

<Cash Flow Analysis Sample Property>

<City, State>

BPSkolnick Consulting, LLC

Serving the Commercial Real Estate Industry

GENERAL INPUT	
CONSULTING AGREEMENT INFORMATION	
Consulting Agreement #	07-0515
Client Name	<Intentionally Deleted>
Client Contact name	<Intentionally Deleted>
Client Contact Telephone #	<Intentionally Deleted>
Records Contact Name	<Intentionally Deleted>
Records Contact Telephone #	<Intentionally Deleted>
Analysis Period	1/1/06 - 12/31/06
Prior 2 Year Ended	12/31/2005
Prior Year Ended	12/31/2006
Stub Period Ended	
PROPERTY INFORMATION	
Property Name	<Cash Flow Analysis Sample Property>
Address	<Intentionally Deleted>
City, State	<City, State>
Zip Code	<Intentionally Deleted>
Asset Type	Multifamily
Number of Units/SF	416 / xxxxxx

General Comments:

Consulting Agreement #: 07-0515

Analysis Period: 1/1/06 - 12/31/06

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Schedule SUM: Cash Flow Analysis Summary

Schedule	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
	INCOME						
BR	Base Rental Income	\$ 3,754,255	\$ 4,182,092	\$ -	\$ 5,638	\$ -	\$ 4,187,730
OI	Other Income	\$ 188,167	\$ 330,150	\$ -	\$ -	\$ -	\$ 330,150
	TOTAL INCOME	\$ 3,942,423	\$ 4,512,242	\$ -	\$ 5,638	\$ -	\$ 4,517,880
	OPERATING EXPENSES						
RET	Taxes	\$ 520,094	\$ 589,050	\$ -	\$ (1)	\$ -	\$ 589,049
INS	Insurance	\$ 122,626	\$ 196,806	\$ -	\$ (41,577)	\$ -	\$ 155,229
UTIL	Utilities	\$ 144,655	\$ 183,330	\$ -	\$ -	\$ -	\$ 183,330
G&A	General & Administrative	\$ 60,549	\$ 67,960	\$ -	\$ -	\$ -	\$ 67,960
CONT	Contract Services	\$ 79,845	\$ 88,835	\$ -	\$ -	\$ -	\$ 88,835
R&M	Repair & Maintenance	\$ 61,358	\$ 71,788	\$ -	\$ -	\$ -	\$ 71,788
PAY	Payroll	\$ 294,100	\$ 355,373	\$ -	\$ -	\$ -	\$ 355,373
TURN	Turnover Maintenance	\$ 35,716	\$ 65,307	\$ -	\$ -	\$ -	\$ 65,307
MGMT	Management Fees	\$ 106,121	\$ 124,052	\$ -	\$ -	\$ 190	\$ 124,242
OPEX1	Operating Exp # 1 (Non-Recoverable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MARK	Marketing	\$ 46,403	\$ 58,611	\$ -	\$ -	\$ -	\$ 58,611
	TOTAL OPERATING EXPENSES	\$ 1,471,468	\$ 1,801,113	\$ -	\$ (41,577)	\$ 190	\$ 1,759,725
	NET OPERATING INCOME (LOSS)	\$ 2,470,955	\$ 2,711,129	\$ -	\$ 47,215	\$ (190)	\$ 2,758,155
	NON-OPERATING EXPENSES						
DS	Debt Service	\$ 1,887,495	\$ 2,518,337	\$ -	\$ (37,408)	\$ 1,000	\$ 2,481,929
CAPEX	Capital Improvements	\$ -	\$ -	\$ -	\$ (40,648)	\$ (11,551)	\$ (52,199)
PTR	Partnership Income & Expenses	\$ 46,518	\$ 119,096	\$ -	\$ -	\$ (119,096)	\$ -
LC	Leasing Commissions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NONOP1	Non-Operating Expense # 1 ()	\$ 1,053,256	\$ 1,183,921	\$ -	\$ (1,183,921)	\$ -	\$ -
NONOP2	Non-Operating Expense # 2 ()	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL NON-OPERATING EXPENSES	\$ 2,987,269	\$ 3,821,354	\$ -	\$ (1,261,977)	\$ (129,647)	\$ 2,429,729
	NET CASH FLOW (DEFICIT)	\$ (516,314)	\$ (1,110,224)	\$ -	\$ 1,309,193	\$ 129,457	\$ 328,426

General Comments:

Base Rental Income adjusted to capture the accrual to cash effect of delinquent and prepaid rent. See Schedule BR. Real Estate Taxes adjusted to match actual taxes paid. See Schedule RET. Insurance expense adjusted to match the actual insurance premiums paid. See Schedule INS. Management Fees adjusted to 2.75% of total revenue per the management agreement. See Schedule MGMT. Interest expense adjusted to correct a \$1,000 misclassification in the general ledger, as well as to match actual interest expense paid. See Schedule DS. Capital expenditures adjusted to record the capital expenditures purchased in 2006, net of all capital expense reimbursements from the lender. See Schedule CAPEX. All partnership (non-operating) expenses were removed from Net Cash Flow per the terms of the loan agreement. See Schedule PTR. All depreciation and amortization (non-cash) expenses were removed. See Schedule NONOP1. Detail provided for operating cash, interest expense, real estate taxes, and insurance. See accompanying schedules.

Consulting Agreement #: 07-0515

Analysis Period: 1/1/06 - 12/31/06

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Schedule BR: Base Rent

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
BR -1	Market Rent	\$ 4,620,000	\$ 5,295,800				\$ 5,295,800
BR -2	Loss to Lease	\$ (295,160)	\$ (249,621)				\$ (249,621)
BR -3	Vacancies	\$ (539,471)	\$ (652,183)				\$ (652,183)
BR -4	Bad Debt	\$ (69,995)	\$ (136,250)				\$ (136,250)
BR -5	Concessions	\$ (16,329)	\$ (58,258)				\$ (58,258)
BR -6	Delinquent Rent	\$ -	\$ -				\$ -
BR -7	Prior Year Prepaid/Del.	\$ (2,720)	\$ (3,297)				\$ (3,297)
BR -8	Prior Months Delinquent	\$ -	\$ -				\$ -
BR -9	Collection - PM Delinq.	\$ -	\$ -				\$ -
BR -10	Model Units	\$ (13,962)	\$ (14,099)				\$ (14,099)
BR -11	Escrow Rent Proration	\$ 71,892	\$ -				\$ -
BR -12	Accounts Rec. - Rent				\$ (14,400)		\$ (14,400)
BR -13	Prepaid Rents				\$ 24,427		\$ 24,427
BR -14	Rent Receipts Clearing				\$ (4,389)		\$ (4,389)
BR -15							\$ -
BR -16							\$ -
BR -17							\$ -
BR -18							\$ -
BR -19							\$ -
BR -20							\$ -
Total		\$ 3,754,255	\$ 4,182,092	\$ -	\$ 5,638	\$ -	\$ 4,187,730

Variance 2006 to 2005 10.23%

Variance 2006 to annualized 2005 \$ 4,095,551 2.07%

General Comments:

Accrual to cash adjustments made to account for delinquent and prepaid rent shown on the Balance Sheet.

Consulting Agreement #: 07-0515

Analysis Period: 1/1/06 - 12/31/06

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Schedule OI: Other Income

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
OI -1	Furniture Rental	\$ -	\$ 432				\$ 432
OI -2	Late Charges	\$ -	\$ 26,400				\$ 26,400
OI -3	Laundry Income	\$ 14,444	\$ 14,689				\$ 14,689
OI -4	Miscellaneous Income	\$ 14,222	\$ 7,878				\$ 7,878
OI -5	MTM Fees	\$ 3,745	\$ 9,881				\$ 9,881
OI -6	NSF Check Charges	\$ 21,715	\$ 1,450				\$ 1,450
OI -7	Parking	\$ 20,423	\$ 19,757				\$ 19,757
OI -8	Recovery of Bad Debt	\$ -	\$ 9,611				\$ 9,611
OI -9	Sec. Dep. Forfeitures	\$ 109,622	\$ 190,441				\$ 190,441
OI -10	Utility Income / RUBS	\$ 1,090	\$ 37,832				\$ 37,832
OI -11	Vending Income	\$ 75	\$ 317				\$ 317
OI -12	Pet Income	\$ 2,830	\$ 11,463				\$ 11,463
OI -13							\$ -
OI -14							\$ -
OI -15							\$ -
OI -16							\$ -
OI -17							\$ -
OI -18							\$ -
OI -19							\$ -
OI -20							\$ -
Total		\$ 188,167	\$ 330,150	\$ -	\$ -	\$ -	\$ 330,150

Variance 2006 to 2005 43.01%

Variance 2006 to annualized 2005 \$ 205,273 37.82%

General Comments:

Per Borrower, other income increased significantly in 2006 due to more frequent security deposit forfeitures and late fees charged in 2006 versus 2005 (the first year the property was owned). The utility chargeback program was also implemented in late 2005 to account for a portion of the positive variance.

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Analysis Period: 1/1/06 - 12/31/06

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Schedule RET: Real Estate Taxes

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
RET -1	Real Property Taxes	\$ 520,094	\$ 589,050		(0.50)		\$ 589,049
RET -2							\$ -
RET -3							\$ -
RET -4							\$ -
RET -5							\$ -
RET -6							\$ -
RET -7							\$ -
RET -8							\$ -
RET -9							\$ -
RET -10							\$ -
RET -11							\$ -
RET -12							\$ -
RET -13							\$ -
RET -14							\$ -
RET -15							\$ -
RET -16							\$ -
RET -17							\$ -
RET -18							\$ -
RET -19							\$ -
RET -20							\$ -
Total		\$ 520,094	\$ 589,050	\$ -	\$ (1)	\$ -	\$ 589,049

Variance 2006 to 2005

Variance 2006 to annualized 2005 \$ 567,375 11.71% 3.68%

General Comments:

Accrual to cash adjustment made to account for increase in accrued taxes payable. See the real estate tax detail schedule for more information.

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Analysis Period: 1/1/06 - 12/31/06

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Schedule INS: Insurance

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
INS -1	Insurance - Liab. & Car.	\$ 122,626	\$ 196,806		\$ (41,577)		\$ 155,229
INS -2							\$ -
INS -3							\$ -
INS -4							\$ -
INS -5							\$ -
INS -6							\$ -
INS -7							\$ -
INS -8							\$ -
INS -9							\$ -
INS -10							\$ -
INS -11							\$ -
INS -12							\$ -
INS -13							\$ -
INS -14							\$ -
INS -15							\$ -
INS -16							\$ -
INS -17							\$ -
INS -18							\$ -
INS -19							\$ -
INS -20							\$ -
Total		\$ 122,626	\$ 196,806	\$ -	\$ (41,577)	\$ -	\$ 155,229

Variance 2006 to 2005 -62.31%

Variance 2006 to annualized 2005 \$ 133,773 32.03%

General Comments:

The primary cause of the variance is attributed to the 2/06 insurance payment. See the insurance detail. Accrual to cash adjustment made to account for the decrease in prepaid insurance during 2006.

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Analysis Period: 1/1/06 - 12/31/06

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Schedule UTIL: Utilities Expense

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
UTIL -1	Cable	\$ 587	\$ 735				\$ 735
UTIL -2	Electrical	\$ 30,327	\$ 44,296				\$ 44,296
UTIL -3	Electricity - Vacant	\$ 9,817	\$ 9,931				\$ 9,931
UTIL -4	Gas	\$ 24,681	\$ 26,190				\$ 26,190
UTIL -5	Refuse Removal	\$ 45,238	\$ 58,917				\$ 58,917
UTIL -6	Water	\$ 34,004	\$ 43,263				\$ 43,263
UTIL -7							\$ -
UTIL -8							\$ -
UTIL -9							\$ -
UTIL -10							\$ -
UTIL -11							\$ -
UTIL -12							\$ -
UTIL -13							\$ -
UTIL -14							\$ -
UTIL -15							\$ -
UTIL -16							\$ -
UTIL -17							\$ -
UTIL -18							\$ -
UTIL -19							\$ -
UTIL -20							\$ -
Total		\$ 144,655	\$ 183,330	\$ -	\$ -	\$ -	\$ 183,330

Variance 2006 to 2005 21.10%

Variance 2006 to annualized 2005 \$ 157,805 13.92%

General Comments:

The primary cause of the variance is attributed to owning the property for 11 months in 2005 versus all 12 months in 2006.

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Schedule G&A: General & Administrative Expense

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
G&A -1	Dues & Licenses	\$ -	\$ -				\$ -
G&A -2	Comp. Software Supplies	\$ 4,372	\$ -				\$ -
G&A -3	Employee Recruiting	\$ -	\$ 195				\$ 195
G&A -4	Misc. Admin.	\$ 8,808	\$ 5,992				\$ 5,992
G&A -5	Legal Fees	\$ 12,613	\$ 27,969				\$ 27,969
G&A -6	Office Supplies	\$ 5,664	\$ 7,294				\$ 7,294
G&A -7	Office Forms	\$ 768	\$ 598				\$ 598
G&A -8	Xerox and Fax Supplies	\$ 2,594	\$ 3,004				\$ 3,004
G&A -9	Permits & Licenses	\$ 12,151	\$ 11,842				\$ 11,842
G&A -10	Postage	\$ 1,238	\$ 1,551				\$ 1,551
G&A -11	Telephone Ans. Service	\$ 174	\$ 610				\$ 610
G&A -12	Telephone	\$ 9,390	\$ 8,826				\$ 8,826
G&A -13	Travel Reimb.	\$ -	\$ 79				\$ 79
G&A -14	Furniture Rental	\$ 2,778	\$ -				\$ -
G&A -15							\$ -
G&A -16							\$ -
G&A -17							\$ -
G&A -18							\$ -
G&A -19							\$ -
G&A -20							\$ -
Total		\$ 60,549	\$ 67,960	\$ -	\$ -	\$ -	\$ 67,960

Variance 2006 to 2005

10.90%

Variance 2006 to annualized 2005

\$ 66,054

2.80%

General Comments:

The primary cause of the variance is attributed to owning the property for 11 months in 2005 versus all 12 months in 2006.

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Analysis Period: 1/1/06 - 12/31/06

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Schedule CONT: Contract Services

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
CONT-1	Security	\$ 40,413	\$ 32,917				\$ 32,917
CONT-2	Alarm Service	\$ -	\$ 10,885				\$ 10,885
CONT-3	Landscape Contract	\$ 35,361	\$ 37,308				\$ 37,308
CONT-4	Landscape Other	\$ 244	\$ 2,343				\$ 2,343
CONT-5	Pest Control Service	\$ 3,827	\$ 5,382				\$ 5,382
CONT-6							\$ -
CONT-7							\$ -
CONT-8							\$ -
CONT-9							\$ -
CONT-10							\$ -
CONT-11							\$ -
CONT-12							\$ -
CONT-13							\$ -
CONT-14							\$ -
CONT-15							\$ -
CONT-16							\$ -
CONT-17							\$ -
CONT-18							\$ -
CONT-19							\$ -
CONT-20							\$ -
Total		\$ 79,845	\$ 88,835	\$ -	\$ -	\$ -	\$ 88,835

Variance 2006 to 2005

10.12%

Variance 2006 to annualized 2005

\$ 87,104

1.95%

General Comments:

The primary cause of the variance is attributed to the property operating for 11 months in 2005 versus all 12 months in 2006.

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Analysis Period: 1/1/06 - 12/31/06

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Schedule R&M: Redecorating & Maintenance Expense

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
R&M -1	Appliance Repair	\$ -	\$ -				\$ -
R&M -2	Appliance Supplies	\$ 603	\$ 350				\$ 350
R&M -3	Cleaning Supplies	\$ 747	\$ 316				\$ 316
R&M -4	Electrical Repair	\$ 274	\$ 461				\$ 461
R&M -5	Electrical Supplies	\$ 2,990	\$ 2,964				\$ 2,964
R&M -6	Equip. & Vehicle Repair	\$ 625	\$ 1,965				\$ 1,965
R&M -7	General Maintenance	\$ 9,546	\$ 8,521				\$ 8,521
R&M -8	Glass/Screen Replace.	\$ 1,305	\$ 1,263				\$ 1,263
R&M -9	Hardware Supplies	\$ 11,517	\$ 7,474				\$ 7,474
R&M -10	HVAC Repair	\$ 9,254	\$ 19,042				\$ 19,042
R&M -11	HVAC Supplies	\$ 3,741	\$ (25)				\$ (25)
R&M -12	Key & Lock Supply	\$ 156	\$ 2,031				\$ 2,031
R&M -13	Pagers	\$ 77	\$ 177				\$ 177
R&M -14	Paint Supplies	\$ 793	\$ 508				\$ 508
R&M -15	Parking Lot Service/Supply	\$ 11	\$ 726				\$ 726
R&M -16	Plumbing Service	\$ 3,742	\$ 1,761				\$ 1,761
R&M -17	Plumbing Supplies	\$ 4,628	\$ 10,196				\$ 10,196
R&M -18	Pool Supplies	\$ 681	\$ 1,542				\$ 1,542
R&M -19	Pool Maintenance	\$ 9,486	\$ 11,919				\$ 11,919
R&M -20	Uniforms	\$ 1,183	\$ 597				\$ 597
Total		\$ 61,358	\$ 71,788	\$ -	\$ -	\$ -	\$ 71,788

Variance 2006 to 2005 14.53%

Variance 2006 to annualized 2005 \$ 66,936 6.76%

General Comments:

The primary cause of the variance is attributed to the property operating for 11 months in 2005 versus all 12 months in 2006.

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Schedule PAY: Payroll

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
PAY-1	Admin Salaries	\$ 119,762	\$ 154,743				\$ 154,743
PAY-2	Admin FICA	\$ 8,516	\$ 11,562				\$ 11,562
PAY-3	Admin SUTA	\$ 4,013	\$ 3,293				\$ 3,293
PAY-4	Admin FUTA	\$ 410	\$ 425				\$ 425
PAY-5	Admin - L & I	\$ 19,158	\$ 24,788				\$ 24,788
PAY-6	Admin Medical Ins.	\$ 5,201	\$ 8,437				\$ 8,437
PAY-7	Employee Bonus	\$ -	\$ 2,850				\$ 2,850
PAY-8	Payroll - Other	\$ 1,243	\$ 439				\$ 439
PAY-9	401K Match	\$ 193	\$ 814				\$ 814
PAY-10	Payroll Fees	\$ 2,797	\$ 8				\$ 8
PAY-11	Maint Salaries	\$ 101,590	\$ 109,658				\$ 109,658
PAY-12	Maint FICA	\$ 7,385	\$ 7,946				\$ 7,946
PAY-13	Maint SUTA	\$ 3,787	\$ 1,791				\$ 1,791
PAY-14	Maint FUTA	\$ 377	\$ 231				\$ 231
PAY-15	Maint - L & I	\$ 16,868	\$ 19,341				\$ 19,341
PAY-16	Maint Medical Ins.	\$ 2,800	\$ 9,045				\$ 9,045
PAY-17							\$ -
PAY-18							\$ -
PAY-19							\$ -
PAY-20							\$ -
Total		\$ 294,100	\$ 355,373	\$ -	\$ -	\$ -	\$ 355,373

Variance 2006 to 2005

17.24%

Variance 2006 to annualized 2005

\$ 320,836

9.72%

General Comments:

The primary cause of the variance is attributed to the property operating for 11 months in 2005 versus all 12 months in 2006.

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Schedule TURN: Turnover Maintenance

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
TURN-1	Carpet Cleaning	\$ 5,495	\$ 11,320				\$ 11,320
TURN-2	Cleaning Services	\$ 6,654	\$ 16,435				\$ 16,435
TURN-3	Painting Services	\$ 21,897	\$ 37,197				\$ 37,197
TURN-4	Drapery/Blinds	\$ 1,670	\$ 355				\$ 355
TURN-5							\$ -
TURN-6							\$ -
TURN-7							\$ -
TURN-8							\$ -
TURN-9							\$ -
TURN-10							\$ -
TURN-11							\$ -
TURN-12							\$ -
TURN-13							\$ -
TURN-14							\$ -
TURN-15							\$ -
TURN-16							\$ -
TURN-17							\$ -
TURN-18							\$ -
TURN-19							\$ -
TURN-20							\$ -
Total		\$ 35,716	\$ 65,307	\$ -	\$ -	\$ -	\$ 65,307

Variance 2006 to 2005

45.31%

Variance 2006 to annualized 2005

\$ 38,963

40.34%

General Comments:

Per Borrower, turnover increased significantly in 2006 due to more move-outs of existing residents (resulting in more security deposit forfeitures and late fees charged) in 2006 versus 2005 (the first year the property was owned).

Consulting Agreement #: 07-0515

Analysis Period: 1/1/06 - 12/31/06

7309 McKamy Blvd., Dallas, TX 75248 E-mail: Barry.Skolnick@BPSkolnick.com Tel: (972) 931-1300 Fax: (972) 931-1338

<Cash Flow Analysis Sample Property>

<City, State>

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Schedule MGMT: Management Fees

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
MGMT -1	Management Fees	\$ 106,121	\$ 124,052			\$ 190	\$ 124,242
MGMT -2							\$ -
MGMT -3							\$ -
MGMT -4							\$ -
MGMT -5							\$ -
MGMT -6							\$ -
MGMT -7							\$ -
MGMT -8							\$ -
MGMT -9							\$ -
MGMT -10							\$ -
MGMT -11							\$ -
MGMT -12							\$ -
MGMT -13							\$ -
MGMT -14							\$ -
MGMT -15							\$ -
MGMT -16							\$ -
MGMT -17							\$ -
MGMT -18							\$ -
MGMT -19							\$ -
MGMT -20							\$ -
Total		\$ 106,121	\$ 124,052	\$ -	\$ -	\$ 190	\$ 124,242

Management Fee % of Revenue 2.69% 2.75%

General Comments:

Management fees at 2.75% of income per management agreement.

Consulting Agreement #: 07-0515

Analysis Period: 1/1/06 - 12/31/06

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Schedule OPEX1: Operating Expense #1 (Non-Recoverable Expenses)

Line Item	Description	Previous 2 Year	Previous Year	Stub Period	Accrual to Cash	Other	Adjusted
		Ending	Ending	Ending	Adjustments	Adjustments	Amount
		12/31/2005	12/31/2006		(See Below)	(See Below)	1/1/06 - 12/31/06
OPEX1 -1							\$ -
OPEX1 -2							\$ -
OPEX1 -3							\$ -
OPEX1 -4							\$ -
OPEX1 -5							\$ -
OPEX1 -6							\$ -
OPEX1 -7							\$ -
OPEX1 -8							\$ -
OPEX1 -9							\$ -
OPEX1 -10							\$ -
OPEX1 -11							\$ -
OPEX1 -12							\$ -
OPEX1 -13							\$ -
OPEX1 -14							\$ -
OPEX1 -15							\$ -
OPEX1 -16							\$ -
OPEX1 -17							\$ -
OPEX1 -18							\$ -
OPEX1 -19							\$ -
OPEX1 -20							\$ -
Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

General Comments:

Consulting Agreement #: 07-0515

Analysis Period: 1/1/06 - 12/31/06

<Cash Flow Analysis Sample Property>

<City, State>

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Schedule MARK: Marketing

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
MARK - 1	Activities	\$ 1,046	\$ 1,144				\$ 1,144
MARK - 2	Apartment Guide	\$ 8,205	\$ 16,123				\$ 16,123
MARK - 3	Brochures	\$ 156	\$ -				\$ -
MARK - 4	Marketing Supplies	\$ 824	\$ 1,536				\$ 1,536
MARK - 5	Other Promotional	\$ 3,361	\$ 1,646				\$ 1,646
MARK - 6	Internet - Apartments.com	\$ 410	\$ 1,495				\$ 1,495
MARK - 7	Other Internet Advertising	\$ 299	\$ 2,392				\$ 2,392
MARK - 8	Meals & Entertainment	\$ 68	\$ 614				\$ 614
MARK - 9	Model Furniture	\$ 2,263	\$ 5,316				\$ 5,316
MARK - 10	Move-In Gifts	\$ -	\$ 13				\$ 13
MARK - 11	Newsletter	\$ 788	\$ 1,990				\$ 1,990
MARK - 12	Newspaper	\$ 16,134	\$ 11,283				\$ 11,283
MARK - 13	Miscellaneous Marketing	\$ 6,509	\$ 5,909				\$ 5,909
MARK - 14	Resident Referrals	\$ 100	\$ 190				\$ 190
MARK - 15	Shopping Reports	\$ 1,196	\$ 3,087				\$ 3,087
MARK - 16	Signs & Banners	\$ 1,483	\$ 2,131				\$ 2,131
MARK - 17	Tenant Screening	\$ 3,561	\$ 3,740				\$ 3,740
MARK - 18							\$ -
MARK - 19							\$ -
MARK - 20							\$ -
Total		\$ 46,403	\$ 58,611	\$ -	\$ -	\$ -	\$ 58,611

Variance 2006 to 2005

20.83%

Variance 2006 to annualized 2005

\$ 50,622

13.63%

General Comments:

Per Borrower, increase in turnover in 2006 resulted in a greater need to market the property to obtain new residents.

Consulting Agreement #: 07-0515

Analysis Period: 1/1/06 - 12/31/06

<Cash Flow Analysis Sample Property>

<City, State>

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Schedule DS: Debt Service

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
DS -1	Interest Expense - 1st	\$ 1,887,495	\$ 2,518,337				\$ 2,518,337
DS -2	Accrued interest expense				\$ (37,408)	\$ 1,000	\$ (36,408)
DS -3							\$ -
DS -4							\$ -
DS -5							\$ -
DS -6							\$ -
DS -7							\$ -
DS -8							\$ -
DS -9							\$ -
DS -10							\$ -
DS -11							\$ -
DS -12							\$ -
DS -13							\$ -
DS -14							\$ -
DS -15							\$ -
DS -16							\$ -
DS -17							\$ -
DS -18							\$ -
DS -19							\$ -
DS -20							\$ -
Total		\$ 1,887,495	\$ 2,518,337	\$ -	\$ (37,408)	\$ 1,000	\$ 2,481,929

Variance 2006 to 2005 25.05%

Variance 2006 to annualized 2005 \$ 2,059,086 18.24%

General Comments:

Accrual to cash adjustment made to interest expense to capture actual interest expense paid in 2006. \$1,000 adjustment made to correct misclassification of interest expense as loan advance in the general ledger.

Consulting Agreement #: 07-0515

Analysis Period: 1/1/06 - 12/31/06

<Cash Flow Analysis Sample Property>

<City, State>

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Schedule CAPEX: Capital Expense

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
CAPEX -1	Loan Advances - Capital					\$ (1,066,330)	\$ (1,066,330)
CAPEX -2	Building Improvements					\$ 1,023,132	\$ 1,023,132
CAPEX -3	Furn, Fix, & Equipment					\$ 16,091	\$ 16,091
CAPEX -4	Carpet & Window Cov.					\$ 1,892	\$ 1,892
CAPEX -5	Signage					\$ 6,980	\$ 6,980
CAPEX -6	Appliances					\$ 6,684	\$ 6,684
CAPEX -7	Accounts Payable - Renov				\$ 186,213		\$ 186,213
CAPEX -8	Other Liabilities - Renov.				\$ (226,861)		\$ (226,861)
CAPEX -9							\$ -
CAPEX -10							\$ -
CAPEX -11							\$ -
CAPEX -12							\$ -
CAPEX -13							\$ -
CAPEX -14							\$ -
CAPEX -15							\$ -
CAPEX -16							\$ -
CAPEX -17							\$ -
CAPEX -18							\$ -
CAPEX -19							\$ -
CAPEX -20							\$ -
Total		\$ -	\$ -	\$ -	\$ (40,648)	\$ (11,551)	\$ (52,199)

General Comments:

Added captial expenditures incurred throughout the year, net of loan advances received as reimbursement for expenditures incurred. Accrual to cash adjustments made for timing of actual capital expenditures paid during 2006.

Consulting Agreement #: 07-0515

Analysis Period: 1/1/06 - 12/31/06

<Cash Flow Analysis Sample Property>

<City, State>

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Schedule PTR: Partnership Income & Expenses

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
PTR -1	Asset Mgmt Fees	\$ 25,386	\$ 73,700			\$ (73,700)	\$ -
PTR -2	Accounting Fees	\$ 800	\$ 12,759			\$ (12,759)	\$ -
PTR -3	LLC Tax	\$ 6,000	\$ 6,000			\$ (6,000)	\$ -
PTR -4	Other Professional Fees	\$ 17,154	\$ 26,637			\$ (26,637)	\$ -
PTR -5	Other Misc.	\$ (2,822)	\$ -			\$ -	\$ -
PTR -6							\$ -
PTR -7							\$ -
PTR -8							\$ -
PTR -9							\$ -
PTR -10							\$ -
PTR -11							\$ -
PTR -12							\$ -
PTR -13							\$ -
PTR -14							\$ -
PTR -15							\$ -
PTR -16							\$ -
PTR -17							\$ -
PTR -18							\$ -
PTR -19							\$ -
PTR -20							\$ -
Total		\$ 46,518	\$ 119,096	\$ -	\$ -	\$ (119,096)	\$ -

Variance 2006 to 2005 60.94%

Variance 2006 to annualized 2005 \$ 50,747 57.39%

General Comments:

The largest part of this variance is due to 5 quarters of asset management fees paid in 2006 but only 2 quarters of fees in 2005. All non-operating partnership expenses shall be excluded from the calculation of Net Cash Flow.

Consulting Agreement #: 07-0515

Analysis Period: 1/1/06 - 12/31/06

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<Cash Flow Analysis Sample Property>

<City, State>

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Schedule LC: Leasing Commissions

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
LC -1							\$ -
LC -2							\$ -
LC -3							\$ -
LC -4							\$ -
LC -5							\$ -
LC -6							\$ -
LC -7							\$ -
LC -8							\$ -
LC -9							\$ -
LC -10							\$ -
LC -11							\$ -
LC -12							\$ -
LC -13							\$ -
LC -14							\$ -
LC -15							\$ -
LC -16							\$ -
LC -17							\$ -
LC -18							\$ -
LC -19							\$ -
LC -20							\$ -
Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

General Comments:

Consulting Agreement #: 07-0515

Analysis Period: 1/1/06 - 12/31/06

<Cash Flow Analysis Sample Property>

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<City, State>

Serving the Commercial Real Estate Industry

Schedule NONOP1: Non-Operating Expense #1 (Depr. & Amort.)

Line Item	Description	Previous 2 Year Ending 12/31/2005	Previous Year Ending 12/31/2006	Stub Period Ending	Accrual to Cash Adjustments (See Below)	Other Adjustments (See Below)	Adjusted Amount 1/1/06 - 12/31/06
NONOP1 -1	Amortization Expense	\$ 146,915	\$ 157,500		\$ (157,500)		\$ -
NONOP1 -2	Depreciation Expense	\$ 906,341	\$ 1,026,421		\$ (1,026,421)		\$ -
NONOP1 -3							\$ -
NONOP1 -4							\$ -
NONOP1 -5							\$ -
NONOP1 -6							\$ -
NONOP1 -7							\$ -
NONOP1 -8							\$ -
NONOP1 -9							\$ -
NONOP1 -10							\$ -
NONOP1 -11							\$ -
NONOP1 -12							\$ -
NONOP1 -13							\$ -
NONOP1 -14							\$ -
NONOP1 -15							\$ -
NONOP1 -16							\$ -
NONOP1 -17							\$ -
NONOP1 -18							\$ -
NONOP1 -19							\$ -
NONOP1 -20							\$ -
Total		\$ 1,053,256	\$ 1,183,921	\$ -	\$(1,183,921)	\$ -	\$ -

Variance 2006 to 2005 11.04%

Variance 2006 to annualized 2005 \$ 1,149,007 2.95%

General Comments:

Accrual to cash adjustment made to account for non-cash nature of Depreciation and Amortization.

Consulting Agreement #: 07-0515

Analysis Period: 1/1/06 - 12/31/06

<Cash Flow Analysis Sample Property>

<City, State>

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Schedule NONOP1: Non-Operating Expense #2 (Adjustment Items)

Line Item	Description	Previous 2 Year	Previous Year	Stub Period	Accrual to Cash	Other	Adjusted
		Ending	Ending	Ending	Adjustments	Adjustments	Amount
		12/31/2005	12/31/2006		(See Below)	(See Below)	1/1/06 - 12/31/06
NONOP2 -1							\$ -
NONOP2 -2							\$ -
NONOP2 -3							\$ -
NONOP2 -4							\$ -
NONOP2 -5							\$ -
NONOP2 -6							\$ -
NONOP2 -7							\$ -
NONOP2 -8							\$ -
NONOP2 -9							\$ -
NONOP2 -10							\$ -
NONOP2 -11							\$ -
NONOP2 -12							\$ -
NONOP2 -13							\$ -
NONOP2 -14							\$ -
NONOP2 -15							\$ -
NONOP2 -16							\$ -
NONOP2 -17							\$ -
NONOP2 -18							\$ -
NONOP2 -19							\$ -
NONOP2 -20							\$ -
Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

General Comments:

Consulting Agreement #: 07-0515

Analysis Period: 1/1/06 - 12/31/06

**<Cash Flow Analysis Sample Property>
Bank Accounts**

Account #	Description	Bank	Book	Reconciling
		Balance	Balance	Items
		12/25/2006	12/31/2006	
00-81013674	Cash Operating	350,575.47	292,480.59	(58,094.88) A

Reconciling Notes	
87 checks outstanding totaling	(69,377.07)
1 other check item totaling	<u>12,324.66</u>
NET	(57,052.41) B
Difference (A - B)	1,042.47

Note: Difference is made up of reconciliation error. Reconciliation states 12/31/06 book balance is \$293,523.06, but general ledger book balance is \$292,480.59.

<Cash Flow Analysis Sample Property>
 Estimated Debt Service Payments - 2006

see GECC Account Status Summary for all loan payment details

<u>Reasonableness test:</u>	1/1/2006	7/1/2006	12/31/2006	Average
Loan Balance	\$ 33,695,470.93	\$ 34,380,122.66	\$ 34,760,800.54	\$ 34,278,798.04
Interest Rate	6.80%	7.26%	7.50%	7.19%
Est. Annual Interest Expense	\$ 2,291,292.02	\$ 2,497,409.88	\$ 2,607,060.04	\$ 2,463,972.56
			Actual interest exp.	\$ 2,481,928.84 A
			difference	\$ (17,956.28)
				-0.7%

Total above approximates total expensed per schedule DS.

Estimated Interest Rate based upon annualized interest expense payment from date noted above.

A - Actual interest expense matches total per GECC Account Status Summary.

**<Cash Flow Analysis Sample Property>
RE Taxes Paid in 2006**

Parcel Number	1/1/06 - 6/30/06 Tax Amount	7/1/06 - 12/31/06 Tax Amount	TOTAL
3128 002 015 06 000	38,218.46	33,837.95	72,056.41
3128 002 016 06 000	44,704.55	39,575.16	84,279.71
3128 002 017 06 000	36,454.77	28,712.74	65,167.51
3128 002 018 06 000	42,257.72	33,402.84	75,660.56
3128 002 019 06 000	83,744.75	71,505.73	155,250.48
3128 002 020 06 000	<u>75,384.25</u>	<u>61,250.53</u>	<u>136,634.78</u>
TOTAL	320,764.50	268,284.95	589,049.45

Insurance Paid in 2006

Policy Number	Amount	Period	Description
wire to HRH	66,432.40		
AUC9007010	11,408.00	9/1/06 - 8/31/07	Commercial Umbrella
MXX80863463	33,572.00	9/1/06 - 8/31/07	General Liability
MXX80863463	<u>43,817.00</u>	9/1/06 - 8/31/07	Commercial Property
TOTAL	155,229.40		

<Cash Flow Analysis Sample Property>
Cash Flow Reconciliation - 2006

	Per Borrower Calculation			Per Cash Flow Audit			Adjustment Comments
	2006 Accrual	Adjustments	2006 Cash	2006 Accrual	Adjustments	2006 Cash	
Base Rent	\$ 4,182,092		\$ 4,182,092	\$ 4,182,092	\$ 5,638	\$ 4,187,730	See Schedule BR
Other Income	\$ 330,150		\$ 330,150	\$ 330,150	\$ -	\$ 330,150	No changes
Total Revenue	\$ 4,512,242	\$ -	\$ 4,512,242	\$ 4,512,242	\$ 5,638	\$ 4,517,880	
Payroll	\$ 355,373		\$ 355,373	\$ 355,373	\$ -	\$ 355,373	No changes
General & Administrative	\$ 67,960		\$ 67,960	\$ 67,960	\$ -	\$ 67,960	No changes
Turnover Maintenance	\$ 65,307		\$ 65,307	\$ 65,307	\$ -	\$ 65,307	No changes
Contract Services	\$ 88,835		\$ 88,835	\$ 88,835	\$ -	\$ 88,835	No changes
Insurance	\$ 196,806		\$ 196,806	\$ 196,806	\$ (41,577)	\$ 155,229	See Schedule INS
Real Estate Taxes	\$ 589,050		\$ 589,050	\$ 589,050	\$ (1)	\$ 589,049	See Schedule RET
Utilities	\$ 183,330		\$ 183,330	\$ 183,330	\$ -	\$ 183,330	No changes
Management Fees	\$ 124,052		\$ 124,052	\$ 124,052	\$ 190	\$ 124,242	See Schedule MGMT
Marketing	\$ 58,611		\$ 58,611	\$ 58,611	\$ -	\$ 58,611	No changes
Repairs & Maintenance	\$ 71,788		\$ 71,788	\$ 71,788	\$ -	\$ 71,788	No changes
Total Operating Expenses	\$ 1,801,113	\$ -	\$ 1,801,113	\$ 1,801,113	\$ (41,388)	\$ 1,759,725	
Operating Profit (Loss)	\$ 2,711,129	\$ -	\$ 2,711,129	\$ 2,711,129	\$ 47,026	\$ 2,758,155	
Interest Expense	\$ 2,518,337		\$ 2,518,337	\$ 2,518,337	\$ (36,408)	\$ 2,481,929	See Schedule DS
Commissions	\$ -		\$ -	\$ -	\$ -	\$ -	No changes
Depreciation & Amortization	\$ 1,183,921		\$ 1,183,921	\$ 1,183,921	\$ (1,183,921)	\$ -	See Schedule NONOP -1
Capital Expenditures	\$ -		\$ -	\$ -	\$ (52,199)	\$ (52,199)	See Schedule CAPEX - constr. Loan advances, expenditures
Partnership Expenses	\$ 119,096		\$ 119,096	\$ 119,096	\$ (119,096)	\$ -	See Schedule PTR
Property Income (Loss)	\$ (1,110,224)	\$ -	\$ (1,110,224)	\$ (1,110,224)	\$ 1,438,650	\$ 328,426	
Sources of Funds - BS	\$ 1,395,604		\$ 1,395,604	\$ 1,395,604	\$ (1,395,604)	\$ -	See Schedules CAPEX, DS, RET, INS, BR
Uses of Funds - BS	\$ (1,259,781)		\$ (1,259,781)	\$ (1,259,781)	\$ 1,259,781	\$ -	See Schedules CAPEX, BR
Accum. Depr & Amort.	\$ 1,183,921		\$ 1,183,921	\$ 1,183,921	\$ (1,183,921)	\$ -	See Schedule NONOP -1
Security Deposits / Refunds	\$ 23,529		\$ 23,529	\$ 23,529	\$ (23,529)	\$ -	Security Deposit Activity excluded from Net Cash Flow
Owner Draws	\$ (500,000)		\$ (500,000)	\$ (500,000)	\$ 500,000	\$ -	Owner Draws excluded from Net Cash Flow
Total Adjustments	\$ 843,273	\$ -	\$ 843,273	\$ 843,273	\$ (843,273)	\$ -	
Net Cash Flow	\$ (266,951)	\$ -	\$ (266,951)	\$ (266,951)	\$ 595,377	\$ 328,426	

Beginning Cash Balance	\$ 832,182.24	\$ 832,182.24
add: 2006 net cash flow		\$ 328,425.94
add back: increase in security deposit liability		\$ 23,529.33
less: excluded portion of owner draws		\$(500,000.02)
less: excluded portion of partnership (non-operating) expenses		\$(119,095.99)
add back: underpaid portion of management fee		\$ 189.56
Ending Cash Balance	565,231.06	\$ 565,231.06

**<Cash Flow Analysis Sample Property>
Financial Ratios**

2006 Net Operating Income, per 2006 Cash Flow Reconciliation	2,758,155	A
Loan Balance, 12/31/06, per Balance Sheet	34,760,801	B
Total Interest Paid, per 2006 Cash Flow Reconciliation	2,481,929	C
Total Principal Paid in 2006	-	D
Total Debt Service Paid in 2006 (C + D)	2,481,929	E

Cash on Cash Return (A / B) **7.9%** See Notes 1 & 2 Below

Debt Service Coverage (A / E) **1.11** See Note 3 Below

Note 1: Per the Loan Agreement, if the Cash On Cash Return is < 8.5% as of 1/31/07, the Borrower shall deposit 100% of Net Cash Flow with the Lender.

Note 2: As of 12/31/06, no of the Net Cash Flow had been transferred from Borrower to Lender. In addition, no test was completed in order to determine the Net Operating Income, Loan Balance, and Total Debt Service as of 1/31/07.

Note 3: The Debt Service Coverage Ratio must be 1.20 to 1.00 or greater and the Cash On Cash Return must be 9.5% or greater in order for the loan to be extended beyond its maturity date.

<Cash Flow Analysis Sample Property>
 Loan Agreement Summary & Notes

ITEM	NOTES	REFERENCE
1	Loan Agreement between Basrock Woodcreek Gardens and GE Capital Corporation 1/25/05	initial description
2	Maturity Date = 1/31/08, two separate 12-month extensions available subject to various conditions	Sec 2.5
3	Net Cash Flow = (Operating revenue) - (operating expenses) - (debt service) - (capex , ti & lc) - (net escrow activity)	definitions p. 4
4	In order to extend loan, Borrower must: 1) deliver written request no earlier than 120 days and no than 90 days prior to maturity, 2) Pay extension fee equal to 0.25% of outstanding principal balance as of the first day of the extension, 3) Cash On Cash return >= 9.5% AND DSC Ratio >= 1.20 to 1.00 provided that Borrower may satisfy such conditions by paying down the outstanding loan balance in an amount so that the DSC Ratio is achieved.	Sec 2.5 (a through h)
5	Interest Rate on loan upon extension shall bear interest at the Contract Rate)	Sec. 2.2
6	100% of monthly Net Cash Flow (NCF) shall be paid to lender into a reserve (DSC Reserve) beginning 1/31/07 and monthly thereafter if the Cash-On-Cash Return is < 8.5%. Thereafter, if the Cash on Cash Return >= 8.5% for any consecutive 3 month period, the Lender shall disburse all Net Cash Flow Reserves as designated by Borrower.	Sec. 2.5
7	Debt Service Coverage (DSC) Ratio = (Annualized Underwritten NOI + Funds in DSC Reserve) / Annualized Debt Service	definitions p. 2
8	Cash-On-Cash Return = (Annualized Underwritten NOI + Funds in DSC Reserve) / Outstanding Loan Principal Balance	definitions p. 2
9	Commencing 3/1/07, Borrower shall make monthly principal payments based upon a 30 year amortization schedule	Sec. 2.3 (c)
10	As a condition for Lender to make Construction Loan Advances, Borrower must verify that the cash investment for the acquisition of the project is at least \$8,150,000	Exhibit Schedule 2.1 (19)

<Cash Flow Analysis Sample Property>
Balance Sheet Analysis

Account	Balance 12/31/2005	Balance 12/31/2006	2006 Change	Review Comment
Cash Operating	738,684.06	292,480.59	(446,203.47)	
Cash Renovation	18,719.60	433.38	(18,286.22)	
Cash - Property Tax	57,999.85	207,602.05	149,602.20	
Cash - Insurance	16,028.73	63,965.04	47,936.31	
Cash - Petty Cash	750.00	750.00	-	
TOTAL CASH	832,182.24	565,231.06	(266,951.18)	Matches client total of Net Cash Flow for 2006
Deposit - Electricity	765.00	765.00	-	No effect on Net Cash Flow
Accounts Receivable - Rents	-	14,400.23	14,400.23	Accrual to Cash adjustment for rent - see Schedule BR
Prepaid Insurance	100,774.91	59,198.00	(41,576.91)	Accrual to Cash adjustment for insurance - see Schedule INS
Prepaid Taxes	53,872.33	53,872.33	-	No effect on Net Cash Flow
Land	5,400,000.00	5,400,000.00	-	No effect on Net Cash Flow
Land Improvements	295,000.00	295,000.00	-	No effect on Net Cash Flow
Building 1	33,746,078.48	33,746,078.48	-	No effect on Net Cash Flow
Building Improvements	2,124,452.21	3,147,583.75	1,023,131.54	See Schedule CAPEX - current year capital improvements
FF & E	242,935.62	259,026.92	16,091.30	See Schedule CAPEX - current year capital improvements
Computer Software	1,727.49	1,727.49	-	No effect on Net Cash Flow
Carpet & Window Covers	-	1,892.09	1,892.09	See Schedule CAPEX - current year capital improvements
Signage	38,683.40	45,663.06	6,979.66	See Schedule CAPEX - current year capital improvements
Appliances	37,650.00	44,333.97	6,683.97	See Schedule CAPEX - current year capital improvements
Accumulated Depreciation	(906,341.00)	(1,932,762.04)	(1,026,421.04)	See Schedule NONOP-1 to for accrual to cash adjustment
Loan Costs - 1st	472,500.00	472,500.00	-	No effect on Net Cash Flow
Accumulated Amortization	(146,915.32)	(304,415.32)	(157,500.00)	See Schedule NONOP-1 to for accrual to cash adjustment
Accounts Payable - Renovation	(221,910.09)	(35,696.95)	186,213.14	Accrual to Cash Adjustment for Capital Expenditures - See Schedule CAPEX
Interest Payable	(4,860.55)	(4,860.55)	-	No effect on Net Cash Flow
Security Deposits	(131,637.00)	(156,587.00)	(24,950.00)	Excluded from Net Cash Flow
Refunds Payable	(2,286.14)	(865.47)	1,420.67	Excluded from Net Cash Flow
Prepaid Rents	-	(24,427.41)	(24,427.41)	Accrual to Cash adjustment for rent - see Schedule BR
Receipts Clearing	-	4,389.12	4,389.12	Accrual to Cash adjustment for rent - see Schedule BR
Accrued Payroll Payable	(10,305.64)	(10,305.64)	-	No effect on Net Cash Flow
Accrued Property Taxes	(27,915.00)	(27,915.50)	(0.50)	Accrual to Cash adjustment for real estate taxes - see Schedule RET
Accrued Franchise Tax	(6,000.00)	(6,000.00)	-	No effect on Net Cash Flow
Accrued Interest - 1st	(186,911.78)	(224,319.75)	(37,407.97)	Accrual to Cash adjustment for interest expense - see Schedule DS
Other Liabilities - Renovation	(22,382.59)	(249,244.06)	(226,861.47)	Accrual to Cash Adjustment for Capital Expenditures - See Schedule CAPEX
Mortgage Payable - 1st	(33,695,470.93)	(34,760,800.54)	(1,065,329.61)	See Schedule CAPEX - construction loan advances
Equity - BasRoc SoCal	(8,800,000.00)	(8,800,000.00)	-	No effect on Net Cash Flow
BasRock Woodcreek - Draws	299,999.99	800,000.01	500,000.02	Excluded from Net Cash Flow
Retained Earnings	-	516,314.37	516,314.37	Matches 2005 total per income statement - no effect on Net Cash Flow
2005 Net Income	516,314.37	-	(516,314.37)	Matches 2005 total per income statement - no effect on Net Cash Flow
2006 Net Income	-	1,110,224.35	1,110,224.35	Matches 2006 total per income statement
check total	(0.00)	0.00	-	