253,171
Equity (Deficit)		
52 Retained Earnings/(Deficit) at time of filing		
53 Capital Stock		
54 Additional paid-in capital		
55 Cumulative profit/(loss) since filing of case		
56 Post-petition contributions/(distributions) or (draws)		
57 _____		
58 Market value adjustment		
59 Total Equity (Deficit)		\$0
60 Total Liabilities and Equity (Deficit)		\$40,253,171

**SCHEDULES TO THE BALANCE SHEET
(General Business Case)**

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days	\$0	\$5,000	
31-60 Days	\$0		
61-90 Days	\$5,470		\$0
91+ Days	\$249,501		
Total accounts receivable/payable	\$254,970	\$5,000	
Allowance for doubtful accounts	\$100,000		
Accounts receivable (net)	\$154,970		

Schedule B

Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)	Inventory(ies) Balance at End of Month	Cost of Goods Sold	
		Inventory Beginning of Month	<u>N/A</u>
		Add -	
Retail/Restaurants -		Net purchase	
Product for resale	<u>N/A</u>	Direct labor	
		Manufacturing overhead	
Distribution -		Freight in	
Products for resale		Other:	
Manufacturer -			
Raw Materials			
Work-in-progress		Less -	
Finished goods		Inventory End of Month	
		Shrinkage	
Other - Explain		Personal Use	
TOTAL	<u>N/A</u>	Cost of Goods Sold	<u>N/A</u>

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes No N/A

How often do you take a complete physical inventory?

Weekly N/A
 Monthly _____
 Quarterly _____
 Semi-annually _____
 Annually _____

Date of last physical inventory was N/A

Date of next physical inventory is N/A

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost N/A
 LIFO cost _____
 Lower of cost or market _____
 Retail method _____
 Other _____
 Explain _____

**Schedule C
Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

**Schedule D
Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
_____	N/A	N/A
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Furniture & Fixtures -		
_____	N/A	N/A
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Office Equipment -		
_____	N/A	N/A
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Leasehold Improvements -		
_____	N/A	N/A
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Vehicles -		
_____	N/A	N/A
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Ownership in LLC interests		
See attached listing of estimated values of LLCs owned	\$139,486,473	\$12,021,200
LLCs owned impaired real estate		(\$6,817,683)
Ownership of Desert Capital TRS		\$3,000,000
Total	\$139,486,473	\$8,203,517

Schedule E
Aging of Post-Petition Taxes
 (As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding	None - no employees				\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed Amount</u>	<u>Allowed Amount (b)</u>
Secured claims (a)	None	Undetermined
Priority claims other than taxes	None	Undetermined
Priority tax claims	None	Undetermined
General unsecured claims	\$40,215,571	Undetermined

- (a) List total amount of claims even it under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
 Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Bank of Nevada	Bank of America		
Account Type	Checking (Closed)	Checking		
Account No.	xxxxxx2050	xxxxxx0752		
Account Purpose	General	General		
Balance, End of Month	\$0	\$233,284		
Total Funds on Hand for all Accounts	\$233,284			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 06/30/11

	Actual Current Month	Cumulative (Case to Date)
Cash Receipts		
1 Rent/Leases Collected	22,704.97	22,704.97
2 Cash Received from Sales	\$0	-
3 Interest Received	\$0	-
4 Borrowings	\$0	-
5 Funds from Shareholders, Partners, or Other Insiders	\$0	-
6 Capital Contributions	\$0	-
7 <u>Distribution from LLC (CM Midbar)</u>	90,736.11	90,736.11
8 <u>Cash from closed Bank of Nevada account</u>	3,726.00	3,726.00
9 <u>Inter company from Desert Capital TRS Due to</u>	32,600.00	32,600.00
10		-
11		-
12 Total Cash Receipts	\$149,767	\$149,767
Cash Disbursements		
13 Payments for Inventory	0	-
14 Selling	\$0	-
15 Administrative	-	2,156.52
16 Capital Expenditures	\$0	-
17 Principal Payments on Debt	\$0	-
18 Interest Paid	\$0	-
Rent/Lease:		-
19 Personal Property	\$0	-
20 Real Property	-	51,880.46
Amount Paid to Owner(s)/Officer(s)		-
21 Salaries	\$0	-
22 Draws	\$0	-
23 Commissions/Royalties	\$0	-
24 Expense Reimbursements	-	8,843.68
25 Other	-	62.91
26 Salaries/Commissions (less employee withholding)	\$0	-
27 Management Fees	\$0	-
Taxes:		-
28 Employee Withholding	\$0	-
29 Employer Payroll Taxes	\$0	-
30 Real Property Taxes	\$0	-
31 Other Taxes	\$0	-
32 Other Cash Outflows:		-
33 Legal	-	286,164.29
34 Accounting	16,378.43	16,378.43
35 Professional fees	32,600.00	32,600.00
36		-
37		-
38 Total Cash Disbursements:	\$48,978	398,086.29
39 Net Increase (Decrease) in Cash	\$100,789	(\$248,319)
40 Cash Balance, Beginning of Period	132,495.64	481,603.50
41 Cash Balance, End of Period	\$233,284	\$233,284

STATEMENT OF CASH FLOWS
(Optional) Increase/(Decrease) in Cash and Cash Equivalents
For the Month Ended 06/30/11

	Actual Current Month	Cumulative (Case to Date)
Cash Flows From Operating Activities		
1 Cash Received from Sales	-	-
2 Rent/Leases Collected	22,704.97	22,704.97
3 Interest Received	-	-
4 Cash Paid to Suppliers	-	-
5 Cash Paid for Selling Expenses	-	-
6 Cash Paid for Administrative Expenses	-	2,156.52
Cash Paid for Rents/Leases:		
7 Personal Property	-	-
8 Real Property	-	51,880.46
9 Cash Paid for Interest	-	-
10 Cash Paid for Net Payroll and Benefits	-	-
Cash Paid to Owner(s)/Officer(s)		
11 Salaries	-	-
12 Draws	-	-
13 Commissions/Royalties	-	-
14 Expense Reimbursements	-	8,843.68
15 Other	-	62.91
Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16 Employer Payroll Tax	-	-
17 Employee Withholdings	-	-
18 Real Property Taxes	-	-
19 Other Taxes	-	-
20 Cash Paid for General Expenses	-	-
21 Legal	-	236,164.29
22 Accounting	16,378.43	16,378.43
23	-	-
24 Transfer from closed Bank of Nevada account	(\$3,726)	(3,726.00)
25 LLC distributions received	(90,736.11)	(90,736.11)
26	-	-
27 Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$100,789	(198,319.21)
Cash Flows From Reorganization Items		
28 Interest Received on Cash Accumulated Due to Chp 11 Case	-	-
29 Professional Fees Paid for Services in Connection with Chp 11 Case	32,600.00	82,600.00
30 U.S. Trustee Quarterly Fees	-	-
31	-	-
32 Net Cash Provided (Used) by Reorganization Items	(\$32,600)	(82,600.00)
33 Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$68,189	(280,919.21)
Cash Flows From Investing Activities		
34 Capital Expenditures	\$0	-
35 Proceeds from Sales of Capital Goods due to Chp 11 Case	\$0	-
36	\$0	-
37 Net Cash Provided (Used) by Investing Activities	\$0	-
Cash Flows From Financing Activities		
38 Net Borrowings (Except Insiders)	\$0	-
39 Net Borrowings from Shareholders, Partners, or Other Insiders	\$0	-
40 Capital Contributions	\$0	-
41 Principal Payments	\$0	-
42 Inter company from Desert Capital TRS	\$32,600	32,600.00
43 Net Cash Provided (Used) by Financing Activities	\$32,600	32,600.00
44 Net Increase (Decrease) in Cash and Cash Equivalents	\$100,789	(248,319.21)
45 Cash and Cash Equivalents at Beginning of Month	\$132,496	481,603.50
46 Cash and Cash Equivalents at End of Month	\$233,284	\$233,284

Company/Entity	APN(s)	Description	Total Loan Amount	Desert Capital REIT Inc ownership portion of loan	Desert Capital REIT Inc ownership percentage	DCR Carrying Value per latest 10-Q
Sedora Holdings LLC	310-17-004, 313-01-005 & 008, 313-02-008	7,734 AC raw land in Golden Valley, AZ	4,640,000	4,640,000	100%	4,211,494
Westward Crossing, LLC	209-12-053, 217-18-001 & 005	230 AC raw land in Kingman, AZ	1,500,000	1,500,000	100%	1,257,039
Provision for loan losses			6,140,000			5,468,533
CM Almeda (TBD CM Reed Almeda 1-3062, LLC)	Section 51, Abstract #885	16.06 AC remediation site in Houston, TX	3,770,000	3,770,000	100%	699,611
Eaglesgate LLC - 1st & 2nd (2nd w/off) (CM Eaglesgate 2-243, LLC)	See "Eaglesgate Detail" tab	52 Single Family finished lots in Springfield, MO	2,940,632	2,940,632	100%	1,193,000
Windermere (CM Windermere 1-256, LLC)	No APN. A. Gillum has loan docs	946 AC raw land near Roach, MO; Lake of the Ozarks	4,455,000	4,455,000	100%	1,425,000
Impairment of REO			11,165,632			3,317,611
Hayden Maggie, LLC (Lot 1) Park Ranch (PCD)	125-09-510-001	utilities stubbed; 9017 Grizzly, Las Vegas, NV	544,493	544,493	100%	21,645
Hayden Maggie LLC (3246 Lot 16) Homes Park Ranch (PCD)	125-09-510-016	55% complete; 9120 Grizzly; Las Vegas, NV	1,035,265	824,665	80%	82,844
noncontrolling interest Hayden Maggie (3247 Lot 17) Homes Park Ranch (PCD)	125-09-510-017	45% complete; 9040 Grizzly; Las Vegas, NV	840,000	210,600	20%	21,156
noncontrolling interest Hayden Maggie (3248 Lot 18) Homes Park Ranch (PCD)	125-09-510-018	70% complete; 9030 Grizzly; Las Vegas, NV	945,000	626,700	75%	60,730
noncontrolling interest Hayden Maggie (3249 Lot 19) Homes Park Ranch (PCD)	125-09-510-019	85% complete; 9010 Grizzly; Las Vegas, NV	805,000	213,300	25%	20,670
noncontrolling interest		14.33 AC in Indian Springs, NV; an AT&T tower sits on property; current offer to buy tower/land	4,771,000	63,000	7%	6,520
Macfarland West Inc. Hual Trop, LLC (JSR)	059-17-501-(007,008,018,019,020,021)		4,771,000	86%	14%	11,710
CM Equity, LLC Mountain Hills, LLC	126-25-601-048	5.0 AC at Tropical/Hualapai; raw land in Las Vegas, NV	1,960,000	1,960,000	100%	298,000
Desert Hills Properties, LLC	176-32-101-010	5 AC zoned R-E in Mountain's Edge in Las Vegas, NV	1,650,000	1,650,000	100%	282,000
JV Properties	176-19-701-011	2.5 AC near Mountain's Edge; raw land in Las Vegas, NV	1,312,500	1,312,500	100%	162,500
PV land Investments LLC noncontrolling interest	47-041-015, 016 & 017	34.7 AC raw land in Gateway Communit with water rights in Pahrump, NV	3,965,000	2,553,500	64%	206,729
		*3.02 AC raw land on strip in Las Vegas, NV; zoned H-1; Strip/Blue Diamond;		1,411,500	36%	114,628
CM Midbar 2 LLC (CM Midbar 1-3078, LLC), (CM Midbar 1-458, LLC)	177-17-501-012; 177-17-501-(011, 012, 013);	*10.76 AC zoned H-1	5,691,900	4,350,700	76%	616,340
noncontrolling interest		*3.72 AC zoned H-1; Strip/Blue Diamond		1,341,200	24%	190,000
Total Consolidated Investments			23,520,158			2,301,442
Hayden Maggie I, LLC (lots)	125-09-510-007 (through 015)	(Lot 7) 7730 Cinnamon Bear Ave, (Lot 8) 7720 Cinnamon Bear Ave, (Lot 9) 9120 Panda Bear Street, (Lot 10) 9030 Panda Bear Street, (Lot 11) 7702 Maggie Avenue, (Lot 12) 9017 Panda Bear Street, (Lot 13) 9027 Panda Bear Street, (Lot 14) 9037 Panda Bear Street, (Lot 15) 9121 Panda Bear Street; Las Vegas, NV	2,340,000	170,600	7%	-

Company/Entity	APN(s)	Description	Total Loan Amount	Desert Capital REIT Inc ownership portion of loan	Desert Capital REIT Inc ownership percentage	DCR Carrying Value per latest 10-Q
Corinthian Hills (Hayden Hills, LLC)	178-22-801-009	*9.10 AC zoned RS-2; MacDonald Ranch; raw land in Henderson, NV	345,000	41,600	12%	-
Corinthian Hills (Hayden Hills, LLC)	"	"	345,000	35,100	10%	-
Corinthian Hills (Hayden Hills, LLC)	"	"	345,000	61,000	18%	-
Corinthian Hills (Hayden Hills, LLC)	"	"	345,000	42,800	12%	-
Corinthian Hills (Hayden Hills, LLC)	"	"	345,000	9,300	3%	-
Corinthian Hills (Hayden Hills, LLC)	"	"	345,000	140,000	41%	-
Corinthian Hills (Hayden Hills, LLC)	"	"	345,000	200,000	58%	-
Corinthian Hills (Hayden Hills, LLC)	"	"	345,000	87,000	25%	-
Corinthian Hills (Hayden Hills, LLC)	"	"	345,000	137,500	40%	-
Corinthian Hills (Hayden Hills, LLC)	"	"	345,000	5,000	1%	-
Corinthian Hills (Hayden Hills, LLC)	"	"	345,000	163,000	47%	-
Corinthian Hills (Hayden Hills, LLC)	"	"	345,000	25,000	7%	-
JMH (Hayden Estates)	001-05-501-009	67 lots; tentative map; rough graded; Parcel 23 in Mesquite	8,485,800	383,000	5%	-
JMH (Hayden Estates)	001-05-110-001 to 093 & 001-05-511-001 to 005	94 finished lots; Parcel 9 in Mesquite	10,900,000	1,227,800	11%	-
Lure 1 LLC	& 001-05-501-007 to 008 213-13-100	640 AC raw land in Laughlin, AZ	17,250,000	2,137,400	12%	52,950
Block 39 LLC (CM Procyon 614) - super C	162-17-202-005 & 007	3.43 AC with 2 commercial buildings in Las Vegas, NV	6,305,000	656,300	10%	84,443
Ridgeview Professional Complex (Hayden View, LLC) ¹	178-22-614-002	20,000 SF commercial building, not leased in Henderson, NV; on 1.33 AC; complete shell; 1090 W. Horizon Ridge	4,225,000	550,000	13%	22,092
Lake Elsinore	363-080-002, 003, 012 to 015	94.79 AC raw land in Lake Elsinore, CA	7,900,000	3,773,500	48%	-
Midbar Condo Development 2 LLC (CM Midbar 1-459, LLC)	177-17-501-013	4.02 AC zoned H-1; Strip/Blue Diamond	12,060,000	1,448,300	12%	-
Med Suites D	178-21-421-(001 to 006)	36,000 SF; 1671 W Horizon Ridge Parkway	6,272,500	20,000	0.32%	-
Hayden Ranch (Ham)	178-28-515-010	10,723 SF completed SFR in Henderson, NV	3,500,000	975,000	28%	-
Tropical JV (La Tropical 1, LLC), (La Tropical, LLC)	124-27-215-004, (-001, -019, -017, -015, -014, -009, -005, -003, -018, -016, -021, -016, -013, -021, -003)	17 (I only have APNs for 16) SF lots with homes being constructed upon them in Las Vegas, NV	1,649,221	970,130	59%	720,130
Hayden Springs, LLC JV - partial sale Centennial Springs Village	No APN	There are no assets held by Hayden Springs Partners. They have all been sold off and we are awaiting release of bond monies to do a final distribution	13,633,162	3,271,978	24%	54,000
			98,660,683			933,615
			139,486,473			12,021,200
			Impairment for schedules			6,817,683
			Net impaired value			5,203,517

Desert Capital REIT

Cash transactions

Date	Check number	Amount	To/From	Purpose
31-May	Balance	132,495.64		
1-Jun	1020	(16,378.43)	Hancock, Askew	Accounting
9-Jun	Transfer	32,600.00	Desert Capital TRS	Inter company
9-Jun	Wire	(32,600.00)	MorrisAnderson	Professional fees
30-Jun	Deposit	10,000.00	3MO LLC	Rents
30-Jun	Deposit	12,704.97	Frontier Financial	Rents
30-Jun	Deposit	3,726.00	Bank of Nevada	Closed account transfer
30-Jun	Deposit	90,736.11	CM Midbar LLC	LLC distribution
30-Jun	Balance	233,284.29		
	Total	(48,978.43)	Expenses	
		149,767.08	Income	

QUARTERLY FEE SUMMARY

CASE NAME: Desert REIT, Inc.

CASE NUMBER: 11-16624

MONTH OF: June 30, 2011

Payment Date	Cash Disbursements	Quarterly Fee Due	Check No.	Date
Apr-11	<u>\$0</u>			
May-11	<u>349,108</u>			
Jun-11	<u>48,978</u>			
Total Quarter	<u>\$398,086</u>	<u>\$4,875</u>		
Jul-11	<u>\$0</u>			
Aug-11	<u>\$0</u>			
Sep-11	<u>\$0</u>			
Total Quarter	<u>\$0</u>			
Oct-11	<u>\$0</u>			
Nov-11	<u>\$0</u>			
Dec-11	<u>\$0</u>			
Total Quarter	<u>\$0</u>			
Jan-12	<u>\$</u>			
Feb-12	<u>\$</u>			
Mar-12	<u>\$</u>			
Total Quarter	<u>\$</u>	<u>\$</u>		

Fee Schedule

<u>Disbursement Range</u>	<u>Quarterly Fee</u>
\$0 to \$14,999.99	\$325
\$15,000 to \$74,999.99	\$650
\$75,000 to \$149,999.99	\$975
\$150,000 to \$224,999.99	\$1,625
\$225,000 to \$299,999.99	\$1,950
\$300,000 to \$999,999.99	\$4,875
\$1,000,000 to \$1,999,999.99	\$6,500
\$2,000,000 to \$2,999,999.99	\$9,750
\$3,000,000 to \$4,999,999.99	\$10,400
\$5,000,000 to \$14,999,999.99	\$13,000
\$15,000,000 to \$29,999,999.99	\$20,000
\$30,000,000 or more	\$30,000