

4:44 PM
08/14/06
Accrual Basis

REO Equity Fund Ltd. (R1)
Pond 1800 - P&L
All Transactions

	<u>Pond 1800</u>	<u>TOTAL</u>
Income		
4000 · Property Sales		
4010 · Sales Price	179,900.00	179,900.00
4020 · Option Fee Income	-5.00	-5.00
Total 4000 · Property Sales	<u>179,895.00</u>	<u>179,895.00</u>
Total Income	<u>179,895.00</u>	<u>179,895.00</u>
Cost of Goods Sold		
5000 · Property Purchase Price	108,800.00	108,800.00
5300 · Property Utilities	433.81	433.81
5450 · Eviction Costs	174.00	174.00
5800 · Costs at Closing		
5804 · Closing Costs	13,238.22	13,238.22
5806 · Property Taxes	5,868.74	5,868.74
5808 · Realtor Commissions	10,734.00	10,734.00
Total 5800 · Costs at Closing	<u>29,840.96</u>	<u>29,840.96</u>
Total COGS	<u>139,248.77</u>	<u>139,248.77</u>
Gross Profit	<u>40,646.23</u>	<u>40,646.23</u>
Expense		
6150 · Homeowners Association Dues	0.00	0.00
6380 · Syndication Costs	0.00	0.00
Total Expense	<u>0.00</u>	<u>0.00</u>
Net Income	<u><u>40,646.23</u></u>	<u><u>40,646.23</u></u>

224326
FILE NUMBER: 224555
DATE: 6-7-05

LOT 31 BLOCK F GATWAY
LEGAL DESCRIPTION: UNIT # 110 BUILDING B
GARRARD, TX
ESTATES GLENN HEIGHTS, TX

A. GENERAL ADMONISHMENT TO PURCHASER

My name is SHELLEY ORTOLANI. I am the Substitute Trustee for all properties posted under my name, I have been duly appointed Substitute Trustee under a perpetual power of attorney appointment or otherwise, I have been requested to sell the properties offered for sale today, and I am setting the following reasonable conditions for sale, which are being announced before bidding is opened for the first sale of the day held by me in this County. All property offered for sale today will be sold "AS IS" without any expressed or implied warranties, except as to warranties of title, to the highest bidder for cash or cashiers check. If you do not have cash or cashiers checks ready for tender immediately following the sale then do not bid, if the purchaser does not tender the funds the sale will be reconvened and the property re-auctioned. Purchaser buys the property "at the purchaser's own risk" per Texas statutory law and "at his peril" per Texas case law, including HENKE V. FIRST SOUTHERN PROPERTIES, INC., 586 S.W.2d 617 (Tex.Civ.App. 1979). Purchaser is not a consumer as that term is defined under Texas law. The sale of the property by Substitute Trustee is also subject to the following:

1. Loan reinstatement, payoff, or any other pre-sale arrangement with the Lender to satisfy the default.
2. Any court-ordered or statutory restraint of sale arising out of bankruptcy, probate, divorce, receivership, or other court proceedings involving any person claiming a legal or equitable interest in the property.
3. Any other claim by those persons obligated on the debt that may render the sale void or voidable, including but not limited to claims of insufficient notice.
4. Any ad valorem taxes for the current and prior years which are applicable against the property.
5. Any other undisclosed matter which may affect the validity of the sale or act as a defense or bar to the foreclosure proceeding.
6. Any errors in the calculation of the bidding instructions or errors in reading the bid made by either the Trustee, Mortgage Servicer or Beneficiary.

The interests in the property being sold are limited to those expressly warranted by the Grantor in the Deed of Trust, subject to any exceptions referenced in the Deed of Trust or appearing of record to the extent the same are still in effect and shall not cover any property that has been released from the lien of the Deed of Trust. No representation of any kind, either expressed or implied, is made by Substitute Trustee regarding the nature or status of the property, the quality of title, or any interests that may be superior to the deed of trust interests being foreclosed. Purchaser takes the property subject to such superior interests as well as any and all defects and shall be solely responsible for the resolution of each.

In the event a defect or other problem with the foreclosure process is discovered that may invalidate the sale, the consideration paid will be returned to Purchaser as the sole and absolute remedy. In the event of any claim or action brought by any person other than Purchaser requiring or resulting in the invalidation of the sale and rescission of the Substitute Trustee's Deed, Purchaser's damages resulting therefrom are limited to the consideration paid to Substitute Trustee and the sole and absolute remedy shall be the return to Purchaser of the consideration paid.

If you are the successful bidder, you will be required to sign an acknowledgment that this admonishment was read prior to Substitute Trustee commencing his or her sales and that the sale was subject to these terms.

B. PURCHASER'S ACKNOWLEDGEMENT

Purchaser acknowledges that the sale was subject to the terms, conditions, and disclaimers set forth above in the GENERAL ADMONISHMENT TO PURCHASER and that all monies tendered are subject to the terms, conditions, and disclaimers set forth below in the RECEIPT. Purchaser specifically acknowledges that he or she has carefully read both the GENERAL ADMONISHMENT TO PURCHASER set forth above and the RECEIPT set forth below.

Purchaser directs that the Grantee on the deed (to be available within a reasonable time after funds have cleared) should be shown as:
Name of Purchaser: REO EQUITY FUND
Street Address: 1123 N. CENTRAL EXP
City: DALLAS State: TX Zip: 75204
Telephone: 972-503-1234 Alt Phone Number: 972-333-3361
DL Number/State: 10651429 SS#:

PURCHASER (s):
Signature: [Signature] Signature: _____
Printed Name: Jan She (Her) Printed Name: _____

C. RECEIPT

On the date shown above, SHELLEY ORTOLANI as Substitute Trustee conducted a Trustee's Sale on the property reference above. At 11:32 o'clock am/pm, subject to the exceptions stated in the terms, conditions, and disclaimers announced before the sale and restated in the GENERAL ADMONISHMENT TO PURCHASER above, the Substitute Trustee sold the property to the above named Purchaser(s) for the price of \$ 108,801.00, said amount being the highest bid for cash, who tendered to me the following in satisfaction of the purchase price:

CERTIFIED CHECKS TENDERED:		
Amount of Check	Bank Name	Check Number
\$ 1,000.00	COLONIAL BANK	689949334
\$ 2,500.00		331
\$ 3,000.00		349
\$ 50,000.00		336
\$ 50,000.00		337
\$		
\$		
\$		
\$		

Check Total: \$ 108
+ 301.00
Cash Total: \$ 400.00
= Total Tendered: \$ 108,801.00
Overpayment: \$ 0

In the event of an overpayment, all refunds will be made by the LENDER. Substitute Trustee assumes no responsibility or liability for any refunds.

Substitute Trustee Signature: Shelley Ortolani Date: 6-7-05

Escrow No. 1948000822

Check Date: 02/02/2006

Check No. 6048

DESCRIPTION	CODE	AMOUNT
Proceeds of Sale	603	\$155,391.04
	Check Total	\$155,391.04

Seller/Buyer: REO Equity Fund, LTD / Kenneth O. Cobb and wife, Leccrecia E. Cobb
 Property Address: 1800 POND STREET GLEN HEIGHTS, TX 75154
 Tax Parcel ID: 27-00026-00F-031-0000

THIS CHECK IS VOID WITHOUT A BLUE & GREEN BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK. HOLD AT ANGLE TO VIEW

Escrow Account
 LandAmerica American Title Dallas
 4131 N. Central Expwy #110
 Dallas, TX 75204
 214-520-9999

Citibank Texas, N.A.
 Dallas, TX

NO. 6048

32-61
 1110

FILE NUMBER	DATE	AMOUNT
1948000822	02/02/2006	\$155,391.04

PAY ONE HUNDRED FIFTY FIVE THOUSAND THREE HUNDRED NINETY ONE
 AND 04/100 DOLLARS

TO THE ORDER OF
 REO Equity Fund, LTD
 4123 N. Central Expressway
 Dallas, TX 75204

Memo:

ESCROW ACCOUNT
 VOID OVER 180 DAYS
 AUTHORIZED SIGNATURE
 AUTHORIZED SIGNATURE

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WATERMARK

⑈0000006048⑈ ⑆113193532⑆ 334546201⑈

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE LOCATED BETWEEN SIGNATURES. A WATERMARK IS APPEAR WHEN BLOWING OR RUBBING

A. Settlement Statement

U.S. Department of Housing and Urban Development

OMB No 2502-0265

B. Type of Loan			
1 <input type="checkbox"/> FHA	2 <input type="checkbox"/> FinHA	3 <input checked="" type="checkbox"/> Conv Unins	6. File Number 1948000822
4 <input type="checkbox"/> VA	5 <input type="checkbox"/> Conv Ins	6 <input type="checkbox"/> Seller Finance	7. Loan Number 80064995
			8. Mortgage Ins Case Number

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower Kenneth O. Cobb and wife, Leatrice E. Cobb	E. Name & Address of Seller REO Equity Fund, LTD 4123 N. Central Expressway Dallas, TX 75204	F. Name & Address of Lender Acoustic Home Loans LLC 770 The City Drive # 1500 Orange, CA 92668
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G. Property Location GATEWAY ESTATES PH I, Block F, Lot 31, DALLAS County 1800 POND STREET GLEN HEIGHTS, TX 75154	H. Settlement Agent Name LandAmerica American Title Company 6029 Bellline Road Dallas, TX 75254 Tax ID: 752178734	I. Settlement Date 2/1/2006 Fund: 2/1/2006
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J. Summary of Borrower's Transaction	K. Summary of Seller's Transaction
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100. Gross Amount Due from Borrower	400. Gross Amount Due to Seller
101. Contract Sales Price	401. Contract Sales Price
102. Personal Property	402. Personal Property
103. Settlement Charges to borrower	403.
104.	404.
105.	405.
Adjustments for items paid by seller in advance	Adjustments for items paid by seller in advance
106. City property taxes	406. City property taxes
107. County property taxes	407. County property taxes
108. Annual assessments	408. Annual assessments
109. School property taxes	409. School property taxes
110. MUD taxes	410. MUD taxes
111. Other	411. Other
112.	412.
113.	413.
114.	414.
115.	415.
116.	416.

120. Gross Amount Due From Borrower	5192,693.69	420. Gross Amount Due to Seller	5179,900.00
200. Amounts Paid By Or in Behalf Of Borrower		500. Reductions in Amount Due to Seller	
201. Deposit or earnest money	550.00	501. Excess Deposit	
202. Principal amount of new loan(s)	5143,920.00	502. Settlement Charges to Seller (line 1400)	513,265.52
203. Existing loan(s) taken subject to		503. Existing Loan(s) Taken Subject to	
204. Loan Amount 2nd Lien	535,980.00	504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206. Option Fee	55.00	506. Option Fee	55.00
207. Seller Contribution	510,794.00	507. Seller Contribution	510,794.00
208.		508.	
209.		509.	

Adjustments for items unpaid by seller	Adjustments for items unpaid by seller		
210. City property taxes 01/01/06 thru 02/01/06	596.82	510. City property taxes 01/01/06 thru 02/01/06	596.82
211. County property taxes 01/01/06 thru 02/01/06	582.25	511. County property taxes 01/01/06 thru 02/01/06	582.25
212. Annual assessments		512. Annual assessments	
213. School property taxes 01/01/06 thru 02/01/06	5265.37	513. School property taxes 01/01/06 thru 02/01/06	5265.37
214. MUD taxes		514. MUD taxes	
215. Other		515. Other	
216.		516.	
217.		517.	
218.		518.	
219.		519.	

220. Total Paid By/For Borrower	5191,643.44	520. Total Reduction Amount Due Seller	524,508.96
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller	
301. Gross Amount due from borrower (line 120)	5192,693.69	601. Gross Amount due to seller (line 420)	5179,900.00
302. Less amounts paid by/for borrower (line 220)	5191,643.44	602. Less reductions in amt. due seller (line 520)	524,508.96
303. Cash From Borrower	51,050.25	603. Cash To Seller	5155,391.04

Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: - HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the nature and costs of real estate settlement services; - Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate; - Lenders must prepare and distribute with the Booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are mandatory.

Section 4(a) of RESPA mandates that HUD develop and prescribe this standard form to be used at the time of loan settlement to provide full disclosure of all charges imposed upon the borrower and seller. These are third party disclosures that are designed to provide the borrower with pertinent information during the settlement process in order to be a better shopper. The Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. The information requested does not lend itself to confidentiality.

L. Settlement Charges

700. Total Sales/Broker's Commission based on price			5179,900.00	@3% = \$5,397.00	Paid From	Paid From
Division of Commission (line 700) as follows:					Borrower's	Seller's
					Funds at	Funds at
					Settlement	Settlement
701.	to	ReMax Abrams				
702.	\$5,397.00	to	ReMax Abrams			
703.	Commission Paid at Settlement			\$10.00		\$5,397.00
704.	The following persons, firms or	to	Chris Manning			
705.	corporations received a portion	to				
706.	of the real estate commission amount	to				
707.	shown above:	to				
708.	Transaction Fee	to	Remax Abrams			\$100.00
800.	Items Payable in Connection with Loan					
801.	Loan Origination Fee %	to	SNG Metroplex Financial, LLC	\$5,385.80		
802.	Loan Discount %	to				
803.	Appraisal Fee	to				
804.	Credit Report	to				
805.	Lender's Inspection Fee	to				
806.	Mortgage Insurance Application	to				
807.	Assumption Fee	to				
808.	Tax Service Fee	to	Acoustic Home Loans LLC	\$75.00		
809.	Underwriting Fee	to	Acoustic Home Loans LLC	\$499.00		
810.	Flood Determination Fee	to	Acoustic Home Loans LLC	\$10.00		
811.	Doc Prep	to	LAMBROPOULOS CINAT, LLP	\$125.00		
812.	Processing Fee	to	SNG Metroplex Financial, LLC	\$500.00		
813.	2nd Lien Flood Determination	to	Acoustic Home Loans	\$3.00		
814.	2nd Lien Doc Prep	to	LAMBROPOULOS CINAT, LLP	\$125.00		
900.	Items Required by Lender To Be Paid in Advance					
901.	Interest from 2/1/2006 to 3/1/2006 @ \$28.18/day			\$789.04		
902.	Mortgage Ins Prem. for months	to				
903.	Hazard Ins Prem. for 1 years	to	The Woodlands Financial Group	\$1,260.00		
904.	Flood Insurance	to				
905.	2nd Lien Interest 2/1-3/1/06 @ \$11.48	to	Acoustic Home Loans	\$321.44		
1000.	Reserves Deposited With Lender					
1001.	Hazard insurance	months @	per month			
1002.	Mortgage insurance	months @	per month			
1003.	City property taxes	months @	per month			
1004.	County property taxes	months @	per month			
1005.	Annual assessments	months @	per month			
1006.	School property taxes	months @	per month			
1007.	MUD taxes	months @	per month			
1008.	Other	months @	per month			
1009.	Flood Insurance	0 months @				
1011.	Aggregate Adjustment					
1100.	Title Charges					
1101.	Settlement or Closing Fee	to				
1102.	Abstract or Title Search	to				
1103.	Title Examination	to				
1104.	Title Insurance Binder	to				
1105.	Document Preparation	to	Settle & Pou, Inc.	\$50.00		\$100.00
1106.	Notary Fees	to				
1107.	Attorney's Fees	to				
(includes above items numbers:)						
1108.	Title Insurance	to	LandAmerica American Title Company	\$460.00		\$1,312.00
(includes above items numbers:)						
1109.	Lender's coverage	\$143,910.00/\$195.00 . 2nd: \$35,980.00 / \$200.00				
1110.	Owner's coverage	\$179,900.00/\$1,377.60				
1111.	Escrow Fees	to	Settle & Pou, Inc.	\$250.00		
1112.	State of Texas Policy Guaranty Fee	to	Texas Title Insurance Guaranty Association	\$2.00		\$1.00
1113.		to				
1114.		to				
1115.	Tax Certificates	to	Data Trace			\$45.22
1116.	Restrictions	to				
1117.	Messenger / Express Mail	to	Settle & Pou, Inc.	\$60.00		\$60.00
1118.	Copies	to				
1119.	60% of Title Premium	to	Settle & Pou, Inc.			
1200.	Government Recording and Transfer Charges					
1201.	Recording Fees	Deed \$32.00 ; Mortgage \$220.00 ; Releases		\$252.00		
1202.	City / County Tax / Stamps	Deed ; Mortgage to				
1203.	State Tax / Stamps	Deed ; Mortgage to				
1204.	Electronic Recording Fee	to	Settle & Pou, Inc.			
1300.	Additional Settlement Charges					
1301.	Survey	to	Doug Connolly & Assoc	\$351.81		
1302.	Pest Inspection	to				
1303.	Transfer Fee	to	Premier Communities Management Co.			\$150.00
1304.	Unpaid HOA Dues	to	Gateway HOA			\$276.00
1305.	Home Warranty	to				\$400.00