

THE MEADOWS COMMUNITY ASSOCIATION

AS OF JUNE 30, 2009

|                           |    | ASSETS       |            |
|---------------------------|----|--------------|------------|
| CASH                      |    |              |            |
| 1010 CASH-FIRST NATIONAL  | \$ | 74,193.95    |            |
| 1025 CASH-WACHOVIA        |    | 57,619.24    |            |
| 1026 W/C-WACHOVIA         |    | 75,526.08    |            |
| 1030 RES-WACHOVIA         |    | 459,163.58   |            |
| TOTAL CASH                |    |              | 666,502.85 |
| ACCOUNTS RECEIVABLE       |    |              |            |
| 1110 DUES RECEIVABLE      |    | 39,414.47    |            |
| 1111 ACCRUED INT REC.     |    | 3,423.35     |            |
| 1115 ALLOW FOR BAD DEBT   |    | (10,700.00)  |            |
| TOTAL RECEIVABLES         |    |              | 32,137.82  |
| TOTAL ASSETS              |    |              | 698,640.67 |
| LIABILITIES & EQUITY      |    |              |            |
| CURRENT LIABILITIES       |    |              |            |
| 2115 PREPAID ASSESSMENTS  |    | 10,851.36    |            |
| TOTAL LIABILITIES         |    |              | 10,851.36  |
| EQUITY                    |    |              |            |
| 2930 WORKING CAPITAL      |    | 84,737.92    |            |
| 2931 FUND BALANCE         |    | 10,809.96    |            |
| 2940 CURRENT EARNINGS     |    | 148,144.22   |            |
| 2941 CURRENT EARNINGS     |    | (148,144.22) |            |
| 2950 RESERVE FUND-PRIOR   |    | 444,097.21   |            |
| 2955 RESERVE FUND-CURRENT |    | 43,841.89    |            |
| 2965 OPERATING FD-CURRENT |    | 104,302.33   |            |
| TOTAL EQUITY              |    |              | 687,789.31 |
| TOT LIABILITY AND EQUITY  |    |              | 698,640.67 |

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Budget Comparison Report  
AS OF JUNE 30, 2009

PREPARED BY

WESTERN STATES PROPERTY SERVICES, INC.

|                          | BUDGET   | ACTUAL   | CURR. VARIANCE | YTD BUDGET | YTD ACTUAL | YTD VARIANCE |
|--------------------------|----------|----------|----------------|------------|------------|--------------|
| INCOME                   |          |          |                |            |            |              |
| 5110 ASSESSMENTS         | 0.00     | 0.00     | 0.00           | 492,562.00 | 495,819.14 | 3,257.14     |
| 5210 LATE FEE CHARGE     | 0.00     | 0.00     | 0.00           | 0.00       | 4,670.00   | 4,670.00     |
| 5215 NSF FEE             | 0.00     | 0.00     | 0.00           | 0.00       | 60.00      | 60.00        |
| 5220 COLLECTION COST REC | 1,260.00 | 7,944.90 | 6,684.90       | 12,600.00  | 29,366.39  | 16,766.39    |
| 5240 CAPITALIZATION      | 300.00   | 143.50   | (156.50)       | 3,000.00   | 1,922.70   | (1,077.30)   |
| 5242 RULES VIOLATIONS    | 0.00     | 1,225.00 | 1,225.00       | 0.00       | 8,975.00   | 8,975.00     |
| 5245 INTEREST INCOME     | 40.00    | 4.73     | (35.27)        | 400.00     | 41.52      | (358.48)     |
| TOTAL INCOME             | 1,600.00 | 9,318.13 | 7,718.13       | 508,562.00 | 540,854.75 | 32,292.75    |

|                          | BUDGET    | ACTUAL    | CURR. VARIANCE | YTD BUDGET | YTD ACTUAL | YTD VARIANCE |
|--------------------------|-----------|-----------|----------------|------------|------------|--------------|
| EXPENSES                 |           |           |                |            |            |              |
| 7010 RESERVE EXPENSE     | 3,500.00  | 3,500.00  | 0.00           | 35,000.00  | 35,000.00  | 0.00         |
| 7030 MANAGEMENT FEES     | 6,524.00  | 5,724.00  | 800.00         | 65,240.00  | 57,240.00  | 8,000.00     |
| 7040 LEGAL FEES          | 700.00    | 975.63    | (275.63)       | 7,000.00   | 10,997.81  | (3,997.81)   |
| 7045 LEGAL COLLECTIONS   | 1,260.00  | 8,642.06  | (7,382.06)     | 12,600.00  | 30,448.61  | (17,848.61)  |
| 7055 AUDIT FEES          | 0.00      | 0.00      | 0.00           | 2,200.00   | 0.00       | 2,200.00     |
| 7060 GENERAL & ADMIN.    | 826.00    | 2,489.44  | (1,663.44)     | 8,260.00   | 7,483.35   | 776.65       |
| 7070 BANK CHARGES        | 0.00      | 18.90     | (18.90)        | 0.00       | 462.75     | (462.75)     |
| 7080 COMMUNICATIONS      | 1,770.00  | 1,790.97  | (20.97)        | 7,080.00   | 9,836.20   | (2,756.20)   |
| 7086 BAD DEBT EXPENSE    | 1,500.00  | 0.00      | 1,500.00       | 3,000.00   | 2,957.42   | 42.58        |
| 7090 MISC ADMINISTRATIVE | 90.00     | 75.00     | 15.00          | 900.00     | 704.00     | 196.00       |
| TOTAL ADMINISTRATIVE     | 16,170.00 | 23,216.00 | (7,046.00)     | 141,280.00 | 155,190.14 | (13,850.14)  |

|                         |       |      |       |          |          |        |
|-------------------------|-------|------|-------|----------|----------|--------|
| 7130 INSURANCE          | 0.00  | 0.00 | 0.00  | 6,500.00 | 6,324.00 | 176.00 |
| TOTAL TAXES & INSURANCE | 0.00  | 0.00 | 0.00  | 6,500.00 | 6,324.00 | 176.00 |
| 7210 AC COMMITTEE       | 25.00 | 0.00 | 25.00 | 250.00   | 0.00     | 250.00 |

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|--------------------------------|--------------------|--------------------|--------------------|-------------------|-------------------|--------------------|
| 7220 COVENANT CONTROL          | 60.00              | 70.55              | (10.55)            | 600.00            | 495.72            | 104.28             |
| 7225 COV. COORDINATOR          | 2,320.00           | 3,120.00           | (800.00)           | 23,200.00         | 31,200.00         | (8,000.00)         |
| 7230 SOCIAL EVENTS             | 0.00               | 0.00               | 0.00               | 25,480.00         | 20,000.00         | 5,480.00           |
| <b>TOTAL COMMITTEE EXPENSE</b> | <b>2,405.00</b>    | <b>3,190.55</b>    | <b>(785.55)</b>    | <b>49,530.00</b>  | <b>51,695.72</b>  | <b>(2,165.72)</b>  |
| 7410 LANDSCAPE MAINT           | 2,500.00           | 10,405.95          | (7,905.95)         | 19,000.00         | 35,541.78         | (16,541.78)        |
| 7412 IRRIGATION                | 4,000.00           | 1,172.60           | 2,827.40           | 23,960.00         | 38,913.97         | (14,953.97)        |
| 7415 LANDSCAPE PROJECT         | 0.00               | 0.00               | 0.00               | 19,519.00         | (9,799.06)        | 29,318.06          |
| 7417 FENCING MAINTENANCE       | 300.00             | 1,290.00           | (990.00)           | 3,000.00          | 4,738.86          | (1,738.86)         |
| 7420 LIGHTING REPAIRS          | 0.00               | 61.08              | (61.08)            | 225.00            | 163.37            | 61.63              |
| 7550 SNOW REMOVAL              | 0.00               | 0.00               | 0.00               | 4,500.00          | 2,441.27          | 2,058.73           |
| 7551 TRASH REMOVAL             | 15,385.00          | 15,543.43          | (158.43)           | 148,705.00        | 149,152.57        | (447.57)           |
| 7580 CONTINGENCY               | 0.00               | 0.00               | 0.00               | 0.00              | 2,249.80          | (2,249.80)         |
| <b>TOTAL COMMON AREA MAINT</b> | <b>22,185.00</b>   | <b>28,473.06</b>   | <b>(6,288.06)</b>  | <b>218,909.00</b> | <b>223,402.56</b> | <b>(4,493.56)</b>  |
| <b>TOTAL EXPENSES</b>          | <b>40,760.00</b>   | <b>54,879.61</b>   | <b>(14,119.61)</b> | <b>416,219.00</b> | <b>436,552.42</b> | <b>(20,333.42)</b> |
| <b>NET PROFIT/LOSS</b>         | <b>(39,160.00)</b> | <b>(45,561.48)</b> | <b>(6,401.48)</b>  | <b>92,343.00</b>  | <b>104,302.33</b> | <b>11,959.33</b>   |

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WESTERN STATES PROPERTY SERVICES, INC.

|                              | BUDGET   | ACTUAL      | CURR. VARIANCE | YTD BUDGET   | YTD ACTUAL   | YTD VARIANCE |
|------------------------------|----------|-------------|----------------|--------------|--------------|--------------|
| RESERVE REVENUE              |          |             |                |              |              |              |
| 9200 TRANSFER TO RESERVES \$ | 3,500.00 | \$ 3,500.00 | \$ 0.00        | \$ 35,000.00 | \$ 35,000.00 | \$ 0.00      |
| 9350 INTEREST INCOME         | 0.00     | 0.00        | 0.00           | 0.00         | 15,801.89    | 15,801.89    |
| TOTAL REVENUE                | 3,500.00 | 3,500.00    | 0.00           | 35,000.00    | 50,801.89    | 15,801.89    |
| EXPENSE                      |          |             |                |              |              |              |
| 9550 ROCK WALL               | 0.00     | 0.00        | 0.00           | 0.00         | 6,960.00     | (6,960.00)   |
| TOTAL EXPENSES               | 0.00     | 0.00        | 0.00           | 0.00         | 6,960.00     | (6,960.00)   |
| EXCESS/LOSS OF RESERVES      | 3,500.00 | 3,500.00    | 0.00           | 35,000.00    | 43,841.89    | 8,841.89     |