

c/o Premier Management Co.  
P.O. Box 12051  
Wilmington NC 28405

YEAR-TO-DATE

ASSETS

|                 |            |
|-----------------|------------|
| Cash - Checking | 178,018.51 |
| Cash - Reserves | 235,841.18 |
|                 | -----      |
| TOTAL ASSETS    | 413,859.69 |
|                 | =====      |

LIABILITIES & EQUITY

|   |            |
|---|------------|
| Duplex Reserves                         | 35,807.00  |
| General Reserves                        | 12,654.91  |
| Insurance Reserves                      | 154,654.84 |
| Working Capital Reserves                | 15,045.84  |
| Townhome General Reserves               | 16,724.32  |
| Townhome Building Reserves              | 234.60     |
| Reserve Cash/Money Mkt. Interest Income | 719.67     |
| Retained Earnings                       | 95,348.34  |
| Current Earnings/Loss                   | 82,670.17  |
|   | -----      |
| TOTAL LIABILITIES & EQUITY              | 413,859.69 |
|   | =====      |



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|  | MTD<br>ACTUAL | MTD<br>BUDGETED | MTD<br>FAV/(UNFAV) | YTD<br>ACTUAL | YTD<br>BUDGETED | YTD<br>FAV/(UNFAV) | ANNUAL<br>BUDGET |
|--|---------------|-----------------|--------------------|---------------|-----------------|--------------------|------------------|
| <b>INCOME - TOWNHOMES</b>                          |               |                 |                    |               |                 |                    |                  |
| Townhome Assessments                               | 6,863.66      | 15,503          | (8,639.34)         | 28,395.09     | 31,006          | (2,610.91)         | 62,011           |
| TOTAL TOWNHOME INCOME                              | 6,863.66      | 15,503          | (8,639.34)         | 28,395.09     | 31,006          | (2,610.91)         | 62,011           |
| LESS: Provision for Townhome Reserves              | (1,425.08)    | (1,425)         | (0.08)             | (5,700.32)    | (5,700)         | (0.32)             | (17,101)         |
| TOTAL TOWNHOME OPERATIONS INCOME                   | 5,438.58      | 14,078          | (8,639.42)         | 22,694.77     | 25,306          | (2,611.23)         | 44,910           |
| <b>EXPENSES - TOWNHOME BUILDINGS &amp; GROUNDS</b> |               |                 |                    |               |                 |                    |                  |
| Townhome Building Repairs                          | 0.00          | 233             | 233.00             | 0.00          | 932             | 932.00             | 2,800            |
| Townhome Insurance Expense                         | (774.00)      | 3,305           | 4,079.00           | 626.98        | 13,220          | 12,593.02          | 39,660           |
| Townhome Pressure Washing                          | 0.00          | 0               | 0.00               | 0.00          | 1,050           | 1,050.00           | 1,050            |
| Townhome Pest Control                              | 0.00          | 0               | 0.00               | 0.00          | 1,400           | 1,400.00           | 1,400            |
| TOTAL TOWNHM BUILDINGS & GROUNDS EXP               | (774.00)      | 3,538           | 4,312.00           | 626.98        | 16,602          | 15,975.02          | 44,910           |
| NET TOWNHOME INCOME/(LOSS)                         | 6,212.58      | 10,540          | (4,327.42)         | 22,067.79     | 8,704           | 13,363.79          | 0                |
| <b>INCOME - DUPLEXES</b>                           |               |                 |                    |               |                 |                    |                  |
| Duplex Assessments                                 | 13,625.43     | 35,209          | (21,583.57)        | 52,515.16     | 70,418          | (17,902.84)        | 140,838          |
| TOTAL DUPLEX INCOME                                | 13,625.43     | 35,209          | (21,583.57)        | 52,515.16     | 70,418          | (17,902.84)        | 140,838          |
| LESS: Provision for Duplex Reserves                | (2,010.25)    | (2,010)         | (0.25)             | (8,041.00)    | (8,040)         | (1.00)             | (24,123)         |
| TOTAL DUPLEX OPERATIONS INC                        | 11,615.18     | 33,199          | (21,583.82)        | 44,474.16     | 62,378          | (17,903.84)        | 116,715          |
| <b>EXPENSES - DUPLEX BLDNGS &amp; GRNDS</b>        |               |                 |                    |               |                 |                    |                  |
| Duplex Building Repairs                            | 0.00          | 350             | 350.00             | 0.00          | 1,400           | 1,400.00           | 4,200            |
| Duplex Insurance                                   | 2,111.00      | 8,606           | 6,495.00           | 12,008.95     | 34,424          | 22,415.05          | 103,275          |
| Duplex Pressure Washing                            | 0.00          | 0               | 0.00               | 0.00          | 6,440           | 6,440.00           | 6,440            |
| Duplex Pest Control                                | 0.00          | 0               | 0.00               | 0.00          | 2,800           | 2,800.00           | 2,800            |
| TOTAL DUPLEX BLDNGS & GRNDS EXP                    | 2,111.00      | 8,956           | 6,845.00           | 12,008.95     | 45,064          | 33,055.05          | 116,715          |
| NET DUPLEX INCOME/(LOSS)                           | 9,504.18      | 24,243          | (14,738.82)        | 32,465.21     | 17,314          | 15,151.21          | 0                |

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|---|--------------------|-----------------|--------------------|---------------------|-----------------|---------------------|------------------|
| <b>RESERVES FUNDING</b>                 |                    |                 |                    |                     |                 |                     |                  |
| <b>CAPITAL RESERVES FUNDED:</b>         |                    |                 |                    |                     |                 |                     |                  |
| Working Capital Reserve-Funded          | 972.43             | 0               | 972.43             | 972.43              | 0               | 972.43              | 0                |
| General Reserve-Funded                  | 541.67             | 542             | (0.33)             | 2,166.68            | 2,168           | (1.32)              | 6,500            |
| Townhome General Reserve-Funded         | 1,425.08           | 1,425           | 0.08               | 5,700.32            | 5,700           | 0.32                | 17,101           |
| Duplex Reserves-Funded                  | 2,010.25           | 2,010           | 0.25               | 8,041.00            | 8,040           | 1.00                | 24,123           |
| Reserve (Cash/Money Mkt.) Interest Inc. | 156.16             | 0               | 156.16             | 719.67              | 0               | 719.67              | 0                |
| <b>TOTAL RESERVE FUNDING</b>            | <b>5,105.59</b>    | <b>3,977</b>    | <b>1,128.59</b>    | <b>17,600.10</b>    | <b>15,908</b>   | <b>1,692.10</b>     | <b>47,724</b>    |
| <b>EXPENSES:</b>                        |                    |                 |                    |                     |                 |                     |                  |
| Insurance Reserve-Payment               | 52,982.41          | 0               | (52,982.41)        | 313,247.04          | 0               | (313,247.04)        | 0                |
| <b>TOTAL RESERVE EXPENSES</b>           | <b>52,982.41</b>   | <b>0</b>        | <b>(52,982.41)</b> | <b>313,247.04</b>   | <b>0</b>        | <b>(313,247.04)</b> | <b>0</b>         |
| <b>SURPLUS (DEFICIT) CARRIED FWD</b>    | <b>(47,876.82)</b> | <b>3,977</b>    | <b>(51,853.82)</b> | <b>(295,646.94)</b> | <b>15,908</b>   | <b>(311,554.94)</b> | <b>47,724</b>    |