

8360 E VIA DE VENTURA  
BLDG L STE 100  
SCOTTSDALE AZ 85258

|                             | CURRENT MONTH<br>BALANCE | PREVIOUS MONTH<br>BALANCE | NET CHANGE        |
|-----------------------------|--------------------------|---------------------------|-------------------|
| ASSETS                      |                          |                           |                   |
| CASH                        |                          |                           |                   |
| CASH - OPERATING            | <u>31,751.27</u>         | <u>25,898.76</u>          | <u>5,852.51</u>   |
| TOTAL CASH                  | 31,751.27                | 25,898.76                 | 5,852.51          |
| ACCOUNTS RECEIVABLE         |                          |                           |                   |
| ACCOUNTS RECEIVABLE         | 19,838.78                | 19,280.10                 | 558.68            |
| ACCOUNTS RECEIVABLE - OTHER | 0.00                     | 714.84                    | (714.84)          |
| RESERVE FOR BAD DEBT        | <u>(5,811.39)</u>        | <u>(5,811.39)</u>         | <u>0.00</u>       |
| TOTAL ACCOUNTS RECEIVABLE   | 14,027.39                | 14,183.55                 | (156.16)          |
| OTHER ASSETS                |                          |                           |                   |
| PREPAID INSURANCE           | <u>61,769.49</u>         | <u>67,946.44</u>          | <u>(6,176.95)</u> |
| TOTAL OTHER ASSETS          | 61,769.49                | 67,946.44                 | (6,176.95)        |
| TOTAL ASSETS                | <u>107,548.15</u>        | <u>108,028.75</u>         | <u>(480.60)</u>   |

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|                                    | CURRENT MONTH<br>BALANCE | PREVIOUS MONTH<br>BALANCE | NET CHANGE |
|------------------------------------|--------------------------|---------------------------|------------|
| LIABILITIES & EQUITY               |                          |                           |            |
| CURRENT LIABILITIES                |                          |                           |            |
| ACCRUED EXPENSES                   | 1,040.63                 | 1,413.25                  | (372.62)   |
| UNCLAIMED FUNDS                    | 1,086.00                 | 1,086.00                  | 0.00       |
| ACCOUNTS PAYABLE                   | 1,245.79                 | 2,682.94                  | (1,437.15) |
| PREPAID ASSESSMENTS                | 28,558.04                | 27,310.16                 | 1,247.88   |
| INSURANCE PAYABLE                  | 52,072.08                | 58,581.09                 | (6,509.01) |
| ACCOUNTS PAYABLE - DUE TO RESERVES | 19,097.88                | 18,502.88                 | 595.00     |
| TOTAL CURRENT LIABILITIES          | 103,100.42               | 109,576.32                | (6,475.90) |
| EQUITY                             |                          |                           |            |
| OWNERS' EQUITY                     | (10,474.46)              | (10,474.46)               | 0.00       |
| CURRENT YEAR INCOME (LOSS)         | 14,922.19                | 8,926.89                  | 5,995.30   |
| TOTAL EQUITY                       | 4,447.73                 | (1,547.57)                | 5,995.30   |
| TOTAL LIABILITIES & EQUITY         | 107,548.15               | 108,028.75                | (480.60)   |

507 BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC  
OPERATING STATEMENT - DETAIL (UNAUDITED)  
03/31/2011

8360 E VIA DE VENTURA  
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| MONTHLY ACTUAL                      | MONTHLY BUDGET | MONTHLY VARIANCE  |                                    | YEAR TO DATE ACTUAL | YEAR TO DATE BUDGET | YEAR TO DATE VARIANCE | ANNUAL BUDGET  | BUDGET REMAINING    |
|-------------------------------------|----------------|-------------------|------------------------------------|---------------------|---------------------|-----------------------|----------------|---------------------|
| <b>REVENUE</b>                      |                |                   |                                    |                     |                     |                       |                |                     |
| 50,491.00                           | 50,498         | (7.00)            | ASSOCIATION DUES                   | 151,473.00          | 151,494             | (21.00)               | 605,976        | (454,503.00)        |
| (9,000.00)                          | (9,000)        | 0.00              | RESERVE FUND CONTRIBUTION          | (27,000.00)         | (27,000)            | 0.00                  | (108,000)      | 81,000.00           |
| 19,038.00                           | 19,004         | 34.00             | SPECIAL ASSESSMENTS                | 57,114.00           | 57,012              | 102.00                | 228,048        | (170,934.00)        |
| (19,097.88)                         | (19,004)       | (93.88)           | SA RESERVE CONTRIBUTION            | (57,069.54)         | (57,012)            | (57.54)               | (228,048)      | 170,978.46          |
| 0.00                                | (50)           | 50.00             | LESS: BAD DEBT                     | 0.00                | (150)               | 150.00                | (600)          | 600.00              |
| (50.00)                             | 0              | (50.00)           | OWNER/BUILDER FINES                | 250.00              | 0                   | 250.00                | 0              | 250.00              |
| 120.00                              | 250            | (130.00)          | LATE CHARGES/NSF FEES              | 480.00              | 750                 | (270.00)              | 3,000          | (2,520.00)          |
| 0.00                                | 100            | (100.00)          | RENTAL INCOME                      | 195.00              | 200                 | (5.00)                | 700            | (505.00)            |
| 934.37                              | 15             | 919.37            | MISCELLANEOUS INCOME               | 1,345.25            | 45                  | 1,300.25              | 180            | 1,165.25            |
| <b>42,435.49</b>                    | <b>41,813</b>  | <b>622.49</b>     | <b>TOTAL REVENUE</b>               | <b>126,787.71</b>   | <b>125,339</b>      | <b>1,448.71</b>       | <b>501,256</b> | <b>(374,468.29)</b> |
| <b>EXPENSES</b>                     |                |                   |                                    |                     |                     |                       |                |                     |
| <b>ADMINISTRATIVE &amp; GENERAL</b> |                |                   |                                    |                     |                     |                       |                |                     |
| 0.00                                | 1,700          | 1,700.00          | AUDIT EXPENSE                      | 0.00                | 1,700               | 1,700.00              | 1,700          | 1,700.00            |
| 0.00                                | 160            | 160.00            | LEGAL FEES                         | 0.00                | 480                 | 480.00                | 1,920          | 1,920.00            |
| 175.00                              | 175            | 0.00              | LICENSES & PERMITS                 | 175.00              | 175                 | 0.00                  | 1,475          | 1,300.00            |
| 3,350.00                            | 3,350          | 0.00              | MANAGEMENT FEES                    | 10,050.00           | 10,050              | 0.00                  | 40,200         | 30,150.00           |
| 687.50                              | 0              | (687.50)          | MEETING EXPENSE                    | 887.50              | 675                 | (212.50)              | 1,375          | 487.50              |
| 364.38                              | 400            | 35.62             | OFFICE SUPPLIES                    | 1,510.32            | 1,200               | (310.32)              | 4,800          | 3,289.68            |
| 0.00                                | 1,500          | 1,500.00          | PROFESSIONAL FEES                  | 0.00                | 1,500               | 1,500.00              | 1,500          | 1,500.00            |
| 177.86                              | 282            | 104.14            | TELEPHONE EXPENSE                  | 324.08              | 420                 | 95.92                 | 1,041          | 716.92              |
| 0.00                                | 0              | 0.00              | SOCIAL EVENTS                      | 0.00                | 0                   | 0.00                  | 1,400          | 1,400.00            |
| 126.50                              | 104            | (22.50)           | MISCELLANEOUS EXPENSE              | 276.50              | 236                 | (40.50)               | 944            | 667.50              |
| <b>4,881.24</b>                     | <b>7,671</b>   | <b>2,789.76</b>   | <b>TOTAL ADMIN &amp; GENERAL</b>   | <b>13,223.40</b>    | <b>16,436</b>       | <b>3,212.60</b>       | <b>56,355</b>  | <b>43,131.60</b>    |
| <b>CONTRACT SERVICES</b>            |                |                   |                                    |                     |                     |                       |                |                     |
| 1,492.71                            | 1,544          | 51.29             | GARBAGE REMOVAL                    | 4,364.40            | 4,632               | 267.60                | 18,528         | 14,163.60           |
| 7,530.30                            | 7,730          | 199.70            | LANDSCAPE MAINTENANCE              | 23,538.09           | 23,190              | (348.09)              | 92,760         | 69,221.91           |
| 167.78                              | 49             | (118.78)          | PEST CONTROL                       | 503.35              | 147                 | (356.35)              | 2,039          | 1,535.65            |
| 290.00                              | 290            | 0.00              | POOL SERVICE                       | 870.00              | 870                 | 0.00                  | 3,480          | 2,610.00            |
| 3,710.96                            | 4,214          | 503.04            | GUARD SERVICE                      | 12,045.61           | 12,642              | 596.39                | 52,466         | 40,420.39           |
| <b>13,191.75</b>                    | <b>13,827</b>  | <b>635.25</b>     | <b>TOTAL CONTRACT SERVICES</b>     | <b>41,321.45</b>    | <b>41,481</b>       | <b>159.55</b>         | <b>169,273</b> | <b>127,951.55</b>   |
| <b>REPAIRS &amp; MAINTENANCE</b>    |                |                   |                                    |                     |                     |                       |                |                     |
| 2,580.37                            | 3,641          | 1,060.63          | MAINTENANCE STAFF                  | 8,452.13            | 10,553              | 2,100.87              | 45,789         | 37,336.87           |
| 412.50                              | 2,060          | 1,647.50          | PAINTING STAFF                     | 1,590.76            | 4,944               | 3,353.24              | 18,446         | 16,855.24           |
| 1,474.78                            | 2,260          | 785.22            | PORTER/MAID STAFF                  | 5,654.63            | 6,780               | 1,125.37              | 29,380         | 23,725.37           |
| 56.07                               | 2,085          | 2,028.93          | ELECTRICAL REPAIRS                 | 350.97              | 2,135               | 1,784.03              | 4,420          | 4,069.03            |
| 388.44                              | 509            | 120.56            | IRRIGATION SYSTEM REPAIRS          | 692.45              | 1,527               | 834.55                | 6,108          | 5,415.55            |
| 322.88                              | 389            | 66.12             | PLUMBING REPAIRS                   | 400.13              | 1,991               | 1,590.87              | 5,492          | 5,091.87            |
| 0.00                                | 25             | 25.00             | POOL REPAIRS                       | 0.00                | 75                  | 75.00                 | 300            | 300.00              |
| 265.00                              | 941            | 676.00            | ROOF REPAIRS                       | 1,377.00            | 2,823               | 1,446.00              | 11,292         | 9,915.00            |
| 0.00                                | 10             | 10.00             | SITE SIGNAGE                       | 92.90               | 30                  | (62.90)               | 120            | 27.10               |
| <b>5,500.04</b>                     | <b>11,920</b>  | <b>6,419.96</b>   | <b>TOTAL REPAIRS &amp; MAINT</b>   | <b>18,610.97</b>    | <b>30,858</b>       | <b>12,247.03</b>      | <b>121,347</b> | <b>102,736.03</b>   |
| <b>PARTS &amp; SUPPLIES</b>         |                |                   |                                    |                     |                     |                       |                |                     |
| 50.00                               | 100            | 50.00             | CARPENTRY SUPPLIES                 | 50.00               | 300                 | 250.00                | 1,200          | 1,150.00            |
| 0.00                                | 41             | 41.00             | CLEANING SUPPLIES                  | 61.64               | 123                 | 61.36                 | 492            | 430.36              |
| 0.00                                | 176            | 176.00            | ELECTRICAL SUPPLIES                | 25.01               | 528                 | 502.99                | 2,112          | 2,086.99            |
| 7.70                                | 14             | 6.30              | HARDWARE                           | 21.58               | 42                  | 20.42                 | 168            | 146.42              |
| 0.00                                | 257            | 257.00            | PAINT SUPPLIES                     | 49.22               | 371                 | 321.78                | 884            | 834.78              |
| 284.81                              | 34             | (250.81)          | PLUMBING SUPPLIES                  | 284.81              | 102                 | (182.81)              | 408            | 123.19              |
| 0.00                                | 163            | 163.00            | POOL SUPPLIES                      | 111.39              | 489                 | 377.61                | 1,956          | 1,844.61            |
| 0.00                                | 16             | 16.00             | TOOLS & EQUIPMENT                  | 0.00                | 48                  | 48.00                 | 192            | 192.00              |
| <b>342.51</b>                       | <b>801</b>     | <b>458.49</b>     | <b>TOTAL PARTS &amp; SUPPLIES</b>  | <b>603.65</b>       | <b>2,003</b>        | <b>1,399.35</b>       | <b>7,412</b>   | <b>6,808.35</b>     |
| <b>UTILITIES</b>                    |                |                   |                                    |                     |                     |                       |                |                     |
| 1,210.22                            | 870            | (340.22)          | ELECTRICITY-COMMON AREA            | 3,406.34            | 2,180               | (1,226.34)            | 10,947         | 7,540.66            |
| 5,137.48                            | 6,579          | 1,441.52          | WATER/SEWER                        | 17,339.71           | 19,737              | 2,397.29              | 78,948         | 61,608.29           |
| <b>6,347.70</b>                     | <b>7,449</b>   | <b>1,101.30</b>   | <b>TOTAL UTILITIES</b>             | <b>20,746.05</b>    | <b>21,917</b>       | <b>1,170.95</b>       | <b>89,895</b>  | <b>69,148.95</b>    |
| <b>INSURANCE</b>                    |                |                   |                                    |                     |                     |                       |                |                     |
| 145.75                              | 136            | (9.75)            | DIRECTORS & OFFICERS INSURANCE     | 426.92              | 408                 | (18.92)               | 1,632          | 1,205.08            |
| 5,622.87                            | 4,179          | (1,443.87)        | FIRE & EXTENDED COVERAGE INSURANCE | 15,424.09           | 12,537              | (2,887.09)            | 50,148         | 34,723.91           |
| 408.33                              | 409            | 0.67              | EXCESS LIABILITY INSURANCE         | 1,224.99            | 1,227               | 2.01                  | 4,908          | 3,683.01            |
| 0.00                                | 0              | 0.00              | WORKERS COMPENSATION INSURANCE     | 284.00              | 286                 | 2.00                  | 286            | 2.00                |
| <b>6,176.95</b>                     | <b>4,724</b>   | <b>(1,452.95)</b> | <b>TOTAL INSURANCE</b>             | <b>17,360.00</b>    | <b>14,458</b>       | <b>(2,902.00)</b>     | <b>56,974</b>  | <b>39,614.00</b>    |
| <b>36,440.19</b>                    | <b>46,392</b>  | <b>9,951.81</b>   | <b>TOTAL OPERATING EXPENSES</b>    | <b>111,865.52</b>   | <b>127,153</b>      | <b>15,287.48</b>      | <b>501,256</b> | <b>389,390.48</b>   |
| <b>5,995.30</b>                     | <b>(4,579)</b> | <b>10,574.30</b>  | <b>NET OPERATING INCOME</b>        | <b>14,922.19</b>    | <b>(1,814)</b>      | <b>16,736.19</b>      | <b>0</b>       | <b>14,922.19</b>    |

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|                                     | CURRENT MONTH<br>BALANCE | PREVIOUS MONTH<br>BALANCE | NET CHANGE  |
|-------------------------------------|--------------------------|---------------------------|-------------|
| <b>ASSETS</b>                       |                          |                           |             |
| CASH                                |                          |                           |             |
| RSVS CASH-WACHOVIA SECURITIES       | 3,356.13                 | 4,592.06                  | (1,235.93)  |
| CASH - RESERVES                     | 228,028.02               | 227,949.49                | 78.53       |
| RESERVES RBC BANK                   | 36,820.80                | 38,829.58                 | (2,008.78)  |
| TOTAL CASH                          | 268,204.95               | 271,371.13                | (3,166.18)  |
| ACCOUNTS RECEIVABLE                 |                          |                           |             |
| ACCOUNTS RECEIVABLE - DUE FROM OPER | 19,097.88                | 18,502.88                 | 595.00      |
| TOTAL ACCOUNTS RECEIVABLE           | 19,097.88                | 18,502.88                 | 595.00      |
| TOTAL ASSETS                        | 287,302.83               | 289,874.01                | (2,571.18)  |
| <b>LIABILITIES &amp; EQUITY</b>     |                          |                           |             |
| CURRENT LIABILITIES                 |                          |                           |             |
| RESERVE ACCT PAYABLE                | 0.00                     | 10,432.50                 | (10,432.50) |
| TOTAL CURRENT LIABILITIES           | 0.00                     | 10,432.50                 | (10,432.50) |
| OTHER LIABILITIES                   |                          |                           |             |
| NOTE PAYABLE RES # 2                | 1,135,440.89             | 1,146,160.81              | (10,719.92) |
| TOTAL OTHER LIABILITIES             | 1,135,440.89             | 1,146,160.81              | (10,719.92) |
| EQUITY                              |                          |                           |             |
| RESERVE FUND BALANCE                | (875,502.08)             | (875,502.08)              | 0.00        |
| NET INCOME (LOSS)                   | 27,364.02                | 8,782.78                  | 18,581.24   |
| TOTAL EQUITY                        | (848,138.06)             | (866,719.30)              | 18,581.24   |
| TOTAL LIABILITIES & EQUITY          | 287,302.83               | 289,874.01                | (2,571.18)  |

507 BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC  
RESERVE STATEMENT - DETAIL (UNAUDITED)  
03/31/2011

8360 E VIA DE VENTURA  
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| MONTHLY<br>ACTUAL | MONTHLY<br>BUDGET | MONTHLY<br>VARIANCE |                           | YEAR TO DATE<br>ACTUAL | YEAR TO DATE<br>BUDGET | YEAR TO DATE<br>VARIANCE | ANNUAL<br>BUDGET | BUDGET<br>REMAINING |
|-------------------|-------------------|---------------------|---------------------------|------------------------|------------------------|--------------------------|------------------|---------------------|
| <b>REVENUE</b>    |                   |                     |                           |                        |                        |                          |                  |                     |
| 9,000.00          | 9,000             | 0.00                | RESERVE FUND CONTRIBUTION | 27,000.00              | 27,000                 | 0.00                     | 108,000          | (81,000.00)         |
| 19,097.88         | 19,004            | 93.88               | SA RESERVE CONTRIBUTION   | 57,069.54              | 57,012                 | 57.54                    | 228,048          | (170,978.46)        |
| 78.60             | 0                 | 78.60               | INTEREST INCOME - RESERVE | 416.15                 | 0                      | 416.15                   | 0                | 416.15              |
| <u>28,176.48</u>  | <u>28,004</u>     | <u>172.48</u>       | <b>TOTAL REVENUE</b>      | <u>84,485.69</u>       | <u>84,012</u>          | <u>473.69</u>            | <u>336,048</u>   | <u>(251,562.31)</u> |
| <b>EXPENSES</b>   |                   |                     |                           |                        |                        |                          |                  |                     |
| 0.00              | 0                 | 0.00                | SPECIAL CONSTRUCTION      | 13,915.00              | 0                      | (13,915.00)              | 0                | (13,915.00)         |
| 0.00              | 0                 | 0.00                | FURNISHINGS               | (563.00)               | 0                      | 563.00                   | 0                | 563.00              |
| 8,359.24          | 0                 | (8,359.24)          | INTEREST                  | 24,534.83              | 0                      | (24,534.83)              | 0                | (24,534.83)         |
| 0.00              | 0                 | 0.00                | LANDSCAPING               | 12,726.25              | 0                      | (12,726.25)              | 0                | (12,726.25)         |
| 0.00              | 0                 | 0.00                | PLUMBING                  | 936.59                 | 0                      | (936.59)                 | 0                | (936.59)            |
| 1,236.00          | 0                 | (1,236.00)          | ROOF                      | 3,772.00               | 0                      | (3,772.00)               | 0                | (3,772.00)          |
| 0.00              | 0                 | 0.00                | STRUCTURAL                | 1,800.00               | 0                      | (1,800.00)               | 0                | (1,800.00)          |
| <u>9,595.24</u>   | <u>0</u>          | <u>(9,595.24)</u>   | <b>TOTAL EXPENSE</b>      | <u>57,121.67</u>       | <u>0</u>               | <u>(57,121.67)</u>       | <u>0</u>         | <u>(57,121.67)</u>  |
| <u>18,581.24</u>  | <u>28,004</u>     | <u>(9,422.76)</u>   | <b>NET INCOME (LOSS)</b>  | <u>27,364.02</u>       | <u>84,012</u>          | <u>(56,647.98)</u>       | <u>336,048</u>   | <u>(308,683.98)</u> |