Monthly Operating Report

ACCRUAL BASIS

CASE NAME:	RE Loans, LLC
CASE NUMBER:	11-35865-bjh-11
JUDGE:	Houser

UNITED STATES BANKRUPTCY COURT

NORTHERN
DISTRICT OF
TEXAS

DIVISION 6

MONTHLY OPERATING REPORT

MONTH ENDING: February 29, 2012

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

Managing Director Mackinac Partners
TITLE

Farley Dakan
PRINTED NAME OF RESPONSIBLE PARTY

DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER

TITLE

Kathleen Haley
PRINTED NAME OF PREPARER

3/20/12
DATE

Monthly Operating Report

ACCRUAL BASIS

CASE NAME:	RE Loans, LLC
CASE NUMBER:	11-35865-bjh-11
JUDGE:	Houser

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

DIVISION 6

MONTHLY OPERATING REPORT

MONTH ENDING: February 29, 2012

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

DIVISION 6

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RESPONSIBLE PARTY:

ORIGINAL SIGNATURE OF RESPONSIBLE PARTY	Managing Director Mackinac Partners TITLE
Farley Dakan PRINTED NAME OF RESPONSIBLE PARTY	DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER	TITLE
Kathleen Haley PRINTED NAME OF PREPARER	DATE

Monthly Operating Report

CASE NAME: RE Loans, LLC

CASE NUMBER: 11-35865-bjh-11

ACCRUAL BASIS-1

COMPARATIVE BALANCE SHEET

ASSETS	SCHEDULE AMOUNT	12/31/11	1/31/12	2/29/12
1. UNRESTRICTED CASH	$8,113	$566,793	$17,062	$21,822
2. RESTRICTED CASH		$335,673	$335,676	$335,678
3. TOTAL CASH	$8,113	$902,465	$352,737	$357,500
4. ACCOUNTS RECEIVABLE (NET)*	$88,047,517	$43,904,296	$43,209,724	$43,209,724
5. INVENTORY				
6. NOTES RECEIVABLE*	$546,111,350	$579,506,169	$573,383,981	$573,383,981
7. PREPAID EXPENSES	$500,000	$590,354	$615,354	$615,354
8. OTHER (ATTACH LIST)				
9. TOTAL CURRENT ASSETS	$634,666,979	$624,903,284	$617,561,797	$617,566,559
10. PROPERTY, PLANT & EQUIPMENT**	$48,938,200	$48,938,200	$48,938,200	$48,938,200
11. LESS: ACCUMULATED DEPRECIATION / DEPLETION				
12. NET PROPERTY, PLANT & EQUIPMENT	$48,938,200	$48,938,200	$48,938,200	$48,938,200
13. DUE FROM INSIDERS	$21,034,445	$22,929,336	$23,015,833	$23,055,203
14. OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)				
15. OTHER (ATTACH LIST)	($31,104,350)	($32,153,822)	($32,441,828)	($32,465,039)
16. **TOTAL ASSETS**	$673,535,274	$664,616,998	$657,074,001	$657,094,922
POSTPETITION LIABILITIES				
17. ACCOUNTS PAYABLE		$77,358	$4,563	$12,140
18. TAXES PAYABLE		$906,585	$838,860	$891,411
19. NOTES PAYABLE		$3,659,213	$4,185,102	$6,089,441
20. PROFESSIONAL FEES		$2,350,793	$3,171,864	$2,823,817
21. SECURED DEBT				
22. OTHER (ATTACH LIST)		$30,450	$43,969	$54,721
23. TOTAL POSTPETITION LIABILITIES		$7,024,400	$8,244,358	$9,871,530
PREPETITION LIABILITIES				
24. SECURED DEBT	$73,612,922	$69,023,200	$68,241,162	$68,752,728
25. PRIORITY DEBT	$797,468,215	$815,698,400	$821,209,190	$826,719,981
26. UNSECURED DEBT				
27. OTHER (ATTACH LIST)	$32,896,272	$33,388,739	$33,364,914	$33,326,459
28. TOTAL PREPETITION LIABILITIES	$903,977,409	$918,110,339	$922,815,266	$928,799,167
29. **TOTAL LIABILITIES**	$903,977,409	$925,134,739	$931,059,624	$938,670,697
EQUITY				
30. PREPETITION OWNERS' EQUITY	($230,442,135)	($230,442,135)	($230,442,135)	($230,442,135)
31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)		($30,075,606)	($43,543,488)	($51,133,640)
32. DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)				
33. TOTAL EQUITY	($230,442,135)	($260,517,741)	($273,985,623)	($281,575,775)
34. **TOTAL LIABILITIES & OWNERS' EQUITY**	$673,535,274	$664,616,998	$657,074,001	$657,094,922

* As of September 30, 2010, management has not adjusted or analyzed the allowance for loan losses or real estate held for sale. The absence of any adjustment is not consistent with accounting standards generally accepted in the United States of America.

** **Original schedule listed asset at the unpaid principal balance at time property became REO. There had been subsequent payments on some of the assets. Additionally, there was an allowance for real estate owned that has not been analyzed or adjusted since September 30, 2010.**

*** **During January 2012, a retainer balance of $25,000 that was paid prepetioned was discovered. This resulted in an increase to prepaids and a decrease to due from insiders**

Monthly Operating Report

CASE NAME: RE Loans, LLC

ACCRUAL BASIS-1A

CASE NUMBER: 11-35865-bjh-11

MONTH: 2/29/2012

COMPARATIVE BALANCE SHEET Supplemental Information

OTHER ASSETS		12/31/11	1/31/12	2/29/12
Investment in RE Futures		($2,562,237)	($2,575,673)	($2,589,159)
Investment in Capital Salvage		($30,471,585)	($30,746,156)	($30,755,880)
Investment in RE Reno		$880,000	$880,000	$880,000
TOTAL		($32,153,822)	($32,441,828)	($32,465,039)

Due from insiders		12/31/11	1/31/12	2/29/12
Postpetition				
Capital Salvage		$203,198	$301,259	$328,369
RE Futures		$131,210	$144,645	$156,905
Prepetition				
B-4 Partners LLC **		$22,484,348	$22,459,348	$22,459,348
Capital Salvage		$110,581	$110,581	$110,581
TOTAL		$22,929,336	$23,015,833	$23,055,203

OTHER Postpetition Liabilities		12/31/2011	1/31/12	2/29/12
Accrued interest on DIP loan		$30,450	$43,969	$54,721
TOTAL		$30,450	$43,969	$54,721

OTHER Prepetitioned Liabilities		12/31/2011	1/31/12	2/29/12
Loan servicing fees payable		$10,218,249	$10,218,249	$10,218,249
Portfolio management fees payable		$22,635,099	$22,635,099	$22,635,099
Accrued interest on LOC		$535,391	$511,566	$473,111
TOTAL		$33,388,739	$33,364,914	$33,326,459

** During January 2012, a retainer balance of $25,000 that was paid prepetioned was discovered. This resulted in an increase to prepaids and a decrease to due from B-4 Partners LLC

Monthly Operating Report

CASE NAME: RE Loans, LLC

CASE NUMBER: 11-35865-bjh-11

ACCRUAL BASIS-2

INCOME STATEMENT

	12/31/2011	1/31/2012	2/29/2012	MONTH
REVENUES				
1. GROSS REVENUES	$8,250	$1,250	$1,250	
2. LESS: RETURNS & DISCOUNTS				
3. NET REVENUE	$8,250	$1,250	$1,250	$0
COST OF GOODS SOLD				
4. MATERIAL				
5. DIRECT LABOR				
6. DIRECT OVERHEAD				
7. TOTAL COST OF GOODS SOLD	$0	$0	$0	$0
8. GROSS PROFIT	$8,250	$1,250	$1,250	$0
OPERATING EXPENSES				
9. OFFICER / INSIDER COMPENSATION				
10. SELLING & MARKETING				
11. GENERAL & ADMINISTRATIVE	$535,608	$510,929	$191,379	
12. RENT & LEASE	$3,500	$3,500	$3,500	
13. OTHER - LOSS ON SALE OF LOAN		$5,498,576		
14. TOTAL OPERATING EXPENSES	$539,108	$6,013,005	$194,879	$0
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	($530,858)	($6,011,755)	($193,629)	$0
OTHER INCOME & EXPENSES				
16. NON-OPERATING INCOME (ATT. LIST)				
17. NON-OPERATING EXPENSE (ATT. LIST)				
18. INTEREST EXPENSE	$5,794,576	$6,066,326	$6,038,623	
19. DEPRECIATION / DEPLETION				
20. AMORTIZATION				
21. OTHER (ATTACH LIST)				
22. NET OTHER INCOME & EXPENSES	$5,794,576	$6,066,326	$6,038,623	$0
REORGANIZATION EXPENSES				
23. PROFESSIONAL FEES	$830,695	$1,370,801	$1,357,900	
24. U.S. TRUSTEE FEES		$13,000		
25. OTHER (ATTACH LIST)				
26. TOTAL REORGANIZATION EXPENSES	$830,695	$1,383,801	$1,357,900	$0
27. INCOME TAX		$6,000		
28. NET PROFIT (LOSS)	($7,156,129)	($13,467,882)	($7,590,152)	$0

Monthly Operating Report

CASE NAME: RE Loans, LLC

CASE NUMBER: 11-35865-bjh-11

ACCRUAL BASIS-3

CASH RECEIPTS AND DISBURSEMENTS	12/31/2011	1/31/2012	2/29/2012	QUARTER TOTAL
1. CASH - BEGINNING OF MONTH	$2,677,779	$566,792	$17,062	$2,677,779
RECEIPTS FROM OPERATIONS				
2. CASH SALES interest income	$8,250	$1,250	$1,250	$10,750
COLLECTION OF ACCOUNTS RECEIVABLE				
3. PREPETITION				
4. POSTPETITION				
5. TOTAL OPERATING RECEIPTS	$8,250	$1,250	$1,250	$10,750
NON - OPERATING RECEIPTS				
6. LOANS & ADVANCES (ATTACH LIST)	5,727,277	797,625	1,861,451	8,386,353
7. SALE OF ASSETS		$1,000,000		
8. OTHER (ATTACH LIST)				
9. TOTAL NON-OPERATING RECEIPTS	$5,727,277	$1,797,625	$1,861,451	$8,386,353
10. TOTAL RECEIPTS	$5,735,527	$1,798,875	$1,862,701	$8,397,103
11. TOTAL CASH AVAILABLE	$8,413,306	$2,365,667	$1,879,763	$11,074,882
OPERATING DISBURSEMENTS				
12. NET PAYROLL	$21,800	21,800	$21,800	$65,400
13. PAYROLL TAXES PAID	$1,668	2,562	$1,922	$6,151
14. SALES, USE & OTHER TAXES PAID				$0
15. SECURED / RENTAL / LEASES	$3,500	$3,500	$3,500	$10,500
16. UTILITIES	$3,624	5,195	$2,360	$11,179
17. INSURANCE	$26,284	24,743	$12,741	$63,768
18. INVENTORY PURCHASES				$0
19. VEHICLE EXPENSES				$0
20. TRAVEL				$0
21. ENTERTAINMENT				$0
22. REPAIRS & MAINTENANCE	$834	851	$1,009	$2,694
23. SUPPLIES	$726	2,505	$1,852	$5,083
24. ADVERTISING				$0
25. OTHER (ATTACH LIST)	6,299,758	1,724,720	106,810	8,131,288
26. TOTAL OPERATING DISBURSEMENTS	$6,358,194	$1,785,876	$151,994	$8,296,064
REORGANIZATION EXPENSES				
27. PROFESSIONAL FEES	1,488,320	549,730	1,705,947	3,743,997
28. U.S. TRUSTEE FEES		$13,000	$0	$13,000
29. OTHER (ATTACH LIST)				$0
30. TOTAL REORGANIZATION EXPENSES	$1,488,320	$562,730	$1,705,947	$3,756,997
31. TOTAL DISBURSEMENTS	$7,846,514	$2,348,606	$1,857,941	$12,053,061
32. NET CASH FLOW	($2,110,987)	($549,731)	$4,760	($3,655,957)
33. CASH - END OF MONTH	$566,792	$17,062	$21,822	($978,178)

Monthly Operating Report

CASE NAME: RE Loans, LLC

CASE NUMBER: 11-35865-bjh-11

ACCRUAL BASIS-3A

MONTH: 2/29/2012

Loan receipts	12/31/2011	1/31/2012	2/29/2012
Mortgage loan borrowers	3,258,183	317,429	
LOC advances	2,468,013	479,114	1,860,370
Refund of expenses paid	-		
Payment on operating expenses advanced	1,081	1,081	1,081
TOTAL	5,727,277	797,625	1,861,451
OPERATING DISBURSEMENTS OTHER			
Security	-	-	
Postage	2,819	1,017	439
Bank Fees	1,533	1,163	883
Storage	81	81	81
Cleaning	1,130	370	500
Accounting	66,378	31,923	4,563
Legal	48,523	96,244	-
Marketing	88,000	-	-
IT	3,418	40,898	522
Property taxes		104,121	59,308
LLC taxes		6,000	-
Real Estate consulting fees		5,000	
Property management fees		9,878	
License and permits		455	
Payroll processing fees		280	62
Payments on LOC	5,942,536	1,317,429	-
Payments made on behalf of Cap Salvage	76,623	96,425	28,192
Payments made on behalf of RE Futures	68,717	13,435	12,260
TOTAL	6,299,758	1,724,720	106,810

Monthly Operating Report

CASE NAME: RE Loans, LLC

CASE NUMBER: 11-35865-bjh-11

ACCRUAL BASIS-4

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	12/31/11	1/31/12	2/29/12
1. 0-30				
2. 31-60				
3. 61-90				
4. 91+		$ 87,716,296	$ 87,021,724	$ 87,021,724
5. TOTAL ACCOUNTS RECEIVABLE	$0	$87,716,296	$87,021,724	$87,021,724
6. AMOUNT CONSIDERED UNCOLLECTIBLE ***		$43,812,000	$43,812,000	$43,812,000
7. ACCOUNTS RECEIVABLE (NET)	$0	$43,904,296	$43,209,724	$43,209,724

AGING OF POSTPETITION TAXES AND PAYABLES MONTH: 2/29/2012

TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL					
2. STATE					
3. LOCAL					
4. OTHER - Real Property	88,750	249,425	306,200	223,100	867,475
5. TOTAL TAXES PAYABLE	$88,750	$249,425	$306,200	$223,100	$867,475
6. ACCOUNTS PAYABLE	$4,563				$4,563

STATUS OF POSTPETITION TAXES MONTH: 2/29/2012

FEDERAL	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD AND/ 0R ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
1. WITHHOLDING**				
2. FICA-EMPLOYEE**				
3. FICA-EMPLOYER**				
4. UNEMPLOYMENT				
5. INCOME				
6. OTHER (ATTACH LIST)				
7. TOTAL FEDERAL TAXES	$0	$0	$0	$0
STATE AND LOCAL				
8. WITHHOLDING				
9. SALES				
10. EXCISE				
11. UNEMPLOYMENT				
12. REAL PROPERTY	$ 838,860	$ 111,859	$59,308	$ 891,411
13. PERSONAL PROPERTY				
14. OTHER (ATTACH LIST)				
15. TOTAL STATE & LOCAL	$838,860	$111,859	$59,308	$891,411
16. TOTAL TAXES	$838,860	$111,859	$59,308	$891,411

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.

** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

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Monthly Operating Report

CASE NAME: RE Loans, LLC

CASE NUMBER: 11-35865-bjh-11

ACCRUAL BASIS-4A

MONTH: 2/29/2012

NOTES RECEIVABLE LISTING			NOTES RECEIVABLE	ACCRUED INTEREST	
1.	CANYON CLUB INC.		$ 61,146,348	$ 15,278,211	
2.	RANCHO LAS FLORES		$ 55,241,524	$ 12,131,947	
3.	VANTAGE LOFTS, LLC		$ 37,510,943	$ 8,990,294	
4	HARMONY HOLDINGS LLC		$ 35,065,580	$ 13,327,229	
5	LAKEVIEW HOMES AT THE		$ 26,578,302	$ 3,024,976	
6	2718 SANTA ROSA LLC		$ 23,500,000	$ 6,868,438	
7	2718 Santa Rosa		$ 23,438,885	$ 6,550,144	
8	MOSES POINTE, LLC		$ 18,499,087	$ 4,573,582	
9	WEYRICH DEVELOPMENT		$ 6,500,000	$ -	
10	COTTONWOOD HILLS LLC		$ 9,942,887	$ 1,486,429	
11	WOODBRIDGE AT PORTOLA		$ 9,195,180	$ 1,556,883	
12	J.C. REEVES CORPORATION		$ 6,776,495	$ 1,700,228	
13	WEYRICH DEVELOPMENT		$ 5,367,742	$ 1,624,110	
14	CIRCLE H RANCH, LLC		$ 5,669,446	$ 191,509	
15	ARLIN GEOPHYSICAL		$ 5,616,478	$ 1,852,053	
16	LAS COLINAS OF		$ 5,091,710	$ 1,246,077	
17	DEVILLE DEVELOPMENT, LLC		$ 3,750,000	$ 861,781	
18	ANTHONY KELLEY		$ 650,000	$ -	
19	PEND OREILLE BONNER		$ 277,904	$ 17,283	
20	S. C. Club, LP		$ 1,489	$ 125	
21	Pacific Inv Advisors		$ 700,000	$ -	
22	Dwaine Taylor		$ 125,000	$ -	
24	All-American Bottled Water		$ 23,739,666	$ -	
26	BRAVO MARSHALL		$ 16,166,967	$ 3,120,552	
27	ZOHOURI (Solaris & Worthington)		$ 21,888,726	$ 298,947	
28	OTAY RANCH JC R-4 LLC		$ 20,257,863	$ -	
29	PERDIDO (CAP SALVAGE REO)		$ 6,214,926	$ 896,614	
30	SARATOGA (CAP SALVAGE REO)		$ 5,683,119	$ 1,424,314	
31	ADAMS CANYON RANCH		$ 40,026,027	$ -	
32	PINNACLE DEVELOPMENT (Georgetown property)		$ 90,647,953	$ -	
33	WEYRICH DEVELOPMENT		$ 8,113,732	$ -	
34					
35					
36	TOTAL NOTES RECEIVABLE		$ 573,383,981	$ 87,021,724	
37	AMOUNT CONSIDERED UNCOLLECTIBLE ***			$ 43,812,000.00	
38	ACCOUNTS RECEIVABLE (NET)	$0	$573,383,981	$43,209,724	$0

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Monthly Operating Report

ACCRUAL BASIS-5

CASE NAME:	RE Loans, LLC
CASE NUMBER:	11-35865-bjh-11

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

MONTH: 2/29/2012

BANK RECONCILIATIONS	Account #1	Account #2	Account #3	
A. BANK:	Wells Fargo	Wells Fargo	Wells Fargo	
B. ACCOUNT NUMBER:	1605107700	1605113026*	1605109673*	TOTAL
C. PURPOSE (TYPE):	Checking	Checking - Circle H Ranch	Savings - Lakeview	
1. BALANCE PER BANK STATEMENT	$42,134	$215,933	$119,744	$377,812
2. ADD: TOTAL DEPOSITS NOT CREDITED	$0			$0
3. SUBTRACT: OUTSTANDING CHECKS	$20,313			$20,313
4. OTHER RECONCILING ITEMS				$0
5. MONTH END BALANCE PER BOOKS	$21,822	$215,933	$119,744	$357,500
6. NUMBER OF LAST CHECK WRITTEN	40306			

INVESTMENT ACCOUNTS

BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			$0	$0

CASH

12. CURRENCY ON HAND	$0
13. **TOTAL CASH - END OF MONTH**	$357,500

Monthly Operating Report

ACCRUAL BASIS-5

CASE NAME:	RE Loans, LLC
CASE NUMBER:	11-35865-bjh-11

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

MONTH: 2/29/2012

BANK RECONCILIATIONS	Account #4	Account #5	Account #6	
A. BANK:	Wells Fargo	Wells Fargo	Wells Fargo	
B. ACCOUNT NUMBER:	4123513798	4123513806	1605112828	TOTAL
C. PURPOSE (TYPE):	payroll	tax	DIP Checking	
1. BALANCE PER BANK STATEMENT	$0	$0	$0	$0
2. ADD: TOTAL DEPOSITS NOT CREDITED				$0
3. SUBTRACT: OUTSTANDING CHECKS				$0
4. OTHER RECONCILING ITEMS				$0
5. MONTH END BALANCE PER BOOKS	$0	$0	$0	$0
6. NUMBER OF LAST CHECK WRITTEN				

INVESTMENT ACCOUNTS				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			$0	$0

CASH		
12. CURRENCY ON HAND		$0

13. **SUBTOTAL CASH - END OF MONTH OF SHEET**	$0

Monthly Operating Report

ACCRUAL BASIS-6

CASE NAME:	RE Loans, LLC
CASE NUMBER:	11-35865-bjh-11

MONTH: 2/29/2012

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)-(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1. Lend, Inc.	Operating expense reimbursement	$26,488	$151,971
2. Bray, LLC	Office Rent	$7,000	$17,500
3.			
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS		$33,488	$169,471

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID *
1. FTI Consulting ***			$ 167,354	$ 443,457	$ 230,000
2. Akin Gump Strauss Haeur & Feld LLP ***			$ 225,370	$ 700,000	$ 466,352
3. Stutman, Treister & Glatt ***	N/A	N/A	$ 364,832	$ 827,140	$ 246,823
4. Gardere Wynne Sewell LLP ***	N/A	N/A	$ 105,094	$ 265,385	$ 80,000
5. McDermott Will and Emory ***					$ 14,479
6. K&L Gates ***	N/A	N/A	$ 339,323	$ 807,016	$ 605,224
7. Hines Smith Carder ***			$ 43,455	$ 84,979	$ 320,872
8. Mackinac Partners ***			$ 460,518	$ 1,250,633	$ 860,067
9. TOTAL PAYMENTS TO PROFESSIONALS		$0	$1,705,947	$4,378,610	$2,823,816

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1. Wells Fargo Foothill			$64,976,605
2.			
3.			
4.			
5.			
6. TOTAL	$0	$0	$64,976,605

*** "Includes actual amounts if invoices were submitted by specified professional groups. If no invoices were submitted, estimates are based on the DIP budget

Monthly Operating Report

CASE NAME: RE Loans, LLC

CASE NUMBER: 11-35865-bjh-11

ACCRUAL BASIS-7

MONTH: 2/29/2012

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?	X	
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?	X	
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?	X	
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?	X	
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

#3 - The operating expenses for RE Loans, RE Futures and Capital Salvage are drawn from the RE Loans operating account, therefore operating expenses allocated to Capital Salvage and RE Futures are listed in the form of a receivable from related party
#4 - There were payments on the Wells Fargo Line of Credit during December and January.
#5 - There is an interim DIP loan from Wells Fargo Capital Finance
#8 - There are postpetition real property taxes due on various properties

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Commercial General Liability	Century Surety Co	6/12/11-6/12/12	$ 4,866.51 Monthly
Property - Triple S. Ranch		12/2/11-12/2/12	$ 10,980.27 Annual
Business Insurance	Hartford	2/1/12-2/29/12	$ 518.00 Monthly
Medical insurance premiums	Health Net	1/1/12-1/31/12	$ 7,355.80 Monthly

** General liablity policy covers RE Loans, Capital Salvage and RE Futures. The monthly premium is the total monthly policy premium