



**STATEMENT OF OPERATIONS**  
**(General Business Case)**

For the Month Ended 08/31/11

<b>Current Month</b>				<b>Cumulative (Case to Date)</b>	<b>Next Month Forecast</b>
<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>			
	\$0	\$0	<b>Revenues:</b>		
	\$0	\$0	1 Gross Sales	\$0	\$0
\$0	\$0	\$0	2 less: Sales Returns & Allowances	\$0	\$0
\$0	\$0	\$0	3 Net Sales	\$0	\$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
10,000.00	\$23,000	(\$13,000)	7 Other Income: Rents	\$62,948	\$10,000
27,802.35	\$0	\$27,802	8 LLC distributions received	\$109,677	\$20,000
-	\$0	\$0	9 Inter company	\$32,600	\$0
\$37,802	\$23,000	\$14,802	10 <b>Total Revenues</b>	\$205,226	\$30,000
			<b>Expenses:</b>		
\$0	\$0	\$0	11 Compensation to Owner(s)/Officer(s)	\$0	\$0
\$0	\$0	\$0	12 Salaries	\$0	\$0
\$0	\$0	\$0	13 Commissions	\$0	\$0
\$0	\$0	\$0	14 Contract Labor	\$0	\$0
			Rent/Lease:		
\$0	\$0	\$0	15 Personal Property	\$0	\$0
-	\$0	\$0	16 Real Property	\$0	\$0
\$0	\$0	\$0	17 Insurance	\$0	\$0
\$0	\$0	\$0	18 Management Fees	\$0	\$0
\$0	\$0	\$0	19 Depreciation	\$0	\$0
			Taxes:		
\$0	\$0	\$0	20 Employer Payroll Taxes	\$0	\$0
\$0	\$0	\$0	21 Real Property Taxes	\$0	\$0
\$0	\$0	\$0	22 Other Taxes	\$0	\$0
\$0	\$0	\$0	23 Other Selling	\$0	\$0
5,755.09	\$5,000	(\$755)	24 Other Administrative	\$63,591	\$10,000
\$0	\$0	\$0	25 Interest	\$0	\$0
-	\$0	\$0	26 Other Expenses: Board expenses	\$8,844	\$0
-	\$0	\$0	27 Other	\$0	\$0
(4,060.00)	\$0	\$4,060	28 Legal	\$232,104	\$0
-	\$0	\$0	29 Accounting	\$16,378	\$0
\$0	\$0	\$0	30	\$0	\$0
\$0	\$0	\$0	31	\$0	\$0
\$0	\$0	\$0	32	\$0	\$0
\$0	\$0	\$0	33	\$0	\$0
\$0	\$0	\$0	34	\$0	\$0
\$1,695	\$5,000	\$3,305	35 <b>Total Expenses</b>	\$320,918	\$10,000
\$36,107	\$18,000	\$11,497	36 <b>Subtotal</b>	(\$115,692)	\$20,000
			<b>Reorganization Items:</b>		
\$0	\$0	\$0	37 Professional Fees	\$82,600	\$0
\$0	\$0	\$0	38 Provisions for Rejected Executory Contracts	\$0	\$0
\$0	\$0	\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case	\$0	\$0
\$0	\$0	\$0	40 Gain or (Loss) from Sale of Equipment	\$0	\$0
\$0	\$0	\$0	41 U.S. Trustee Quarterly Fees	\$4,875	\$0
\$0	\$0	\$0	42	\$0	\$0
\$0	\$0	\$0	43 <b>Total Reorganization Items</b>	\$87,475	\$0
\$36,107	\$18,000	\$11,497	44 <b>Net Profit (Loss) Before Federal &amp; State Taxes</b>	(\$203,167)	\$20,000
\$0	\$0	\$0	45 Federal & State Income Taxes	\$0	\$0
\$36,107	\$18,000	\$11,497	46 <b>Net Profit (Loss)</b>	(\$203,167)	\$20,000

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

**BALANCE SHEET**  
**(General Business Case)**  
For the Month Ended 08/31/11

Assets		<u>From Schedules</u>	<u>Market Value</u>
<b>Current Assets</b>			
1	Cash and cash equivalents - unrestricted		\$278,436
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	<b>Total Current Assets</b>		<b>\$433,407</b>
<b>Property and Equipment (Market Value)</b>			
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	<b>Total Property and Equipment</b>		<b>\$0</b>
<b>Other Assets</b>			
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	<b>Total Other Assets</b>		<b>\$18,703,517</b>
29	<b>Total Assets</b>		<b>\$19,136,924</b>

**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)**

<b>Liabilities From Schedules</b>			
<b>Post-Petition</b>			
<b>Current Liabilities</b>			
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	Due to Desert Capital TRS for intercompany transfer		\$32,600
43	_____		_____
44	<b>Total Current Liabilities</b>		<b>\$37,600</b>
45	<b>Long-Term Post-Petition Debt, Net of Current Portion</b>		_____
46	<b>Total Post-Petition Liabilities</b>		<b>\$37,600</b>
<b>Pre-Petition Liabilities (allowed amount)</b>			
47	Secured claims	F	Undetermined
48	Priority unsecured claims	F	Undetermined
49	General unsecured claims	F	\$40,215,571
50	<b>Total Pre-Petition Liabilities</b>		<b>\$40,215,571</b>
51	<b>Total Liabilities</b>		<b>\$40,253,171</b>
<b>Equity (Deficit)</b>			
52	Retained Earnings/(Deficit) at time of filing		(\$20,913,080)
53	Capital Stock		_____
54	Additional paid-in capital		_____
55	Cumulative profit/(loss) since filing of case		(\$203,167)
56	Post-petition contributions/(distributions) or (draws)		_____
57	_____		_____
58	Market value adjustment		_____
59	<b>Total Equity (Deficit)</b>		<b>(\$21,116,247)</b>
60	<b>Total Liabilities and Equity (Deficit)</b>		<b>\$19,136,924</b>

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

**Schedule A**

**Accounts Receivable and (Net) Payable**

<b>Receivables and Payables Agings</b>	<b>Accounts Receivable [Pre and Post Petition]</b>	<b>Accounts Payable [Post Petition]</b>	<b>Past Due Post Petition Debt</b>
0 -30 Days	\$0	\$5,000	
31-60 Days	\$0		
61-90 Days	\$0		\$0
91+ Days	\$254,970		
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**

<b>Types and Amount of Inventory(ies)</b>	<b>Inventory(ies) Balance at End of Month</b>	<b>Cost of Goods Sold</b>	
		<b>Inventory Beginning of Month</b>	N/A
		Add -	
Retail/Restaurants -		Net purchase	
Product for resale	N/A	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	
<b>TOTAL</b>	N/A	<b>Cost of Goods Sold</b>	N/A

**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		
LLCs holding real property	\$133,346,473	\$6,552,668
LLCs holding mortgages	\$6,140,000	\$5,468,533
Ownership of Desert Capital TRS	N/A	\$3,000,000
Impairment on LLCs	N/A	(\$6,817,683)
Total	\$139,486,473	\$8,203,517

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

<b>Taxes Payable</b>	<u><b>0-30 Days</b></u>	<u><b>31-60 Days</b></u>	<u><b>61-90 Days</b></u>	<u><b>91+ Days</b></u>	<u><b>Total</b></u>
<b>Federal</b>					
Income Tax Withholding	None - no employees				\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
<b>Total Federal Taxes</b>	\$0	\$0	\$0	\$0	\$0
<b>State and Local</b>					
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
<b>Total State &amp; Local Taxes</b>	\$0	\$0	\$0	\$0	\$0
<b>Total Taxes</b>	\$0	\$0	\$0	\$0	\$0

**Schedule F**  
**Pre-Petition Liabilities**

<u><b>List Total Claims For Each Classification -</b></u>	<u><b>Claimed Amount</b></u>	<u><b>Allowed Amount (b)</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 if 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><b>Account 1</b></u>	<u><b>Account 2</b></u>	<u><b>Account 3</b></u>	<u><b>Account 4</b></u>
Bank	Wells Fargo	Bank of America		
Account Type	Checking	Checking (closed)		
Account No.	xxxxxx8377	xxxxxx0752		
Account Purpose	General	Closed		
Balance, End of Month	\$ 278,436	\$ -		
<b>Total Funds on Hand for all Accounts</b>	<u><u>\$278,436</u></u>			

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 08/31/11

	Actual Current Month	Cumulative (Case to Date)
<b>Cash Receipts</b>		
1 Rent/Leases Collected	\$ 10,000	\$ 62,948
2 Cash Received from Sales	-	-
3 Interest Received	0	0
4 Borrowings	-	-
5 Funds from Shareholders, Partners, or Other Insiders	-	-
6 Capital Contributions	-	-
7 Distribution from LLC	27,802	109,677
8 Cash from closed Bank of Nevada account	-	-
9 Inter company from Desert Capital TRS Due to	-	32,600
10	-	-
11	-	-
12 <b>Total Cash Receipts</b>	<b>\$ 37,802</b>	<b>\$ 205,226</b>
<b>Cash Disbursements</b>		
13 Payments for Inventory	\$ -	\$ -
14 Selling	-	-
15 Administrative	5,755	63,591
16 Capital Expenditures	-	-
17 Principal Payments on Debt	-	-
18 Interest Paid	-	-
Rent/Lease:		
19 Personal Property	-	-
20 Real Property	-	-
Amount Paid to Owner(s)/Officer(s)		
21 Salaries	-	-
22 Draws	-	-
23 Commissions/Royalties	-	-
24 Expense Reimbursements	-	8,844
25 Other	-	-
26 Salaries/Commissions (less employee withholding)	-	-
27 Management Fees	-	-
Taxes:		
28 Employee Withholding	-	-
29 Employer Payroll Taxes	-	-
30 Real Property Taxes	-	-
31 Other Taxes	-	-
32 Other Cash Outflows:		
33 Legal	(4,060)	282,104
34 Accounting	-	16,378
35 Professional fees	-	32,600
36 US Trustee fees	-	4,875
37	-	-
38 <b>Total Cash Disbursements:</b>	<b>\$ 1,695</b>	<b>\$ 408,393</b>
39 <b>Net Increase (Decrease) in Cash</b>	<b>36,107</b>	<b>(203,167)</b>
40 <b>Cash Balance, Beginning of Period</b>	<b>242,329</b>	<b>481,604</b>
41 <b>Cash Balance, End of Period</b>	<b>\$ 278,436</b>	<b>\$ 278,436</b>

\* Going forward expenses for LLCs will be netted against distributions from the LLCs. However all disbursements will be counted for purposes

**STATEMENT OF CASH FLOWS**  
**(Optional) Increase/(Decrease) in Cash and Cash Equivalents**  
**For the Month Ended 08/31/11**

<b>Cash Flows From Operating Activities</b>		<b>Actual Current Month</b>	<b>Cumulative (Case to Date)</b>
1	Cash Received from Sales	-	-
2	Rent/Leases Collected	10,000	62,948
3	Interest Received	-	-
4	Cash Paid to Suppliers	-	-
5	Cash Paid for Selling Expenses	-	-
6	Cash Paid for Administrative Expenses	5,755	63,591
	Cash Paid for Rents/Leases:	-	-
7	Personal Property	-	-
8	Real Property	-	-
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	-	8,844
15	Other	-	-
	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	(4,060)	232,104
22	Accounting	-	16,378
23		-	-
24	Transfer from closed Bank of Nevada account	-	-
25	LLC distributions received	(27,802)	(109,677)
26		-	-
27	<b>Net Cash Provided (Used) by Operating Activities before Reorganization Items</b>	<b>36,107</b>	<b>(148,292)</b>
	<b>Cash Flows From Reorganization Items</b>		
28	Interest Received on Cash Accumulated Due to Chp 11 Case	-	-
29	Professional Fees Paid for Services in Connection with Chp 11 Case	-	82,600
30	U.S. Trustee Quarterly Fees	-	4,875
31		-	-
32	<b>Net Cash Provided (Used) by Reorganization Items</b>	<b>-</b>	<b>(87,475)</b>
33	<b>Net Cash Provided (Used) for Operating Activities and Reorganization Items</b>	<b>36,107</b>	<b>(235,767)</b>
	<b>Cash Flows From Investing Activities</b>		
34	Capital Expenditures	-	-
35	Proceeds from Sales of Capital Goods due to Chp 11 Case	-	-
36		-	-
37	<b>Net Cash Provided (Used) by Investing Activities</b>	<b>-</b>	<b>-</b>
	<b>Cash Flows From Financing Activities</b>		
38	Net Borrowings (Except Insiders)	-	-
39	Net Borrowings from Shareholders, Partners, or Other Insiders	-	-
40	Capital Contributions	-	-
41	Principal Payments	-	-
42	LLC distributions received	-	32,600
43	<b>Net Cash Provided (Used) by Financing Activities</b>	<b>-</b>	<b>32,600</b>
44	<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>36,107</b>	<b>(203,167)</b>
45	<b>Cash and Cash Equivalents at Beginning of Month</b>	<b>242,329</b>	<b>481,604</b>
46	<b>Cash and Cash Equivalents at End of Month</b>	<b>278,436</b>	<b>278,436</b>

\* Going forward expenses for LLCs will be netted against distributions from the LLCs. However all disbursements will be counted for purposes of calcula

Desert Capital REIT  
10-Q values as of 3/31/2011  
LLC interests

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
<b>LLCs holding mortgage notes</b>						
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
<b>Provision for loan losses</b>			<b>6,140,000</b>			<b>5,468,533</b>
<b>LLCs holding real property</b>						
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
<b>Impairment of REO</b>			<b>11,165,632</b>			<b>3,317,611</b>
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				210,600	20%	21,156
Hayden Maggie (3247 Lot 17) Homes Park Ranch (PCD)	125-09-510-017	45% complete; 9040 Grizzly; Las Vegas, NV	840,000	626,700	75%	60,730
noncontrolling interest				213,300	25%	20,670
Hayden Maggie (3248 Lot 18) Homes Park Ranch (PCD)	125-09-510-018	70% complete; 9030 Grizzly; Las Vegas, NV	945,000	882,000	93%	91,280
noncontrolling interest				63,000	7%	6,520
Hayden Maggie (3249 Lot 19) Homes Park Ranch (PCD)	125-09-510-019	85% complete; 9010 Grizzly; Las Vegas, NV	805,000	695,900	86%	74,690
noncontrolling interest				109,100	14%	11,710
Macfarland West Inc. Hual Trop, LLC (JSR)	059-17-501-(007,008,018,019,020,021)	14.33 AC in Indian Springs, NV; an AT&T tower sits on property; current offer to buy tower/land	4,771,000	4,771,000	100%	230,000
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 *3.72 AC zoned H-1; Strip/Blue Diamond	5,691,900	4,350,700	76%	616,340
noncontrolling interest				1,341,200	24%	190,000
<b>Total Consolidated Investments</b>			<b>23,520,158</b>			<b>2,301,442</b>
		(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)				
Hayden Maggie I, LLC (lots)	125-09-510-007 (through 015)	9121 Panda Bear Street; Las Vegas, NV	2,340,000	170,600	7%	-

Desert Capital REIT  
10-Q values as of 3/31/2011  
LLC interests

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 & 001-05-501-007 to 008	94 finished lots; Parcel 9 in Mesquite	10,900,000	1,227,800	11%	-
Lure 1 LLC	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) <sup>1</sup>	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
			<b>98,660,683</b>			<b>933,615</b>
			<b>139,486,473</b>			<b>12,021,200</b>
		LLCs holding mortgage notes	6,140,000			5,468,533
		LLCs holding real property	133,346,473			6,552,668
			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
30-Jun	Balance	242,329.03		
1-Aug	Interest	0.13	Wells Fargo	Interest income
8-Aug	Wire	19,338.00	Sedora Holdings LLC	LLC distribution
10-Aug	Wells	(4,988.08)	Choice Copy Service	Administrative
11-Aug	Deposit	7,707.40	Sedora Holdings LLC	LLC distribution
11-Aug	Deposit	10,000.00	3MO LLC	Rents
11-Aug	Deposit	756.95	Camden County	LLC distribution
19-Aug	Deposit	4,060.00	Andrews Kurth	Professional fees
15-Aug	Fees	(767.01)	Bank of America	Bank charges
31-Aug	Balance	278,436.42		

Income	\$	41,862.48
Expenses		<u>(5,755.09)</u>
		36,107.39

Bank balances		
Bank of America		-
Wells Fargo		<u>278,436.42</u>
		278,436.42

**QUARTERLY FEE SUMMARY**

CASE NAME: Desert Capital REIT, Inc.

CASE NUMBER: 11-16624

MONTH OF: Aug-11

Payment Date	Cash Disbursements	Quarterly Fee Due	Check No.	Date
Apr-11	\$ -			
May-11	349,108			
Jun-11	48,978			
<b>Total Quarter</b>	<b>398,086</b>	<b>\$ 4,875</b>		

Jul-11	\$ 96,900			
Aug-11	5,755			
Sep-11	-			
<b>Total Quarter</b>	<b>102,656</b>			

Oct-11	\$ -			
Nov-11	-			
Dec-11	-			
<b>Total Quarter</b>	<b>-</b>	<b>\$</b>		

Jan-12	\$			
Feb-12	\$			
Mar-12	\$			
<b>Total Quarter</b>	<b>\$</b>	<b>\$</b>		

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