

**Red Rox Condo - Phoenix, Az. Pro Forma - Based on 15 % Appreciation (New Commuter Rail coming 12/08)**

<b>85% Mortgage</b>	<b>Amber 1</b>	<b>Amber 2</b>	<b>Amber 4</b>	<b>Amber 3</b>	<b>Breccia 1</b>	<b>Breccia 2</b>
<b>Unit Type Description</b>	1 bed/1bth	1 bed/1bth	1 bed/1bth + wide corner, 3rd Fl fireplace	1 bed/1bth + Den	2bed/2bth	2bed/2bth
<b># Units Available Phase 1:</b>						
<b>* (20) Total</b>						
<b>* (5) Furnished * (4) Garages</b>	2	4	5	3	3	8
<b>Square Feet</b>	711	797	812	915	1020	1081
<b>Balcony/Patio w/ Storage Closet</b>	Yes	Yes	Yes-Oversized + 120 sf.	Yes	Yes	Yes
<b>Purchase Price (avg)</b>	\$180,000.00	\$190,990.00	\$203,000.00	\$218,000.00	\$240,000.00	\$259,000.00
<b>\$/Sq.Ft w/ Balcony/Patio</b>	\$221.95	\$235.50	\$243.11	\$268.80	\$295.93	\$319.36
<b>Mortgage Downpayment 15%</b>	\$27,000.00	\$28,648.50	\$30,450.00	\$32,700.00	\$36,000.00	\$38,850.00
<b>Mortgage Amount 85% Loan</b>	\$153,000.00	\$162,341.50	\$172,550.00	\$185,300.00	\$204,000.00	\$220,150.00
<b>Closing Costs (estimate only, 3%)</b>	\$5,400.00	\$5,729.70	\$6,090.00	\$6,540.00	\$7,200.00	\$7,770.00
<b>Seller Incentives-Paid Closing Costs</b>	\$5,400.00	\$5,729.70	\$6,090.00	\$6,540.00	\$7,200.00	\$7,770.00
<b>Monthly Home Owners Association Fees</b>	\$106.00	\$115.00	\$117.00	\$128.00	\$139.00	\$145.00
<b>Home [Maintenance] Warranty Policy; Free 1 year (\$425)</b>	Free	Free	Free	Free	Free	Free
<b>Mortgage 5/1 ARM Interest Only: Estimate @ 8.00% (10/15/06). No PMI. Full Docs.</b>	\$ 993.00	\$ 1,040.00	\$ 1,050.00	\$ 1,100.00	\$ 1,271.00	\$ 1,285.00
<b>Tax=.09%:</b>						
<b>Tax is not escrowed full amnt. until March '08 assessment. Avg escrow is \$50-\$100 each month vs. full \$136-198 rate. Increases Year 1 cash flow and coincides to tax season benefits. While asset has appreciated 16 -18 months.</b>	\$60.00	\$60.00	\$60.00	\$80.00	\$100.00	\$100.00
<b>Total Monthly Payments</b>	\$1,053.00	\$1,100.00	\$1,110.00	\$1,180.00	\$1,371.00	\$1,385.00
<b>Corporate Rent Payment</b>	\$1,005.00	\$1,055.00	\$1,070.00	\$1,115.00	\$1,310.00	\$1,320.00
<b>Seller Incentive- \$4,000 in \$167/mo. Add'l rent fo 24 months</b>	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00	\$167.00
<b>Gross Monthly Cash Flow not including Tax Benefits</b>	\$119.00	\$122.00	\$127.00	\$102.00	\$106.00	\$102.00
<b>Tax Benefits (low estimate): Mortgage Interest, Closing Costs, Tax, Depreciation, Operating Expenses.</b>	\$700.00	\$700.00	\$700.00	\$850.00	\$1,000.00	\$1,000.00
<b>Gross Monthly Cash Flow with Tax Benefits Adjustment: (Mortgage Interest, Operating Expenses, Depreciation)</b>	\$819.00	\$822.00	\$827.00	\$952.00	\$1,106.00	\$1,102.00
<b>Annualized Cash Flow, Standard (with Tax benefits)</b>	\$9,828.00	\$9,864.00	\$9,924.00	\$11,424.00	\$13,272.00	\$13,224.00
<b>Gross Monthly Appreciation @ 15%/12 (Phoenix 25% YTD Aug. '06)</b>	\$2,250.00	\$2,387.38	\$2,537.50	\$2,725.00	\$3,000.00	\$3,237.50
<b>Year 1 Gross Annualized Equity @ 15% Appreciation</b>	\$27,000.00	\$28,648.50	\$30,450.00	\$32,700.00	\$36,000.00	\$38,850.00
<b>Year 1 Gross Property Value @ 15% Apprec.</b>	\$207,000.00	\$219,638.50	\$233,450.00	\$250,700.00	\$276,000.00	\$297,850.00
<b>Net Monthly Cash Flow based on 15% Appreciation with (estimated) tax benefits</b>	\$3,069.00	\$3,209.38	\$3,364.50	\$3,677.00	\$4,106.00	\$4,339.50
<b>Net Annualized Cash Flow based on 15% Appreciation with (est.) tax benefits</b>	\$36,828.00	\$38,512.50	\$40,374.00	\$44,124.00	\$49,272.00	\$52,074.00
<b>Year 1 Gross Rent Income</b>	\$12,060.00	\$12,660.00	\$12,840.00	\$13,380.00	\$15,720.00	\$15,840.00
<b>Year 1 Gross Cash Investment: Downpayment, Closing Costs, Mortgage Payments</b>	\$39,636.00	\$41,848.50	\$43,770.00	\$46,860.00	\$52,452.00	\$55,470.00
<b>Year 1 Net Cash on Cash ROI (\$): By Appreciation Method</b>	\$9,252.00	\$9,324.00	\$9,444.00	\$10,644.00	\$12,540.00	\$12,444.00
<b>Year 1 Cash on Cash ROI (%) by Appreciation Method</b>	<b>23.34%</b>	<b>22.28%</b>	<b>21.58%</b>	<b>22.71%</b>	<b>23.91%</b>	<b>22.43%</b>

**Red Rox Condo - Phoenix, Az. Pro Forma - Based on 15 % Appreciation (New Commuter Rail coming 12/08)**

<b>85% Mortgage</b>	<b>Amber 1</b>	<b>Amber 2</b>	<b>Amber 4</b>	<b>Amber 3</b>	<b>Breccia 1</b>	<b>Breccia 2</b>
Rent Increase Year 2 Monthly (#15), +5%	\$50.25	\$52.75	\$53.50	\$55.75	\$65.50	\$66.00
Year 2 Monthly Rent Income, +5%	\$1,055.25	\$1,107.75	\$1,123.50	\$1,170.75	\$1,375.50	\$1,386.00
Year 2 Gross Rent Income, +5%	\$12,663.00	\$13,293.00	\$13,482.00	\$14,049.00	\$16,506.00	\$16,632.00
Year 2 Monthly HOA Payment	\$106.00	\$115.00	\$117.00	\$128.00	\$139.00	\$145.00
Year 2 HOA Payment Annualized	\$1,272.00	\$1,380.00	\$1,404.00	\$1,536.00	\$1,668.00	\$1,740.00
Year 2 Tax Payment (Monthly Escrow)	\$ 135.00	\$ 143.24	\$ 152.25	\$ 163.50	\$ 180.00	\$ 194.25
Year 2 Tax Payment Annualized	\$1,620.00	\$1,718.91	\$1,827.00	\$1,962.00	\$2,160.00	\$2,331.00
Year 2 Mortgage Payment, Monthly	\$993.00	\$1,040.00	\$1,050.00	\$1,100.00	\$1,271.00	\$1,285.00
Year 2 Mortgage Payment, Annualized	\$11,916.00	\$12,480.00	\$12,600.00	\$13,200.00	\$15,252.00	\$15,420.00
Year 2 Monthly Cash Investment: Monthly Mortgage + HOA + Tax. <b>No Downpayment, No Closing Costs Like Year 1 (\$32,200)</b>	\$1,234.00	\$1,298.24	\$1,319.25	\$1,391.50	\$1,590.00	\$1,624.25
Year 2 Gross Annualized Cash Investment	\$14,808.00	\$15,578.91	\$15,831.00	\$16,698.00	\$19,080.00	\$19,491.00
Year 2 Net Annualized Cash Investment (Investment-Income)	<b>\$2,145.00</b>	<b>\$2,285.91</b>	<b>\$2,349.00</b>	<b>\$2,649.00</b>	<b>\$2,574.00</b>	<b>\$2,859.00</b>
Year 2 Monthly Tax Benefits: estimated ( Mortgage Interest, etc.)	\$700.00	\$700.00	\$700.00	\$850.00	\$1,000.00	\$1,000.00
Year 2 Annualized Tax Benefits (per Year 1 Monthly tax benefits)	\$8,400.00	\$8,400.00	\$8,400.00	\$10,200.00	\$12,000.00	\$12,000.00
Year 2 Net Annualized Cash Investment with tax benefits (Investment-Income-tax benefits)	\$6,255.00	\$6,114.09	\$6,051.00	\$7,551.00	\$9,426.00	\$9,141.00
Year 2 Gross Monthly Equity @ 15% Appreciation	\$2,587.50	\$2,745.48	\$2,918.13	\$3,133.75	\$3,450.00	\$3,723.13
Year 2 Annualized Equity @ 15% Appreciation	\$31,050.00	\$32,945.78	\$35,017.50	\$37,605.00	\$41,400.00	\$44,677.50
Year 2 Monthly Income + Appreciation	\$3,642.75	\$3,853.23	\$4,041.63	\$4,304.50	\$4,825.50	\$5,109.13
Year 2 Annualized Income + Appreciation	\$43,713.00	\$46,238.78	\$48,499.50	\$51,654.00	\$57,906.00	\$61,309.50
Year 2 Gross Property Value	\$238,050.00	\$252,584.28	\$268,467.50	\$288,305.00	\$317,400.00	\$342,527.50
Year 2 Gross Monthly Cash Flow based on 15% Appreciation:	\$3,108.75	\$3,254.99	\$3,422.38	\$3,763.00	\$4,235.50	\$4,484.88
Year 2 Gross Annualized Cash Flow based on 15% Appreciation: (Investment-Income+Tax Benefits)	\$37,305.00	\$39,059.87	\$41,068.50	\$45,156.00	\$50,826.00	\$53,818.50
Year 2 Net Cash on Cash ROI(\$): Income+Appreciation-Investment	\$28,905.00	\$30,659.87	\$32,668.50	\$34,956.00	\$38,826.00	\$41,818.50
Year 2 Cash on Cash ROI (%)	<b>29.52%</b>	<b>29.68%</b>	<b>30.64%</b>	<b>30.93%</b>	<b>30.35%</b>	<b>31.46%</b>
Combined 2 Year Gross Cash Investment	\$54,444.00	\$57,427.41	\$59,601.00	\$63,558.00	\$71,532.00	\$74,961.00
Combined 2 Year Gross Rental Income	\$24,723.00	\$25,953.00	\$26,322.00	\$27,429.00	\$32,226.00	\$32,472.00
Combined 2 Year Gross Property Equity by Appreciaton 15%	\$58,050.00	\$61,594.28	\$65,467.50	\$70,305.00	\$77,400.00	\$83,527.50
Combined 2 Year Gross Income (Rental Income + Appreciation/Equity)	\$82,773.00	\$87,547.28	\$91,789.50	\$97,734.00	\$109,626.00	\$115,999.50
Combined 2 Year Net Cash on Cash ROI (Gross Investment- (Income+Apprec.))	\$28,329.00	\$30,119.86	\$32,188.50	\$34,176.00	\$38,094.00	\$41,038.50
Average Combined 2 Year Net Cash on Cash ROI	<b>52.86%</b>	<b>51.96%</b>	<b>52.21%</b>	<b>53.65%</b>	<b>54.26%</b>	<b>53.89%</b>
Combined Average 2 Year ROI (%)	<b>26.43%</b>	<b>25.98%</b>	<b>26.11%</b>	<b>26.82%</b>	<b>27.13%</b>	<b>26.94%</b>