

PEGASUS
WATTERSON EAST

IFM of Kentucky, Inc. 1930 Bishop Lane, Suite 407 Louisville, Kentucky 40218 (502) 458-4849

Operating Expenses for the years ended in December 31, 1998 through 2004

Operating Expenses:	1998	1999	2000	2001	2002	2003	2004
Payroll	15,299	15,447	14,996	15,115	15,623	16,709	20,401
Medical Insurance	72	914	229	3,231	1,246	1,235	2,443
Contract Labor			762	7,271	8,705	8,750	10,236
Postage				-			
Telephone	3,416	3,214	2,732	3,026	3,110	3,305	2,783
Professional Fees	12,167		4,348	5,000			1,398
Data Processing				-			
Dues and Subscriptions							
Advertising				-			
Payroll Taxes	1,347	1,336	1,147	1,158	1,194	1,280	1,560
Indoor Plant Care	1,018	612	620	627	767	867	867
Office Supplies	249	40	21	21			
Licenses and Taxes	6,829	2,426	5,614	5,870	120		
Security	30,591	31,611	28,350	28,325	27,909	30,966	31,923
Property Insurance	8,140	6,574	11,296	14,425	14,745	18,400	19,378
Bulbs and Tubes	649	1,327	1,184	1,451	2,676	2,011	2,830
Contract Cleaning	48,852	55,807	59,660	54,397	60,976	57,233	50,871
Uniforms							
Lawncare	2,971	3,863	3,461	5,250	2,745	5,783	17,024
Waste Disposal	7,482	4,242	4,111	3,456	3,936	3,936	3,936
Window Cleaning							
Utilities	34,459	32,514	25,424	32,239	45,943	39,640	45,368
Management Fees	36,955	37,937	38,894	40,351	46,084	47,729	49,077
Property Taxes	19,995	18,924	16,875	16,013	42,950	42,948	43,442
Painting	2,915	75		-	540	1,700	1,565
Lock & Keys	(594)	940	(595)	634	300	1,150	49
Exterminating	300	405	360	300	408	410	461
Electrical Supplies							
Electrical Repairs	310	1,095	342	-	570	3,928	735
Elevator Contracts	7,701	5,882	8,693	8,977	8,456	10,031	9,839
Elevator Repairs	663	2,902	3,375	2,175	2,827	2,565	486
HVAC Supplies	3,342	1,196	2,383	971	636	1,804	2,548
HVAC Repairs		13,275	10,377	979	3,940	8,295	4,872
Building Repairs & Supplies	25,733	23,706	39,579	49,944	48,076	46,088	45,272
Miscellaneous	9,479	10,067	12,980	7,504	6,554	6,670	6,612
Plumbing Repairs	2,982	14,520	969	522	1,630	2,266	273
Plumbing Supplies				125	646	228	210
Total Operating Expenses	283,322	290,851	298,187	\$ 309,355	\$ 353,313	\$ 365,925	\$ 378,260

PEGASUS TOTAL OWED IFM OF KY.

OPERATING EXPENSES 2004

SUITE	AMOUNT
102	\$1,652.74
103	\$3,552.55
201	\$2,300.21
204	\$1,754.98
206	\$1,610.15
300	<u>\$17,038.60</u>
TOTAL	\$27,909.23

OUTSTANDING INVOICES OWED IFM OF KY 2004

INVOICE	AMOUNT
5325	\$2,602.59 CK RETURNED
5327	\$63.75
5331	\$2,186.14
5333	<u>\$3.75</u>
TOTAL	\$4,856.23

TOTAL OWED IFM OF KY 2004 OPERATING EXPENSES	\$27,909.23
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TOTAL OWED IFM OF KY 2004 OUTSTANDING INVOICES	<u>\$4,856.23</u>
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TOTAL	\$32,765.46
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WATTERSON EAST

IFM of Kentucky, LLC. 1930 Bishop Lane, Suite 407 Louisville, Kentucky 40218

To: Pegasus, Suite 102

Re: 2004 Operating Expenses

Per Lease Agreement:

Area Leased to Tenant	<u>1,505 Sq. Ft.</u>
Building Size	<u>77,600 Sq. Ft.</u>
Tenant's Pro Rata Share	<u>1.94%</u>
Eligible Operating Costs for 2004	<u>\$376,260</u>
Less: 1998 Base Year Operating Costs	<u>\$283,322</u>
Operating Costs Increase from Base Year	<u>\$92,938</u>
From 1/1/04-11/30/04	<u>\$85,193</u>
Tenant's Pro Rata Share	<u>X 1.94%</u>
Total Amount Due	<u>\$1,652.74</u>

WATTERSON EAST

IFM of Kentucky, LLC. 1930 Bishop Lane, Suite 407 Louisville, Kentucky 40218

To: Pegasus, Suite 103

Re: 2004 Operating Expenses

Per Lease Agreement:

Area Leased to Tenant	<u>3,233 Sq. Ft.</u>
Building Size	<u>77,600 Sq. Ft.</u>
Tenant's Pro Rata Share	<u>4.17%</u>
Eligible Operating Costs for 2004	<u>\$376,260</u>
Less: 1998 Base Year Operating Costs	<u>\$283,322</u>
Operating Costs Increase from Base Year	<u>\$92,938</u>
From 1/1/04-11/30/04	<u>\$85,193</u>
Tenant's Pro Rata Share	<u>X 4.17%</u>
Total Amount Due	<u>\$3,552.55</u>

WATTERSON EAST

IFM of Kentucky, LLC. 1930 Bishop Lane, Suite 407 Louisville, Kentucky 40218

To: Pegasus, Suite 201

Re: 2004 Operating Expenses

Per Lease Agreement:

Area Leased to Tenant	<u>2097 Sq. Ft.</u>
Building Size	<u>77,600 Sq. Ft.</u>
Tenant's Pro Rata Share	<u>2.70%</u>
Eligible Operating Costs for 2004	<u>\$376,260</u>
Less: 1998 Base Year Operating Costs	<u>\$283,322</u>
Operating Costs Increase from Base Year	<u>\$92,938</u>
From 1/1/04-11/30/04	<u>\$85,193</u>
Tenant's Pro Rata Share	<u>X 2.70%</u>
Total Amount Due	<u>\$2,300.21</u>

WATTERSON EAST

IFM of Kentucky, LLC. 1930 Bishop Lane, Suite 407 Louisville, Kentucky 40218

To: Pegasus, Suite 204

Re: 2004 Operating Expenses

Per Lease Agreement:

Area Leased to Tenant	<u>1,598 Sq. Ft.</u>
Building Size	<u>77,600 Sq. Ft.</u>
Tenant's Pro Rata Share	<u>2.06%</u>
Eligible Operating Costs for 2004	<u>\$376,260</u>
Less: 1998 Base Year Operating Costs	<u>\$283,322</u>
Operating Costs Increase from Base Year	<u>\$92,938</u>
From 1/1/04-11/30/04	<u>\$85,193</u>
Tenant's Pro Rata Share	<u>X 2.06%</u>
Total Amount Due	<u>\$1,754.98</u>

WATTERSON EAST

IFM of KENTUCKY, LLC, 1930 Bishop Lane, Suite 407 Louisville, Kentucky 40218

To: PEGASUS SUITE 206

Re: 2004 Operating Expenses

Per Lease Agreement:

Area Leased to Tenant	<u>1,464 Sq. Ft.</u>
Building Size	<u>77,600 Sq. Ft.</u>
Tenant's Pro Rata Share	<u>1.89%</u>
Eligible Operating Costs for 2004	<u>\$376,260</u>
Less: 1998 Base Year Operating Costs	<u>\$283,322</u>
Operating Costs Increase from Base Year	<u>\$92,938</u>
From 1/1/04-11/30/04	<u>\$85,193</u>
Tenant's Pro Rata Share	<u>X 1.89%</u>
Total Amount Due	<u>\$1,610.15</u>

WATTERSON EAST

IFM of Kentucky, LLC. 1930 Bishop Lane, Suite 407 Louisville, Kentucky 40218

To: Pegasus, Suite 300

Re: 2004 Operating Expenses

Per Lease Agreement:

Area Leased to Tenant	<u>15,520 Sq. Ft.</u>
Building Size	<u>77,600 Sq. Ft.</u>
Tenant's Pro Rata Share	<u>20.00%</u>
Eligible Operating Costs for 2004	<u>\$376,260</u>
Less: 1998 Base Year Operating Costs	<u>\$283,322</u>
Operating Costs Increase from Base Year	<u>\$92,938</u>
From 1/1/04-11/30/04	<u>\$85,193</u>
Tenant's Pro Rata Share	<u>X 20.00%</u>
Total Amount Due	<u>\$17,038.60</u>