

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

**ASSETS**

<b>Current Assets</b>			
Cash in Bank	\$	1,082,170	
Accrued Interest Receivable		143,014	
<b>Total Current Assets</b>		<u>1,225,184</u>	<b>\$1,225,184</b>
<b>Loan Portfolio</b>			
Mortgage Loans held	\$	2,525,683	
Loans in Process & Advanced Costs		227,191	
Allowance for Foreclosed Assets		<u>(72,294)</u>	
			<b>\$2,680,580</b>
<b>Other Assets</b>			
Real Estate Owned	\$	1,787,000	
Bond - Certificate of Deposit		<u>10,000</u>	
<b>Total Other Assets</b>			<u><b>\$1,797,000</b></u>
<b>Total Assets</b>			<u><u><b>\$5,702,764</b></u></u>

**LIABILITIES AND EQUITY**

<b>Current Liabilities</b>			
Accrued Expenses - Attorney for Receiver	\$	49,707	
Accrued Expenses - Receiver		<u>233,492</u>	
<b>Total Current Liabilities</b>			<b>\$ 283,199</b>
<b>Total Members' Equity</b>			<u><b>5,419,565</b></u>
<b>Total Liabilities and Members' Equity</b>			<u><u><b>\$ 5,702,764</b></u></u>

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*12/29/08*

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

<b>Revenue</b>	
<b>Interest Income</b>	<b>\$ 249,614</b>
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<b>Total Revenue</b>	<b>\$ 249,614</b>
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<b>Operating Expenses</b>	
<b>Accounting/Bus Operations - Receiver</b>	<b>110,377</b>
<b>Advance Insurance</b>	<b>45,323</b>
<b>Attorney Expenses - Receiver</b>	<b>29,604</b>
<b>Bad Debt</b>	<b>1,900,000</b>
<b>Bank Service Charges</b>	<b>1,801</b>
<b>Licenses, Fees &amp; Permits</b>	<b>250</b>
<b>Litigation Response - Receiver</b>	<b>11,380</b>
<b>Loan Documentation</b>	<b>500</b>
<b>Loan Servicing - FCI</b>	<b>690</b>
<b>Miscellaneous</b>	<b>554</b>
<b>Office Expense</b>	<b>12,235</b>
<b>REO Costs</b>	<b>29,372</b>
<b>Taxes</b>	<b>6,800</b>
<b>Tax Issues - Receiver</b>	<b>7,531</b>
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<b>Total Operating Expenses</b>	<b>\$ 2,156,417</b>
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<b>Net Ordinary Income</b>	<b>(1,906,803)</b>
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<b>Other Income/(Expense)</b>	
<b>Other Income</b>	<b>67,312</b>
<b>Interest Other</b>	<b>-</b>
<b>Other Expense</b>	<b>4,738</b>
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<b>Net Other Income/(Expense)</b>	<b>62,574</b>
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<b>Net Income</b>	<b>\$ (1,844,229)</b>
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**EMVEST MORTGAGE FUND LLC  
(A LIMITED LIABILITY COMPANY)  
RECAP OF MEMBERS EQUITY  
FOR THE TIME PERIOD 01/01/02 THROUGH 12/31/08**

	<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	(1,844,229)	3,505,587
Distributions to Members	(124,574)	(908,462)	(1,570,242)	(857,856)	(992,290)	(687,881)	(532,188)	(5,717,753)
Withdrawals to Members	(182,734)	(426,570)	(2,140,175)	(556,103)	(973,373)	(6,214,386)	(1,309,194)	(11,960,946)
Rounding						1	0	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>\$5,419,565</u>	<u>\$ 5,216,895</u>
Book Value of \$10,000 Investment	\$ 9,359	\$ 9,109	\$ 8,695	\$ 8,817	\$ 9,811	\$ 9,275	\$ 6,491	

**Emvest Mortgage Fund**  
**Schedule of Accrued Interest**  
**12/31/08**

FCI Loan #	Name	Balance at <u>12/31/08</u>	Rate	Last Payment	End of Month	# of Days	Interest Due
ALG/115	Lerman	286,961.04	12.250%	11/01/08	12/31/08	60	5,778.53
FCI/1	Thomas	540,000.00	14.500%	05/08/08	12/31/08	237	50,841.37
ALG/122	Sellers	288,917.31	12.000%	04/13/07	12/31/08	628 F	26,121.29
FCI/8	Praise	160,000.00	12.950%	11/11/07	12/31/08	416 BK	9,707.18
ALG/123	Zohn	223,181.72	12.000%	08/09/08	12/31/08	144	10,565.97
FCI/20	Mendoza	348,500.00	12.500%	04/27/08	12/31/08	248 BK	18,618.49
FCI/25	Tashchyan	368,048.76	12.000%	12/21/07	12/31/08	376 F	15,851.31
FCI/27	Nelson	310,500.00	12.500%	11/09/08	12/31/08	52	5,529.45
<b>Grand Totals</b>		<u>2,526,108.83</u>					<u>143,013.60</u>

12/31/08

Emvest Mortgage Fund, LLC  
REO Property

VALUE

File	Property								
Internal #	Name	APN	Address 1	City	State	Zip	Funded	Pos.	Type
ALG-118	Stevens	2420-034-010	4541 Ledge Ave.	Toluca Lake	CA	91602	12/19/2005	2nd	SFR
ALG-127	Grotjahn	4357-009-011	1440 Davies Dr.	Beverly Hills	CA	90210	8/2/2006	2nd	SFR
	Grotjahn	4357-009-016	1438 Davies Dr.	Beverly Hills	CA	90210	8/2/2006	2nd	SFR
FCI-05	Seng	3271-016-015	Lot: 114 Tract No: 8672	Castiac	CA	91384	2/16/2006	1st	Land
	Seng	3271-016-017	Lot: 116 Tract No: 8672	Castiac	CA	91384	2/16/2006	1st	Land
	Seng	3271-016-018	Lot: 117 Tract No: 8672	Castiac	CA	91384	2/16/2006	1st	Land
	Seng	3271-016-019	Lot: 118 Tract No: 8672	Castiac	CA	91384	2/16/2006	1st	Land
	Seng	3271-016-020	Lot: 119 Tract No: 8672	Castiac	CA	91384	2/16/2006	1st	Land
	Seng	3271-016-021	Lot: 120 Tract No: 8672	Castiac	CA	91384	2/16/2006	1st	Land
	Seng	3271-016-022	Lot: 121 Tract No: 8672	Castiac	CA	91384	2/16/2006	1st	Land
FCI-10	Baez	345-292-08-007	Near 42nd St. W. and Sopp Rd.	Rosamond	CA	93560	1/17/2006	1st	Land
	Baez	252-400-36-00-8	4571 66th St. W.	Rosamond	CA	93560	1/17/2006	1st	Land
	Baez	3260-006-021	Near 67th St. W. and Ave. 42	Caliche	CA	93536	1/17/2006	1st	Land
	Baez	3229-009-027	Near 81st St. W. and Ave A4	Antelope Acres	CA	93536	1/17/2006	1st	Land
	Baez	3260-006-032	Near 65th St. W. and Ave A4	Caliche	CA	93536	1/17/2006	1st	Land
FCI-13	Middel	7035-018-006	17506 Maidstone Ave.	Artesia	CA	90701	5/10/2006	1st	SFR
FCI-17	Martinez	4470-026-009	31869 Sea Level Dr.	Malibu	CA	90265	6/23/2006	2nd	SFR
FCI-26	Byington	116-110-001	4900 Myrtle Dr.	Concord	CA	94521	7/26/2006	1st	SFR
FCI-29	Hernandez	042-4272-018-00	1216 88th Ave.	Oakland	CA	94621	9/7/2006	1st	SFR

SOLD  
0  
0

250 000

160 000

295 000  
- 0  
900 000  
152 000

1,787,000