

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re: SOUTH EDGE, LLC, Debtor

Case No. 10-32968 (BAM)

CHAPTER 11
MONTHLY OPERATING REPORT [A]
(REAL ESTATE CASE)

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: Sep-11

PETITION DATE: 12/9/2010

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor). Dollars reported in \$1

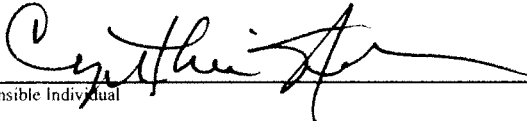
	End of Current Month	End of Prior Month	As of Petition Filing
2. Asset and Liability Structure			
a. Current Assets	\$1,092,865	\$888,110	
b. Total Assets	\$514,414,465	\$514,584,962	\$514,648,287
c. Current Liabilities	\$11,658,586	\$4,948,880	
d. Total Liabilities	\$465,579,859	\$458,870,153	\$457,857,897
			Cumulative (Case to Date)
3. Statement of Cash Receipts & Disbursements for Month	Current Month	Prior Month	
a. Total Receipts	\$7,832,221	\$0	\$16,628,782
b. Total Disbursements	\$7,627,465	\$310,418	\$15,567,591
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$204,756	(\$310,418)	\$1,061,191
d. Cash Balance Beginning of Month	\$888,110	\$1,198,528	\$31,674
e. Cash Balance End of Month (c + d)	\$1,092,865	\$888,110	\$1,092,865
			Cumulative (Case to Date)
4. Profit/(Loss) from the Statement of Operations	Current Month	Prior Month	
	(\$6,880,204)	(\$410,918)	(\$8,566,528)
5. Account Receivables (Pre and Post Petition)	\$0	\$0	
6. Post-Petition Liabilities	\$11,658,586	\$4,948,880	
7. Past Due Post-Petition Account Payables (over 30 days)	\$87,574	\$43,444	

At the end of this reporting month:

- | | Yes | No |
|--|-----|----|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) [2] [3] | | X |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) [4] | X | |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | X | |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | | X |
| 12. Is the estate insured for replacement cost of assets and for general liability? | X | |
| 13. Are a plan and disclosure statement on file? | X | |
| 14. Was there any post-petition borrowing during this reporting period? ^[1] | X | |
15. **Check if paid:** Post-petition taxes [2] ; U.S. Trustee Quarterly Fees X ; Check if filing is current for: Post-petition tax reporting and tax returns: X .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 10/20/11


Responsible Individual

[A] The Trustee reserves the right to amend the Monthly Operating Reports (the "MORs") in all respects at any time as may be necessary and appropriate.
[1] The Trustee was authorized to obtain Trustee in Possession ("TIP") financing funded by the Builder Lenders pursuant to the Final Order entered 8/15/11. The Trustee made an initial draw of \$3,430,000 on 7/29/11 and a subsequent draw of \$7,050,000 on 9/2/11.
[2] Priority secured pre-petition claims related to the 3rd and 4th installments of property taxes (plus penalties/interest) were paid on 7/29/11 following the initial TIP loan draw, effectively bringing property taxes current with the County.
[3] Invoices for the Gap period for NV Energy of \$59.49 and Republic Services of \$37.02 were approved and paid on 6/28/11.
[4] Payment of \$4.0M was made to estate professionals on 9/12/11 covering 85% of fees and 100% of expenses from February - July pursuant to the Interim Compensation Order. Payment of the 15% holdback of fees for the first interim fee application period (February - June) totaling \$562K was approved and will be paid after the post-effective date in accordance with the budget submitted with the TIP Agreement. Lender professional fees of \$2.4M were paid on 9/8/11 pursuant to the Plan Support Agreement.

STATEMENT OF OPERATIONS
(Real Estate Case)

For the Month Ended 09/30/11

Current Month				Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance			
\$0	N/A	N/A	Revenues:		
\$0	N/A	N/A	1 Rent/Leases	\$0	N/A
\$0	N/A	N/A	2 Real Property Sales Gross	\$0	N/A
\$0	N/A	N/A	3 Interest	\$0	N/A
\$0	N/A	N/A	4 Other	\$70	N/A
	N/A	N/A	5		N/A
	N/A	N/A	6		N/A
\$0	N/A	N/A	7 Total Revenues	\$570	N/A
			Expenses:		
\$0	N/A	N/A	8 Cost of Property Sold	\$0	N/A
			8a Initial Cost & Improvement		
			8b less: Depreciation Taken		
\$0	N/A	N/A	9 Selling	\$0	N/A
\$0	N/A	N/A	10 Administrative	\$0	N/A
\$0	N/A	N/A	11 Interest	\$0	N/A
\$0	N/A	N/A	12 Compensation to Owner(s)/Officer(s)	\$0	N/A
\$0	N/A	N/A	13 Salaries	\$0	N/A
\$0	N/A	N/A	14 Commissions	\$0	N/A
\$0	N/A	N/A	15 Management Fees	\$0	N/A
			Rent/Lease:		
\$0	N/A	N/A	16 Personal Property	\$0	N/A
\$0	N/A	N/A	17 Real Property	\$0	N/A
\$23,131	N/A	N/A	18 Insurance	\$23,131	N/A
\$0	N/A	N/A	19 Depreciation	\$0	N/A
			Taxes:		
\$0	N/A	N/A	20 Employer Payroll Taxes	\$0	N/A
\$56,093	N/A	N/A	21 Real Property Taxes (including penalties/interest) ^[1]	\$232,411	N/A
\$0	N/A	N/A	22 Other Taxes	\$0	N/A
\$0	N/A	N/A	23 Other Expenses:	\$0	N/A
\$0	N/A	N/A	24 Accounting & Legal	\$17,430	N/A
\$0	N/A	N/A	25 Licenses & Fees	\$609	N/A
\$87	N/A	N/A	26 Bank Charges	\$636	N/A
\$2,760	N/A	N/A	27 Construction and Maintenance	\$23,995	N/A
\$4,667	N/A	N/A	28 Selling, General & Administrative	\$48,947	N/A
\$0	N/A	N/A	29 Marketing and Advertising	\$19,450	N/A
\$1,724	N/A	N/A	30 HOA Subsidies	\$8,319	N/A
\$379,425	N/A	N/A	31 LID T-18 Bond Assessments ^[2]	\$1,507,057	N/A
\$0	N/A	N/A	32 Surety Bond	\$36,501	N/A
8,267	N/A	N/A	33 Amortization of Bond Issuance Costs	\$82,667	N/A
\$11,694	N/A	N/A	34 Other Bankruptcy Related Expenses	\$90,091	N/A
\$10,437	N/A	N/A	35 Amortization of Prepaid Insurance	\$93,934	N/A
\$498,284	N/A	N/A	36 Total Expenses	\$2,185,178	N/A
(\$498,284)	N/A	N/A	37 Subtotal	(\$2,184,609)	N/A
			Reorganization Items:		
\$6,381,920	N/A	N/A	38 Professional Fees ^[3]	\$6,381,920	N/A
	N/A	N/A	39 Provisions for Rejected Executory Contracts		N/A
	N/A	N/A	40 Interest Earned on Accumulated Cash from		N/A
			41 Resulting Chp 11 Case		
	N/A	N/A	42 Gain or (Loss) from Sale of Equipment		N/A
	N/A	N/A	43 U.S. Trustee Quarterly Fees		N/A
	N/A	N/A	44		N/A
\$6,381,920	N/A	N/A	45 Total Reorganization Items	\$6,381,920	N/A
(\$6,880,204)	N/A	N/A	46 Net Profit (Loss) Before Federal & State Taxes	(\$8,566,528)	N/A
	N/A	N/A	47 Federal & State Income Taxes		N/A
(\$6,880,204)	N/A	N/A	48 Net Profit (Loss)	(\$8,566,528)	N/A

[1] - Property taxes includes monthly property tax accrual of \$56K for the tax year covering July 1, 2011 to June 30, 2012. The second property tax installment of \$168K for the July 1, 2011 to June 30, 2012 tax year was paid on September 27, 2011.

[2] - Represents accrued monthly interest on the LID T-18 bond assessment for September 2011. The LID T-18 bond assessment due December 1, 2011 is \$2.9M and comprised of \$664K of principal and \$2.3M of interest. The total payoff of the LID T-18 bonds as of December 1, 2011 is \$76.7M.

[3] - Represents an expense associated with the payment of estate and lender professional fees for \$4.0M and \$2.4M, respectively. See footnote [4] from the Summary of Financial Status for additional detail.

BALANCE SHEET
(Real Estate Case)
For the Month Ended 09/30/11

Assets		<u>From Schedules</u>	<u>Book Value</u>
Current Assets			
1	Checking Accounts		\$1,092,865
2	Money Market Accounts		\$0
3	Accounts receivable (net)	A	\$0
4			
5			
6	Other:		
7			
8	Total Current Assets		<u>\$1,092,865</u>
Property and Equipment (Book Value)			
9	Real property ^[4]	C	\$440,785,565
10	LID Development Cost ^[3]		\$850,969
11			
12			
13			
14			
15			
16			
17			
18			
19			
20	Total Property and Equipment		<u>\$441,636,534</u>
Other Assets			
21	Due from Affiliates		\$177,000
22	Loan Receivable ^[1]		\$8,230,367
23	MI Deposit ^[2]		\$25,038,267
24	Contribution Receivable		\$35,772,767
25	Prepaid Expenses ^[5]		\$1,005,721
26	Capitalized LID Bond Financing Cost		\$1,460,944
27			
28			
29	Total Other Assets		<u>\$71,685,066</u>
30	Total Assets		<u>\$514,414,465</u>

NOTE:

- * The value of all assets of South Edge, LLC (the "Debtor") were based on historical net book values from the Debtor's books and records, without any recognition or adjustment for potential impairments of value.
- ** See Global Notes in the Schedules of Assets and Liabilities (the "Schedules") and the Statement of Financial Affairs (the "Statement" and, collectively with the Schedules, the "Schedules and Statement") for discussion of recoveries from or obligations of any Member or such Member's affiliates in connection with capital calls made by the Debtor, or the Trustee, on behalf of the Estate, for any reason under applicable documents, or in connection with any other funding obligations with respect to land takedowns and major infrastructure payments, as well as any potential payments from Local Improvement District No. T-18.
- [1] Represents loans between member owners of the Debtor (or "Members") when certain Members covered the shortfall for capital calls on behalf of bankrupt or non-paying Members. The Debtor's books and records included a receivable ("Loan Receivable") from the bankrupt or non-paying Members and a corresponding payable ("Loan Payable") to the Members that covered the shortfall. The Loan Payable is included as a General Unsecured Claim in the Schedules and Statement.
- [2] Accrued interest on the MI Deposit has not been reflected in reported book balances. Also see Global Notes in Schedules and Statement for discussion of Member MI Deposit extinguishment. Repayment of \$2.9M advance from the MI Deposit used to pay down the LID Assessment due 6/1/11 was made in July following the initial TIP loan draw.
- [3] Costs associated with development of infrastructure required to release Local Improvement District T-18 Bond funds are capitalized. Includes \$624K of invoices received from Advantage Civil Design Group, LLP through the period ended 9/30/11.
- [4] Real property was reduced by \$624k in July for the acquisition of three segments of residential streets remaining within Village 1 (ST-E, G, and H) and \$783k in September for the acquisition of a section of the Village 1 sewer main (SM-1B). Both acquisitions were approved by City Council.
- [5] Prepaid expenses include \$112k in prepaid property taxes resulting from the September payment of \$168k for the 2nd installment of property taxes for the 2011 - 2012 tax year.

Liabilities and Equity
(Real Estate Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

31	Trustee in Possession Loan ^[1]	A	\$9,697,779
32	Accounts payable (trade)		\$337,457
33	Interest on LID Bond Payable ^[5]		\$1,497,817
34	Real Property Taxes (including penalties/interest) ^[6]		\$0
35	Accrued Expenses		\$3,600
36	Loan Payable		\$121,933
37	Other		\$0
38			
39			
40			
41			
42			
43			
44			
45	Total Current Liabilities		\$11,658,586

46 **Long-Term Post-Petition Debt, Net of Current Portion**

47	Total Post-Petition Liabilities		\$11,658,586
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Pre-Petition Liabilities (allowed amount)

48	Secured claims ^[2]	F	\$441,598,435
49	Priority unsecured claims ^[3]	F	\$25,621
50	General unsecured claims ^[4]	F	\$12,297,217
51	Total Pre-Petition Liabilities		\$453,921,273
52	Total Liabilities		\$465,579,859

Equity (Deficit)

53	Net Income (case-to-date)		(\$8,566,528)
54	Capital		\$204,763,841
55	Adjustment to Capital		(\$147,362,707)
56			
60	Total Equity (Deficit)		\$48,834,606

61	Total Liabilities and Equity (Deficit)		\$514,414,465
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NOTES:

[1] The Trustee made a second TIP loan draw on 9/2 (refer to footnote [1] from the Summary of Financial Status for further detail).

[2] A. Include the pre-petition LID Bond payable balance of \$74,439,453, which excludes LID assessments paid post-petition on 4/8/2011 and 6/1/11. The LID bond payable balance reported in Schedule D of the Schedules and Statement included interest and penalties as of 3/1/11 for the LID assessments that were paid post-petition.

B. Include principal of \$327,855,500 and interest of \$39,303,482, which were provided by JP Morgan Chase N.A. ("JP Morgan"), as administrative agent. The Trustee reserves all her rights to evaluate and determine the allowable amounts and nature of the lender's total claim and the allowed amounts and nature of its secured claim and any deficiency claim. No interest has been accrued post-petition.

C. Pre-petition secured claims reported in the Schedule D of the Schedules and Statement included property taxes for the 3rd and 4th installments related to the 2010-2011 tax year due 1/3/11 and 3/7/11, respectively. The 3rd and 4th installments were paid on 7/29/11 and have not been included in the pre-petition liabilities reported above.

[3] Represent outstanding invoices received between the date of the involuntary chapter 11 bankruptcy petition (12/9/10) and the date the bankruptcy court entered an order for relief (2/3/11) (the "Gap Claims") as reported in Schedule E of the Schedules and Statement. Invoices for the Gap period for NV Energy of \$59,49 and Republic Services of \$37.02 were approved and paid on 6/28/11.

[4] Include Loan Payables of \$8.1M between Members when certain Members covered the shortfall for capital calls on behalf of bankrupt or non-paying Members. The Debtor's books and records included a receivable from the bankrupt or non-paying Members and a corresponding payable to the Members that covered the shortfall. The general unsecured claims amount has been increased by \$25,000 for a pre-petition invoice received subsequent to the petition date and after the preparation of the March 2011 MOR.

[5] Refer to footnote [2] in Statement of Operations.

[6] Refer to footnote [5] in Balance Sheet Assets.

SCHEDULES TO THE BALANCE SHEET
(Real Estate Case)

Schedule A
Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Accounts Payable
0 -30 Days		\$249,882	
31-60 Days		\$49,969	
61-90 Days		\$50	\$87,574
91+ Days		\$37,555	
Total accounts receivable/payable ^[1]	\$0	\$337,457	
Allowance for doubtful accounts			
Accounts receivable (net)	\$0		

Schedule B
Inventory/Cost of Goods Sold
Not Applicable to Real Estate Cases

Schedule C
Real Property

Description	Cost	Market Value
Real Property [2]	\$440,785,565	Unknown
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$440,785,565	Unknown

Schedule D
Other Depreciable Assets

Description	Cost	Market Value
Machinery & Equipment -		
_____	_____	_____
_____	_____	_____
Total	\$0	Unknown
Furniture & Fixtures -		
_____	_____	_____
_____	_____	_____
Total	\$0	Unknown
Office Equipment -		
_____	_____	_____
_____	_____	_____
Total	\$0	Unknown
Leasehold Improvements -		
_____	_____	_____
_____	_____	_____
Total	\$0	Unknown
Vehicles -		
_____	_____	_____
_____	_____	_____
Total	\$0	Unknown

[1] The post-petition payable aging excludes the aging of Gap Claims as they are reported in Schedule E of the Schedules and Statement.

[2] See footnote [4] in Balance Sheet Asset Schedule (page 3).

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property (including penalties/interest)					\$0
Personal property					\$0
Income					\$0
LID Installment (including penalties)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed Amount</u>	<u>Allowed Amount (b)</u>
Secured claims (a)	\$441,598,435	N/A
Priority claims other than taxes (d)	\$25,621	N/A
Priority tax claims	\$0	N/A
General unsecured claims (c)	\$12,297,217	N/A

- (a) Outstanding property taxes for the period of July 1, 2009 - June 30, 2010 have been removed from the balance of Secured claims following the payment of the 3rd and 4th installments (plus penalties/interest) on 7/29/11. Refer to the Schedules and Statement for a listing of pre-petition claims.
- (b) The Trustee will review all claims for allowability.
- (c) Refer to footnote [4] in Balance Sheet Liability and Equity Schedule (page 4) for further detail.
- (d) Refer to footnote [3] in Balance Sheet Liability and Equity Schedule (page 4) for further detail.

**Schedule G
Rental Income Information**

List the Rental Information Requested Below By Properties

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>	<u>Property 4</u>
Description of Property	_____	_____	_____	_____
Scheduled Gross Rents	_____	_____	_____	_____
Less:				
Vacancy Factor	_____	_____	_____	_____
Free Rent Incentives	_____	_____	_____	_____
Other Adjustments	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Deductions	\$0	\$0	\$0	\$0
Scheduled Net Rents	\$0	\$0	\$0	\$0
Less: Rents Receivable *	_____	_____	_____	_____
Scheduled Net Rents Collected *	\$0	\$0	\$0	\$0

* To be completed by cash basis reporters only.

**Schedule H
Recapitulation of Funds Held at End of Month**

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	US Bank	_____	_____	_____
Account Type	Checking	_____	_____	_____
Account No.	██████████ 3355	_____	_____	_____
Account Purpose	General	_____	_____	_____
Bank Balance, End of Month	\$1,111,162	_____	_____	_____
Reconciling Items	\$18,297	_____	_____	_____
Book Balance, End of Month	\$1,092,866	_____	_____	_____
Total Funds on Hand for all Accounts	\$1,092,866	_____	_____	_____

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents
For the Month Ended 09/30/11

	Actual Current Month	Cumulative (Case to Date)
Cash Receipts		
1 LID T-18 Acquisition Payments ^[2]	\$782,221	\$2,419,612
2 LID Bond Assessment Advance	\$0	\$2,940,028
3 Capital Contributions	\$0	\$688,945
4 Other Receipts/ Reimbursements	\$0	\$100,197
5 Trustee in Possession Loan Draw ^[3]	\$7,050,000	\$10,480,000
6		
7		
8		
9		
10		
11		
12 Total Cash Receipts	\$7,832,221	\$16,628,782
Cash Disbursements		
13 Security and Maintenance	\$4,620	\$45,389
14 Surety Bond Payments	\$2,605	\$31,240
15 LID Improvement Costs	\$50,727	\$88,301
16 Other Construction Costs	\$67,906	\$67,906
17 LID Reimbursement Administration	\$146,954	\$429,642
18 Accounting, Taxes, and Outside Legal	\$0	\$122,996
18 HOA Subsidies	\$6,319	\$28,880
19 Marketing and Advertising	\$0	\$13,335
20 General, Administrative and Operations	\$5,654	\$184,635
20 LID T-18 Bond Assessments	\$0	\$2,940,028
21 Property Taxes	\$167,980	\$933,051
22 US Trustee Fees	\$0	\$13,000
23 Repayment of Delinquent LID Bond Assessment Advance ^[1]	\$0	\$3,439,652
24 Repayment of Trustee in Possession Loan	\$782,221	\$782,221
25 Estate Professional Fees	\$3,981,920	\$3,989,238
26 Estate Noticing Agent Fees	\$10,560	\$10,560
27 Agent Professional Fees	\$2,400,000	\$2,447,518
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39 Total Cash Disbursements:	\$7,627,465	\$15,567,591
40 Net Increase (Decrease) In Cash	\$204,756	\$1,061,191
41 Cash Balance, Beginning of Period	\$888,110	\$28,974
40 Cash Balance Adjustment^[4]	\$0	\$2,700
41 Adjusted Ledger Cash Balance, Beginning of Period	\$888,110	\$31,674
42 Cash Balance, End of Period	\$1,092,865	\$1,092,865

[1] Represents proceeds received from the MI Deposit which were used to pay LID T-18 Bond Assessments due 6/1/11. MI Deposit repaid plus interest following the initial TIP loan draw.

[2] The acquisition of three segments of residential streets in Village I (SP-E, G, and H) was approved by City Council on 7/5/11 and funded on 7/6/11. The Proceeds were used to repay the MI Deposit used to pay the LID T-18 bond assessment due 6/1/11. An additional segment was acquired in September for \$782k related to the Village I sewer main (SM-1B). These funds were used to pay down the TIP loan balance.

[3] The Trustee was authorized to obtain Trustee in Possession ("TIP") financing funded by the Builder Lenders pursuant to the Interim Order entered 7/25/11. The Trustee made an initial draw of \$3,430,000 on 7/29/11 and a subsequent draw of \$7,050,000 on 9/2/11.

[4] Adjustment was related to returned checks (\$2,700) from Eros Environmental, LLC which did not clear the bank and were voided.

South Edge, LLC
Bank Reconciliation

Bank Account Numbers:	
US Bank - General	Closed
US Bank - Draw Account	Closed
US Bank - Repurchase	Closed
US Bank - Ch. 11 Trustee	██████████ 3355

Statement Date **9/30/2011**

Bank Statement Beg Balance	1,059,284.68
Customer Deposits	
Other Deposits	7,832,221.05
Other Withdrawals	(7,164,227.91)
Checks Paid	(616,115.53)
Bank Statement End Balance	\$ 1,111,162.29

Outstanding Checks	
C&S Company, Inc.	9,247.00
CenturyLink	30.56
Eros Environmental	2,700.00
Inspirada Community Association	6,319.00
Total Outstanding Checks	18,296.56

Ledger Balance **\$ 1,092,865.73**



P.O. Box 1800
 Saint Paul, Minnesota 55101-0800
 3969 TRC 24 Y ST01

Business Statement

Account Number: [REDACTED] 3355
 Statement Period:
 Sep 1, 2011
 through
 Sep 30, 2011

Page 1 of 2

000014877 1 SP 106481274188646 P
 CYNTHIA NELSON, CHAPTER 11 TRUSTEE
 SOUTH EDGE LLC
 633 W 5TH ST STE 1600
 LOS ANGELES CA 90071-2030



To Contact U.S. Bank

Commercial Customer
 Service: 1-800-753-5801

Telecommunications Device
 for the Deaf: 1-800-685-5065

Internet: usbank.com

ANALYZED CHECKING

U.S. Bank National Association

Member FDIC

Account Number [REDACTED]-3355

Account Summary

	# Items	\$	
Beginning Balance on Sep 1		\$	1,059,161.89
Other Deposits	2		7,832,221.05
Other Withdrawals	7		7,164,227.91-
Checks Paid	24		615,992.74-
Ending Balance on Sep 30, 2011		\$	1,111,162.29

Other Deposits

Date	Description of Transaction	Ref Number	Amount
Sep 2	Wire Credit INTERNAL ORG=S EDGE BUILDERS	US BANK 110902008068 SETTLEMENT ESC 2300 W SAHAR	\$ 7,050,000.00
Sep 21	Wire Credit REF005282 ORG=418191 HENDERSON	BK NYC 110921025415 T-18 ACQUISITION FUND	782,221.05
Total Other Deposits			\$ 7,832,221.05

Other Withdrawals

Date	Description of Transaction	Ref Number	Amount
Sep 8	Electronic Withdrawal REF=11250011373438 N	From SAFEGUARD 1231689327CHK SUPPLYHXTXDF 27213231	\$ 87.33-
Sep 8	Wire Debit REF001131 BNF=SPECIAL LOAN GROUP	JPMCHASE NYC 110908011102 ATTN: DOUG KRAVITZ	2,400,000.00-
Sep 12	Wire Debit REF002795 BNF=SCHWARTZER &	CITY BEVERLY HILLS 110912025048 MCPHERSON LAW FIRM	66,809.83-
Sep 12	Wire Debit REF002816 BNF=JONES VARGAS	CITY BEVERLY HILLS 110912024972	133,614.54-
Sep 12	Wire Debit REF002783 BNF=FTI CONSULTING INC	BK AMER NYC 110912025212	1,566,160.92-
Sep 12	Wire Debit REF002766 BNF=MILBANK, TWEED,	JPMCHASE NYC 110912025371 HADLEY, & MCCLOY LLP	2,215,334.24-
Sep 22	Wire Debit INTERNAL BNF=USBANK CT WIRE CLRG	US BANK 110922026656 ATTN SEAN KURTZ	782,221.05-
Total Other Withdrawals			\$ 7,164,227.91-

Checks Presented Conventionally

Check	Date	Ref Number	Amount	Check	Date	Ref Number	Amount
1082	Sep 1	8894800665	169,176.73	1101	Sep 15	8995569956	53.53
1091*	Sep 1	8894839384	75.00	1102	Sep 15	8995569957	36.06
1093*	Sep 9	9390594199	760.00	1103	Sep 15	8995525118	141,855.00
1094	Sep 1	9198846659	1,800.00	1104	Sep 15	8995525119	5,098.86
1095	Sep 6	8896571208	2,605.00	1105	Sep 21	8890501554	10,560.32
1096	Sep 9	9390594198	1,100.00	1107*	Sep 30	8895961751	167,979.59
1097	Sep 14	8994518735	380.00	1109*	Sep 28	9194505381	16,750.00
1098	Sep 14	8994518736	380.00	10 1111*	Sep 30	8896366410	717.29
1100*	Sep 16	7530492148	7,454.00	1112	Sep 28	9395604949	1,860.00



CYNTHIA NELSON, CHAPTER 11 TRUSTEE
 SOUTH EDGE LLC
 633 W 5TH ST STE 1600
 LOS ANGELES CA 90071-2030

Business Statement

Account Number:
 [REDACTED] 3355

Statement Period:
 Sep 1, 2011
 through
 Sep 30, 2011

Page 2 of 2



ANALYZED CHECKING

(CONTINUED)

U.S. Bank National Association

Account Number [REDACTED]-3355

Checks Presented Conventionally (continued)

Check	Date	Ref Number	Amount	Check	Date	Ref Number	Amount
1114*	Sep 28	9395591123	20,721.00	1119	Sep 15	8995569958	254.54
1115	Sep 28	9395591122	12,451.00	1122*	Sep 22	9394192283	51,250.00
1118*	Sep 15	8995569959	160.82	1124*	Sep 30	8896291669	2,514.00

* Gap in check sequence

Conventional Checks Paid (24) \$ 615,992.74-

Balance Summary

Date	Ending Balance	Date	Ending Balance	Date	Ending Balance
Sep 1	888,110.16	Sep 12	1,551,638.30	Sep 21	2,167,626.22
Sep 2	7,938,110.16	Sep 14	1,550,878.30	Sep 22	1,334,155.17
Sep 6	7,935,505.16	Sep 15	1,403,419.49	Sep 28	1,282,373.17
Sep 8	5,535,417.83	Sep 16	1,395,965.49	Sep 30	1,111,162.29
Sep 9	5,533,557.83				

Balances only appear for days reflecting change.

South Edge, LLC
Professional Payments Schedule

SUPPORT SCHEDULE

Payment Date	Payee (Professional)	Payment Invoice # and Detail (if applicable)	Payment Amount
6/10/2011	BMC Group, Inc.	Mar. - fees and expenses	\$7,318.96
7/8/2011	BMC Group, Inc.	Apr. - fees and expenses	\$27,878.41
7/8/2011	BMC Group, Inc.	May - fees and expenses	\$12,903.19
7/27/2011	BMC Group, Inc.	Jun. - fees and expenses	\$6,736.08
9/12/2011	BMC Group, Inc.	Jul. - fees and expenses	\$10,560.32
9/12/2011	BMC Group, Inc.	Aug. - fees and expenses	\$11,693.82
9/12/2011	Schwartz & McPherson	Estate professional fees (85%) and expenses (100%) for services rendered through 7/31/11	\$66,809.83
9/12/2011	Jones Vargas	Estate professional fees (85%) and expenses (100%) for services rendered through 7/31/11	\$133,614.54
9/12/2011	FTI	Estate professional fees (85%) and expenses (100%) for services rendered through 7/31/11	\$1,566,160.92
9/12/2011	Milbank	Estate professional fees (85%) and expenses (100%) for services rendered through 7/31/11	\$2,215,334.24
9/8/2011	JPMorgan Chase Bank, N.A.	A single payment was made to the Agent on behalf of the following Lender professionals pursuant to the Plan Support Agreement: Haynes and Boone, LLP, Jolly Urga Wirth Woodbury & Standish, Kramer Levin Naftalis & Frankel LLP, Lewis and Roca LLP, Loughlin Meghji + Company, and Morrison & Foerster LLP	\$2,400,000.00
Total Amount			\$6,459,010.31
Summary:			
Claims/ Noticing Agent			\$77,090.78
Estate Professional Fees			\$3,981,919.53
Lender Professional Fees			\$2,400,000.00
			\$6,459,010.31

South Edge, LLC
Check / Wire Register

SUPPORT SCHEDULE

Date	Name	Classification	Amount
September			
9/1/11	Top Notch Services (SWPPP)	Security and Maintenance	760.00
9/1/11	Jones Vargas	General, Administrative and Operations	1,800.00
9/2/11	Hub International Limited	Surety Bond Payments	2,605.00
9/1/11	Top Notch Services (Water Truck)	Security and Maintenance	1,100.00
9/6/11	City of Henderson	LID Improvement/ Other Construct Costs	380.00
9/6/11	City of Henderson	LID Improvement/ Other Construct Costs	380.00
9/8/11	JPMorgan Chase Bank, N.A. (fees through	Agent Professional Fees	2,400,000.00
9/8/11	Safeguard Business Systems	General, Administrative and Operations	87.33
9/12/11	Schwartz & McPherson (through July)	Estate Professional Fees	66,809.83
9/12/11	Jones Vargas (through July)	Estate Professional Fees	133,614.54
9/12/11	FTI (through July)	Estate Professional Fees	1,566,160.92
9/12/11	Milbank (through July)	Estate Professional Fees	2,215,334.24
9/12/11	Western States Contracting Inc.	LID Improvement/ Other Construct Costs	7,454.00
9/12/11	NV Energy (#4311)	General, Administrative and Operations	53.53
9/12/11	NV Energy (#0829)	General, Administrative and Operations	36.06
9/12/11	Advantage Civil Design Group, LLP	LID Reimbursement Administration	141,855.00
9/12/11	Advantage Civil Design Group, LLP	LID Reimbursement Administration	5,098.86
9/12/11	BMC Group, Inc.	Estate Noticing Agent Fees	10,560.32
9/12/11	NV Energy (#6549)	General, Administrative and Operations	160.82
9/12/11	NV Energy (#9619)	General, Administrative and Operations	254.54
9/20/11	C&S Company Inc AND The Tiberti Company	LID Improvement/ Other Construct Costs	9,247.00
9/20/11	C&S Company Inc	LID Improvement/ Other Construct Costs	51,250.00
9/22/11	Transfer to Builder Lenders of LID T-18 Acquisition	Repayment of Trustee in Possession Loan	782,221.05
9/27/11	CenturyLink	General, Administrative and Operations	30.56
9/27/11	Clark County Treasurer	Property Taxes	167,979.59
9/27/11	Eros Environmental, LLC	Security and Maintenance	900.00
9/27/11	Gothic Landscaping, Inc.	LID Improvement/ Other Construct Costs	16,750.00
9/27/11	Inspirada Community Association	HOA Subsidies	6,319.00
9/27/11	International Sureties, Ltd.	General, Administrative and Operations	2,514.00
9/27/11	NV Energy	General, Administrative and Operations	717.29
9/27/11	Top Notch Services	Security and Maintenance	1,860.00
9/27/11	Western States Contracting Inc.	LID Improvement/ Other Construct Costs	20,721.00
9/27/11	Western States Contracting Inc.	LID Improvement/ Other Construct Costs	12,451.00
September Total			\$ 7,627,465.48

Summary by Classification

Agent Professional Fees	2,400,000.00
Estate Noticing Agent Fees	10,560.32
Estate Professional Fees	3,981,919.53
General, Administrative and Operations	5,654.13
HOA Subsidies	6,319.00
LID Improvement/ Other Construct Costs	118,633.00
LID Reimbursement Administration	146,953.86
Property Taxes	167,979.59
Repayment of Trustee in Possession Loan	782,221.05
Security and Maintenance	4,620.00
Surety Bond Payments	2,605.00
	\$ 7,627,465.48