



# REAL ESTATE INVESTMENT ANALYSIS

AUGUST 27 2009

PREPARED FOR :

## **VIP Client**

This analysis was prepared for you by Mike Phillips of MBP Capital, Inc. The information contained within this package has been derived from information deemed reliable; however, it is subject to errors, omissions, price change, and/or withdrawal, and no warranty is made as to the accuracy.

PREPARED BY :

## **Mike Phillips**

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Parkside Apartments  
1113 N. O'Connor Rd.  
Irving, Texas 75062  
94 Units B Class  
\$3,200,000



MBP Capital, Inc.

\*Actual Rent Roll and Profit & Loss  
Statements start on page 31

1113 N. O'Connor Rd  
Irving, TX, 75061  
South Irving near Lively Park



Parkside  
Apartments  
\$3,200,000

Contact:

Mike Phillips (214) 878-2489

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# Executive Summary

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## Income and Expenses

<b>Gross Op. Income</b>	\$742,749.00
<b>Increase of incomes: Year 1</b>	\$15,587.10
<b>Vacancy and Credits</b>	- \$99,021.32
<b>Effective Gross Income (EGI)</b>	<b>\$659,314.78</b>
<b>Expenses</b>	\$367,356.00

## Cash Flow

Net Operating Income	\$291,958.78
Debt Service	\$198,523.44
<b>Cash Flow (Before Taxes)</b>	<b>\$93,435.34</b>
Total of Equity (Principal Payment)	\$32,044.86
<b>Cash Flow + Equity</b>	<b>\$125,480.20</b>
Appreciation	\$96,000.00
<b>Cash Flow + Cap. + Appreciation</b>	<b>\$221,480.20</b>

## Down Payment and Financing

<b>Down Payment</b>	<b>\$496,000.00</b>
<b>Mortgage # 1</b>	<b>\$2,704,000.00</b>
<b>Length</b>	360 months
<b>Interest Rate</b>	6.19 %
<b>Term</b>	60 months
<b>Payment</b>	\$16,543.62

## Acquisition Costs

<b>Total</b>	<b>\$3,200,000.00</b>
<b>Acquisition Fees</b>	<b>\$54,080.00</b>
<b>Total</b>	<b>\$3,254,080.00</b>

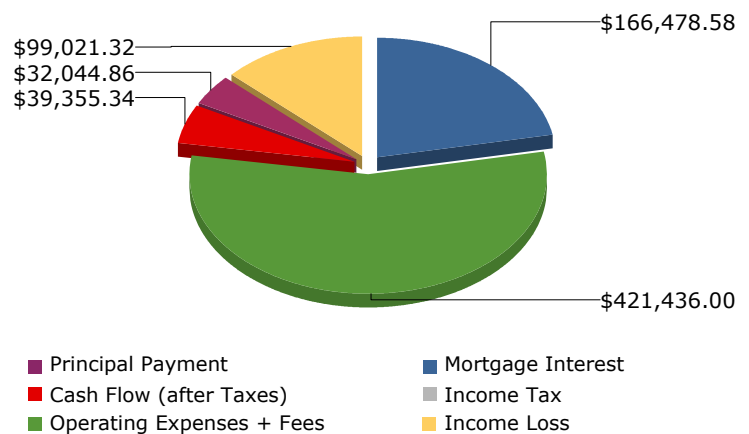
## Financial Ratios (according to Acquisition Cost)\* (after 1 year)

Effective Gross Rent Multiplier (GRM)	5.00
Net Rent Multiplier (NRM)	11.29
Average Unit Price	\$35,063.83
Operating Expense Ratio (OER)	55.72 %
Loan to Value Ratio (LVR)	81.07 %
Debt Coverage Ratio (DCR)	1.47
Break Even Ratio	74.62 %
Capitalization Rate	8.86 %
Internal Rate of Return (year 5)	36.57 %
Annual Appreciation	3.00 %

## Cash on Cash Return\*

<b>Before Equity</b>	<b>16.99 %</b>
<b>After Equity (Principal Payment)</b>	<b>22.81 %</b>
<b>After Equity and Appreciation</b>	<b>40.26 %</b>

## Distribution of the Pot. Gross Income of \$758,336.10 (after 1 year)



The red and purple sections represent your portion of the potential incomes of the building after the first year of operations. This amount belongs to you because the expenses have been paid as well as the mortgage interests and taxes.

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# Descriptive Card

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1113 N. O'Connor Rd      Near  
Irving                      South of W. Grauwylar,  
75061                      north of Union Bower

Pot. Gr. Income	Oper. Expenses	Net Op. Income
\$742,749.00	\$367,356.00	\$375,393.00

List Price	Payment Type	Balance
<b>\$3,200,000.00</b>		No

## Comments

Parkside Apartments is well situated in Irving, Texas between Fort Worth and Dallas. Parkside is located in a residential neighborhood and near Lively community park and youth activity center. Built in 1980, Parkside Apartments is constructed of brick veneer and Hardi-Plank siding and is on a concrete slab foundation with pitched roofs.

## Additional Comments

Parkside consists of a variety of 38 one bedroom apartments and 56 two bedroom units on 3.65 acres. Apartments have individual HVAC, hot water heaters, and has individual electric meters. Common amenities include a leasing office, on-site laundry facility, sparkling pool, controlled access gates, and additional storage units. \*\*Loan must be assumed, 6.19% fixed for 10 years. 1% assumption fee plus typical lender fees. Loan Origination date: April 7, 2008. Original Loan amount \$2,740,000, Current Balance is \$2,705,000. 30 Yr Amortized, 10 year term. Yield maintenance prepay for 9.5 years.

## Included

For additional information including a Full Property Analysis, Actual Profit and Loss Statements, a Current Rent Roll and video, please visit:  
<http://www.mbpcapital.com/parksideapartments.html>

## Legal

LIMETREE/OCONNOR, BLK A LT 1 ACS 2.7698

## Property information

Year Built	1980
Property Type	Garden Style
Total Units	94
Nb of Levels Above Ground	2
Nb of Basement Levels	0
Zoning Type	Residential

Nominal Roll  
Registration Division  
Lot  
Certificate of Localisation

Building Dimensions	0.00 x 0.00
Building Area	67,553.00 sq. ft.
Lot Dimensions	0.00 x 0.00
Lot Area	120,652.00 sq. ft.

Municipal Assessment	2009
Land	\$361,960.00
Building	\$2,467,760.00
<b>Total</b>	<b>\$2,829,720.00</b>

Owner

## Property Details

Foundation	Concrete Slab
Roofing	Pitched-Composition Shingles
Water	Public
Floors	Carpet and Vinyl
Walls	Brick Venner, Hardi Siding
Hot-Water Tank	Individual Hot Water Heaters
Laundry Hookup	Yes
Fire Protection	Yes
Laundry	Yes
Parking	0 Int. 150 Ext.
Outdoor Outlets	No
Heating Paid By	Tenant
HVAC	Individual
W/D Hookups	In Some Units

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Contact Agent  
MBP Capital, Inc.

Information and Appointment  
Mike Phillips



# Pictures

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**8/20/2009**  
Parkside Signage



**8/20/2009**  
Parkside Courtyard



**8/20/2009**  
Pool at Parkside



**8/20/2009**  
Parkside Front



**8/20/2009**  
Parkside



# Leases Terms and Conditions

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Apt	Size	Included Services											End of Lease	Vacant	Renewed Lease	Occ. Owner	Tenant / Comment	Rent	
		Other 1	Heating	Electricity	Hot Water	Water Tax	Laundry	Parking	Furnished	Half Furnished	Garage	Other 2						Monthly	Yearly
1/1	Rent Inc	-	x	x	x	-	x	x	-	-	-	-	12/31/2009	-	-	-	Rental Income 16 - 1 BR / 1 BA Units	\$8,080.00	\$96,960.00
1/1	Rent Inc	-	x	x	x	-	x	x	-	-	-	-	12/31/2009	-	-	-	Rental Income 2 - 1 BR / 1 BA Larger Units	\$980.00	\$11,760.00
1/1	Rent Inc	-	x	x	x	-	x	x	-	-	-	-	12/31/2009	-	-	-	Rental Income 4 - 1 BR / 1 BA Units	\$2,040.00	\$24,480.00
1/1	Rent Inc	-	x	x	x	-	x	x	-	-	-	-	12/31/2009	-	-	-	Rental Income 16 - 1 BR / 1 BA Units - 800 S.F.	\$9,600.00	\$115,200.00
2/2	Rent Inc	-	x	x	x	-	x	x	-	-	-	-	12/31/2009	-	-	-	Rental Income 26 - 2 BR / 2 BA Units	\$16,380.00	\$196,560.00
2/3	Rent Inc	-	x	x	x	-	x	x	-	-	-	-	12/31/2009	-	-	-	Rental Income 10 - 2 Bd / 2 Ba Units	\$6,950.00	\$83,400.00
2/3	Rent Inc	-	x	x	x	-	x	x	-	-	-	-	12/31/2009	-	-	-	Rental Income 20 - 2 Bd / 3 Ba Units - 1,121 S.F.	\$13,700.00	\$164,400.00
																	<b>\$57,730.00</b>	<b>\$692,760.00</b>	

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# Financial Analysis

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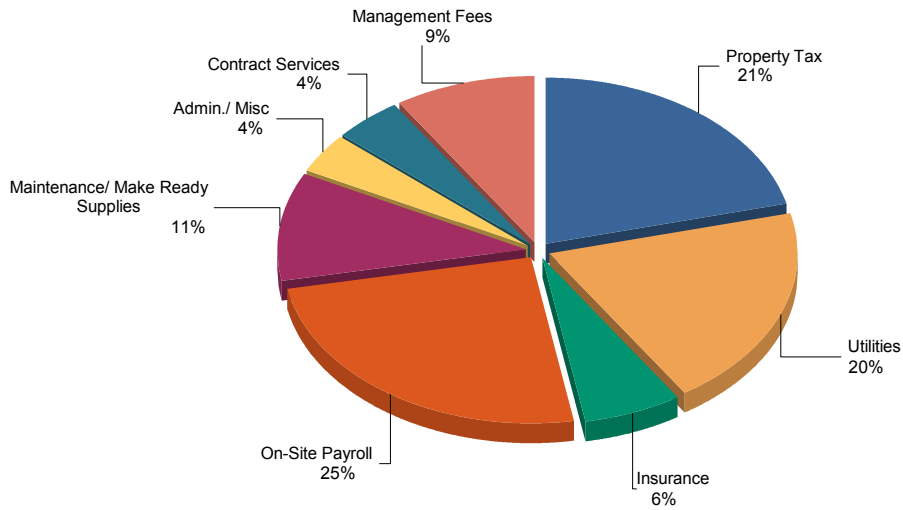
Income		Monthly	Annually
Laundry		\$282.00	\$3,384.00
Miscellaneous		\$1,160.92	\$13,931.04
Utility Reimbursement		\$2,722.83	\$32,673.96
7 x Rent Inc		\$57,730.00	\$692,760.00
<b>Potential Gross Income (PGI)</b>		<b><u>\$61,895.75</u></b>	<b><u>\$742,749.00</u></b>
Vacancy and Credits		Monthly	Annually
Vacancy Rate	11.19 %	\$6,927.58	\$83,131.00
Collections, Loss to Lease	1.87 %	\$1,154.58	\$13,855.00
<b>Effective Gross Income (EGI)</b>		<b><u>\$53,813.58</u></b>	<b><u>\$645,763.00</u></b>
Expenses		Monthly	Annually
Property Tax	12.00 %	\$6,460.00	\$77,520.00
Utilities	11.26 %	\$6,060.75	\$72,729.00
Insurance	3.64 %	\$1,958.33	\$23,500.00
On-Site Payroll	13.98 %	\$7,522.92	\$90,275.00
Maintenance/ Make Ready Supplies	6.12 %	\$3,294.92	\$39,539.00
Admin./ Misc	2.17 %	\$1,165.58	\$13,987.00
Contract Services	2.45 %	\$1,316.00	\$15,792.00
Management Fees	5.27 %	\$2,834.50	\$34,014.00
<b>Total of Expenses</b>	<b><u>56.89 %</u></b>	<b><u>\$30,613.00</u></b>	<b><u>\$367,356.00</u></b>
Cash Flow			Annually
Net Operating Income			\$278,407.00
Debt Service			- \$198,523.44
<b>Cash Flow (Before Taxes)</b>			<b><u>\$79,883.56</u></b>
Total of Equity (Principal Payment)			+ \$32,044.86
<b>Cash Flow + Equity</b>			<b><u>\$111,928.42</u></b>
Appreciation			+ \$96,000.00
<b>Cash Flow + Cap. + Appreciation</b>			<b><u>\$207,928.42</u></b>



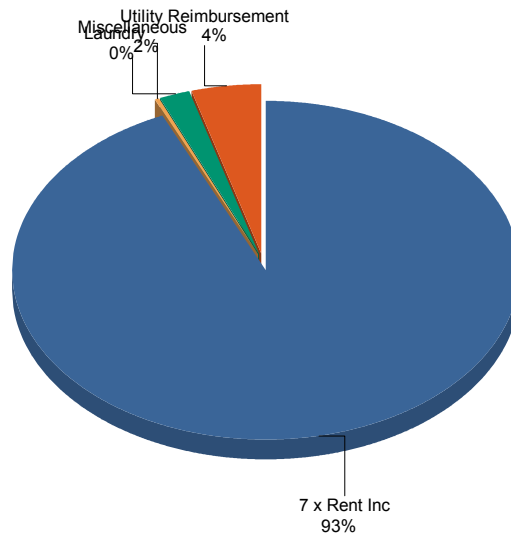
# Financial Analysis

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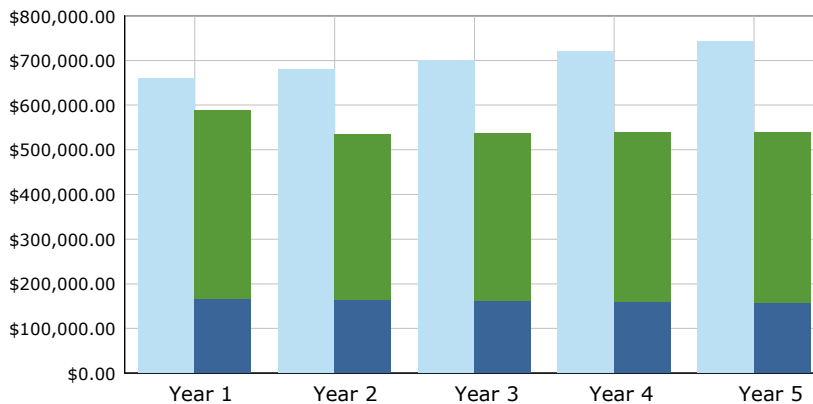
## Expenses Distribution



## Income Distribution



## Incomes, expenses and mortgage interests



This diagram helps to illustrate the available incomes following the payment of the operating expenses and the mortgage interests. These incomes are considered as profit and will serve in part to pay the income taxes.

- Effective Gross Income
- Operating Expenses
- Mortgage Interest



# Financing

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## Acquisition Cost

**Total** **\$3,200,000.00**

## Acquisition Fees

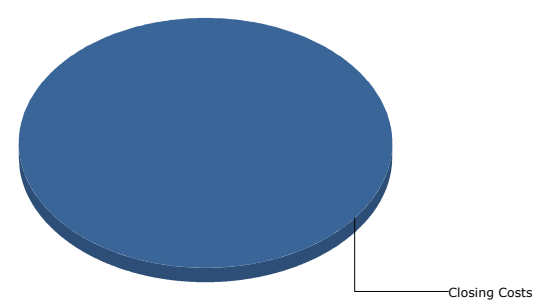
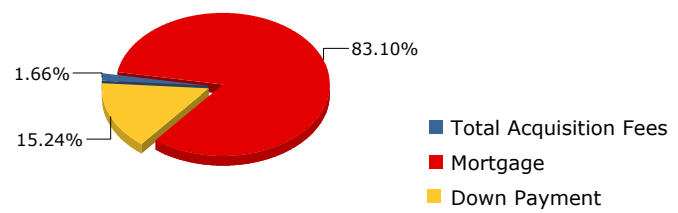
Closing Costs \$54,080.00

**Total** **\$54,080.00**

**GRAND TOTAL** **\$3,254,080.00**

**Total unfinanced fees** **\$54,080.00**

## Detailed Acquisition



## Down Payment

**\$496,000.00** (15.50 %) of Acquisition Cost

## Mortgage # 1

**\$2,704,000.00** (84.50 %) of Acquisition Cost

<b>Length</b>	360 months
<b>Interest Rate</b>	6.19 %
<b>Term</b>	60 months
<b>Payment Frequency</b>	Monthly
<b>Compound Interest</b>	Monthly
<b>Payment</b>	\$16,543.62

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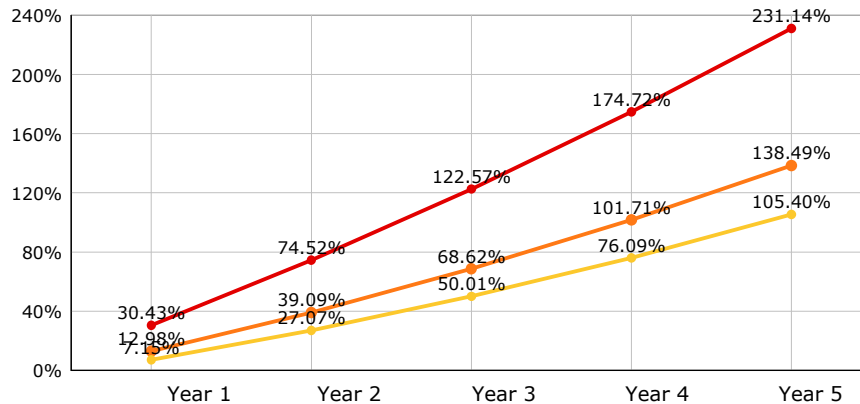
# Profitability Analysis

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Financial Ratios (After 1 year)*	Acquisition Cost
Effective Gross Rent Multiplier (GRM)	5.00
Net Rent Multiplier (NRM)	11.29
Average Unit Price	\$35,063.83
Operating Expense Ratio (OER)	55.72 %
Loan to Value Ratio (LVR)	81.07 %
Debt Coverage Ratio (DCR)	1.47
Break Even Ratio	74.62 %
Capitalization Rate	8.86 %
Internal Rate of Return (year 5)	36.57 %
<b>Cash on Cash Return</b>	
<b>Before Equity</b>	<b>16.99 %</b>
<b>After Equity (Principal Payment)</b>	<b>22.81 %</b>
<b>After Equity and Appreciation</b>	<b>40.26 %</b>

Financial Ratios (At Year 0)*	Acquisition Cost
Effective Gross Rent Multiplier (GRM)	4.96
Net Rent Multiplier (NRM)	11.49
Average Unit Price	\$34,042.55
Capitalization Rate	8.70 %

## Cash on Cash Return\*\*



This diagram represents the portion of the initial down payment that goes back in the investor's pockets throughout the years. In other words, with this diagram it is possible to identify the moment when the investor will have entirely recovered his down payment by observing the moment when 100% is reached.

- Cash on Cash Return (Appreciation)
- Cash on Cash Return (after Equity)
- Cash on Cash Return (before Equity)

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\*Not considering non-financed acq. fees nor fixed expenses  
 \*\*Considering non-financed acquisition fees and fixed expenses.



# Ratios Definition

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## Definitions and Formulas

### **Gross Rent Multiplier (GRM):**

This ratio shows how many times the effective gross income represents the value of the property.

$$\frac{\text{Value of the property}}{\text{Effective Gross Income}}$$

### **Net Rent Multiplier (NRM):**

This ratio shows how many times the net operating income represents the value of the property.

$$\frac{\text{Value of the property}}{\text{Net Operating Income}}$$

### **Average Unit Price**

Average unit price.

$$\frac{\text{Value of the property}}{\text{Number of units}}$$

### **Operating Expense Ratio (OER)**

This ratio gives the gross effective income that is used by operating expenses.

$$\frac{\text{Operating Expenses}}{\text{Gross Effective Income}}$$

### **Loan to Value Ratio (LVR)**

This ratio gives the value of the property proportion that comes from external creditors.

$$\frac{\text{Mortgage Balance}}{\text{Value of the property}}$$

### **Debt Coverage Ratio (DCR)**

Measures the extent to which net operating income can cover the debt service.

$$\frac{\text{Net Operating Income}}{\text{Financing Cost}}$$

### **Break Even Ratio**

This ratio gives the minimal occupancy rate for which expenses are covered by gross income.

$$\frac{\text{Expenses} + \text{Financing Cost}}{\text{Gross Potential Income}}$$

### **Capitalization Rate (Cap. Rate)**

It's a measure of the ratio between the cash flow produced by a property and its capital cost (the original price paid) or alternatively its current market value. (Net operating income / value (or selling price) = Capitalization Rate).

$$\frac{\text{Net Operating Income}}{\text{Value of the property}}$$

### **Cash return on Cash (ConC):**

This ratio represents the equity return rate of the owner based on his personal tax rate if a tax rate has been specified. The mentioned equity return illustrates the return rate before and after capitalization following the first year of acquisition. (See financial Forecasts for the following years).

$$\frac{\text{Cash Flow before and after Capitalization}}{\text{Down Payment}}$$

### **Internal Rate of Return**

Discount rate for which the actualized liquidity values generated by the property are equal to the actualized withdrawal values necessary to carry out this investment.

## Homeowner

### **Rent of Homeowner before Equity:**

Occupying owner's rent, considering the cash flow (positive or negative) generated by the property, before tax.

$$\text{Rent} - \frac{\text{Cash Flow Before Equity}}{12 \text{ months}}$$

### **Rent of Homeowner after Equity:**

Occupying owner rent, considering the capitalization and the cash flow generated by the property (rent before equity, principal payment).


$$\text{Rent Bef. Eq.} - \frac{\text{Total of Equity}}{12 \text{ months}}$$






# Review

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## Acquisition Cost and Financing

Result	Margin	Value	Details	
 Excellent	<b>Acquisition Cost</b>	Greater than 0	<b>\$3,200,000.00</b>	Amount paid for the property acquisition (after negotiation). This amount does not include acquisition fees or loan insurance premium.

## Ratios (Accord. to Acquisition Cost \$3,200,000.00)

Result	Margin	Value	Details	
 Excellent	<b>Debt Service Coverage Ratio (DSCR)</b>	Greater than 1.20 %	<b>1.47</b>	Indicates if the financing will be approved by a financial institution. The higher than 1.20 the ratio is (1.10 for plexes and 1,30 for buildings of 7 units and more), the more the financing has chances of being accepted.
 Excellent	<b>Break Even Ratio (BER)</b>	Lower than 100 %	<b>74.62 %</b>	The property must at least be occupied to this percentage in order for it to generate neither profit nor loss.
 Excellent	<b>Cash on Cash Return (ConC)</b>	Around 10 %	<b>16.99 %</b>	Represents the down payment's output. (May be compared to the output of a stock or a mutual fund investment.)

## Operating Expenses

Result	Margin	Value	Details	
 Excellent	<b>Insurance</b>	Between 2 % and 4 %	<b>3.64 %</b>	



# Financial Forecast

1113 N. O'Connor Rd, Irving (TX) , 75061  
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	From Sep 01, 2009 To Aug 31, 2010	From Sep 01, 2010 To Aug 31, 2011	From Sep 01, 2011 To Aug 31, 2012	From Sep 01, 2012 To Aug 31, 2013	From Sep 01, 2013 To Aug 31, 2014
<b>Incomes and Expenses</b>					
Potential Gross Income	\$ 758,336.10	\$ 781,086.19	\$ 804,518.77	\$ 828,654.33	\$ 853,513.96
Effective Gross Income	\$ 659,314.78	\$ 679,094.23	\$ 699,467.05	\$ 720,451.06	\$ 742,064.59
Operating Expenses	\$ 421,436.00	\$ 371,029.56	\$ 374,739.86	\$ 378,487.25	\$ 382,272.13
Net Operating Income	\$ 237,878.78	\$ 308,064.67	\$ 324,727.20	\$ 341,963.81	\$ 359,792.47
Debt Service	\$ 198,523.44	\$ 198,523.44	\$ 198,523.44	\$ 198,523.44	\$ 198,523.44
Cash Flow (before Taxes)	\$ 39,355.34	\$ 109,541.23	\$ 126,203.76	\$ 143,440.37	\$ 161,269.03
<b>Financing</b>					
Principal Payment	\$ 32,044.86	\$ 34,085.68	\$ 36,256.48	\$ 38,565.53	\$ 41,021.65
Mortgage Interest	\$ 166,478.58	\$ 164,437.76	\$ 162,266.96	\$ 159,957.91	\$ 157,501.79
Mortgage Balance	\$ 2,671,955.14	\$ 2,637,869.46	\$ 2,601,612.98	\$ 2,563,047.45	\$ 2,522,025.80
<b>Taxes</b>					
Gross Taxable Income	\$ 71,400.20	\$ 143,626.91	\$ 162,460.24	\$ 182,005.90	\$ 202,290.68
Depreciation / Cost Recovery (On 27.5 Years)	\$ 28,848.48	\$ 98,909.09	\$ 98,909.09	\$ 98,909.09	\$ 98,909.09
Net Taxable Income	\$ 42,551.72	\$ 44,717.82	\$ 63,551.15	\$ 83,096.81	\$ 103,381.59
Income Tax (Rate 0.00%)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Cash Flow (after Taxes)	\$ 39,355.34	\$ 109,541.23	\$ 126,203.76	\$ 143,440.37	\$ 161,269.03
Undepreciated Capital Cost	\$ 2,691,151.52	\$ 2,592,242.42	\$ 2,493,333.33	\$ 2,394,424.24	\$ 2,295,515.15
<b>Profitability (Accord. to Market Value)</b>					
Gross Rent Multiplier (GRM)	5.00	5.00	5.00	5.00	5.00
Net Rent Multiplier (NRM)	13.86	11.02	10.77	10.53	10.31
Operating Expenses Ratio (OER)	63.92 %	54.64 %	53.58 %	52.53 %	51.51 %
Loan to Value Ratio (LVR)	81.07 %	77.70 %	74.40 %	71.16 %	67.99 %
Debt Service Coverage Ratio (DSCR)	1.20	1.55	1.64	1.72	1.81
Break Even Ratio (BER)	81.75 %	72.92 %	71.26 %	69.63 %	68.05 %
Capitalization Rate (Cap. Rate)	7.22 %	9.07 %	9.29 %	9.49 %	9.70 %
Market Value of Property per apartment	\$ 35,063.83	\$ 36,115.74	\$ 37,199.22	\$ 38,315.19	\$ 39,464.65
Net current Value of the Cash Flow	\$ 36,440.13	\$ 93,913.95	\$ 100,184.61	\$ 105,432.95	\$ 109,756.99
Cash on Cash Return (Before Equity)	7.15 %	19.91 %	22.94 %	26.08 %	29.32 %
Cash on Cash Return (After Equity)	12.98 %	26.11 %	29.53 %	33.09 %	36.77 %
Cash on Cash Return (Appreciation)	30.43 %	44.09 %	48.05 %	52.16 %	56.42 %
<b>Equity (cumulative)</b>					

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Cash on Cash Return (Appreciation)	30.43 %	74.52 %	122.57 %	174.72 %	231.14 %
Property Value (Annual Appreciation 3.00%)	\$ 3,296,000.00	\$ 3,394,880.00	\$ 3,496,726.40	\$ 3,601,628.19	\$ 3,709,677.04
Appreciation (Accord. to Market Value)	\$ 96,000.00	\$ 194,880.00	\$ 296,726.40	\$ 401,628.19	\$ 509,677.04
Principal Payment	\$ 32,044.86	\$ 66,130.54	\$ 102,387.02	\$ 140,952.55	\$ 181,974.20
Cash Flow (before Taxes)	\$ 39,355.34	\$ 148,896.57	\$ 275,100.33	\$ 418,540.70	\$ 579,809.73
Total Equity	\$ 167,400.20	\$ 409,907.11	\$ 674,213.75	\$ 961,121.44	\$ 1,271,460.96

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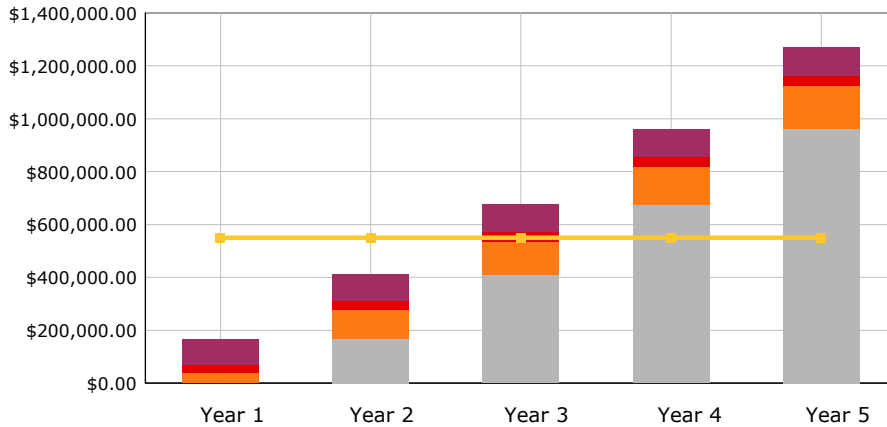


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# Financial Forecast

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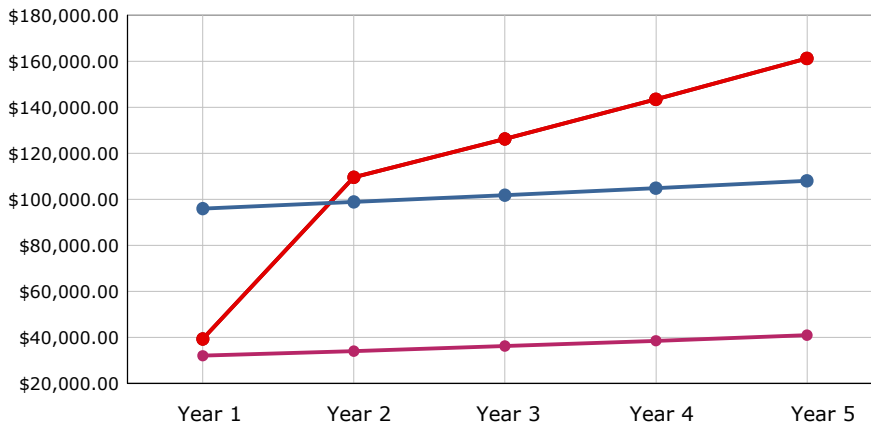
## Cumulative Equity



This diagram represents the accumulated amount throughout the years thanks to the profit generated by the building, the assets accumulated by the mortgage reimbursement and to the increase of the building's value. In other words, it is possible to identify the moment when the investor will have entirely recovered his initial down payment by observing the moment when the line, representing the down payment, is reached.

- Annual Appreciation of the Property
- Principal Payment
- Cash Flow (after Taxes)
- Down Payment and Unfinanced Fees
- Cumulative for the previous years

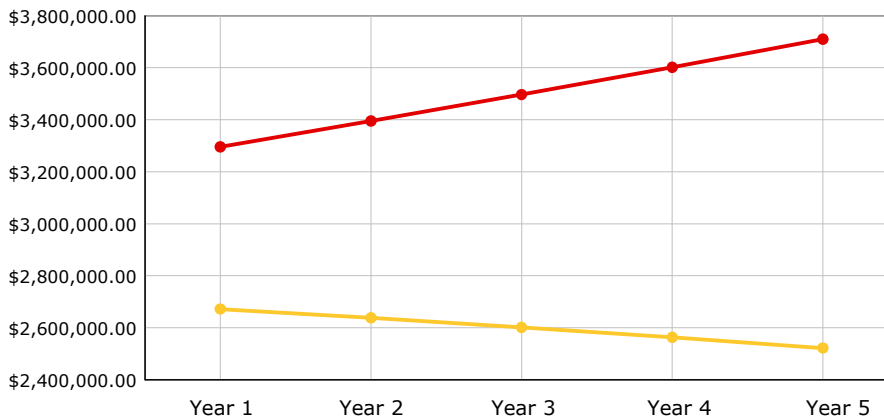
## Equity Progression



In this diagram, the evolution of the profit generated by the building by considering the taxes is illustrated. If the acquisition cost is inferior to the market value, an amount higher can be observed for the appreciation the first year because a profit is earned from the purchase.

- Cash Flow (before Taxes)
- Cash Flow (after Taxes)
- Annual Appreciation of the Property
- Principal Payment

## Increase of the building value and the mortgage balance.



The space between two lines represents the amount that truly belongs to the investor since it is not detained by mortgage creditors. The building increases in value each year without additional financing being necessary.

- Property Value
- Mortgage Balance

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VIP Client

Mike Phillips  
mike@mbpcapital.com, (214)878-2489



# Mortgage Details

1113 N. O'Connor Rd, Irving (TX) , 75061  
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Mortgage	
<b>Amount</b>	\$2,704,000.00
<b>Interest Rate</b>	6.19 %
<b>Length</b>	360 months
<b>Term</b>	60 months
<b>Payment Frequency</b>	Monthly

	Date	Payment	Principal	Interest	Balance	Total Interest
0	8/1/2009	\$0.00	\$0.00	\$0.00	\$2,704,000.00	\$0.00
1	9/1/2009	\$16,543.62	\$2,595.49	\$13,948.13	\$2,701,404.51	\$13,948.13
2	10/1/2009	\$16,543.62	\$2,608.88	\$13,934.74	\$2,698,795.63	\$27,882.87
3	11/1/2009	\$16,543.62	\$2,622.33	\$13,921.29	\$2,696,173.30	\$41,804.16
4	12/1/2009	\$16,543.62	\$2,635.86	\$13,907.76	\$2,693,537.44	\$55,711.92
5	1/1/2010	\$16,543.62	\$2,649.46	\$13,894.16	\$2,690,887.98	\$69,606.08
6	2/1/2010	\$16,543.62	\$2,663.12	\$13,880.50	\$2,688,224.86	\$83,486.58
7	3/1/2010	\$16,543.62	\$2,676.86	\$13,866.76	\$2,685,548.00	\$97,353.34
8	4/1/2010	\$16,543.62	\$2,690.67	\$13,852.95	\$2,682,857.33	\$111,206.29
9	5/1/2010	\$16,543.62	\$2,704.55	\$13,839.07	\$2,680,152.78	\$125,045.36
10	6/1/2010	\$16,543.62	\$2,718.50	\$13,825.12	\$2,677,434.28	\$138,870.48
11	7/1/2010	\$16,543.62	\$2,732.52	\$13,811.10	\$2,674,701.76	\$152,681.58
12	8/1/2010	\$16,543.62	\$2,746.62	\$13,797.00	\$2,671,955.14	\$166,478.58
13	9/1/2010	\$16,543.62	\$2,760.78	\$13,782.84	\$2,669,194.36	\$180,261.42
14	10/1/2010	\$16,543.62	\$2,775.03	\$13,768.59	\$2,666,419.33	\$194,030.01
15	11/1/2010	\$16,543.62	\$2,789.34	\$13,754.28	\$2,663,629.99	\$207,784.29
16	12/1/2010	\$16,543.62	\$2,803.73	\$13,739.89	\$2,660,826.26	\$221,524.18
17	1/1/2011	\$16,543.62	\$2,818.19	\$13,725.43	\$2,658,008.07	\$235,249.61
18	2/1/2011	\$16,543.62	\$2,832.73	\$13,710.89	\$2,655,175.34	\$248,960.50
19	3/1/2011	\$16,543.62	\$2,847.34	\$13,696.28	\$2,652,328.00	\$262,656.78
20	4/1/2011	\$16,543.62	\$2,862.03	\$13,681.59	\$2,649,465.97	\$276,338.37
21	5/1/2011	\$16,543.62	\$2,876.79	\$13,666.83	\$2,646,589.18	\$290,005.20
22	6/1/2011	\$16,543.62	\$2,891.63	\$13,651.99	\$2,643,697.55	\$303,657.19
23	7/1/2011	\$16,543.62	\$2,906.55	\$13,637.07	\$2,640,791.00	\$317,294.26
24	8/1/2011	\$16,543.62	\$2,921.54	\$13,622.08	\$2,637,869.46	\$330,916.34
25	9/1/2011	\$16,543.62	\$2,936.61	\$13,607.01	\$2,634,932.85	\$344,523.35
26	10/1/2011	\$16,543.62	\$2,951.76	\$13,591.86	\$2,631,981.09	\$358,115.21
27	11/1/2011	\$16,543.62	\$2,966.98	\$13,576.64	\$2,629,014.11	\$371,691.85

Contact: Mike Phillips (214) 878-2489

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28	12/1/2011	\$16,543.62	\$2,982.29	\$13,561.33	\$2,626,031.82	\$385,253.18
29	1/1/2012	\$16,543.62	\$2,997.67	\$13,545.95	\$2,623,034.15	\$398,799.13
30	2/1/2012	\$16,543.62	\$3,013.14	\$13,530.48	\$2,620,021.01	\$412,329.61
31	3/1/2012	\$16,543.62	\$3,028.68	\$13,514.94	\$2,616,992.33	\$425,844.55
32	4/1/2012	\$16,543.62	\$3,044.30	\$13,499.32	\$2,613,948.03	\$439,343.87
33	5/1/2012	\$16,543.62	\$3,060.00	\$13,483.62	\$2,610,888.03	\$452,827.49
34	6/1/2012	\$16,543.62	\$3,075.79	\$13,467.83	\$2,607,812.24	\$466,295.32
35	7/1/2012	\$16,543.62	\$3,091.66	\$13,451.96	\$2,604,720.58	\$479,747.28
36	8/1/2012	\$16,543.62	\$3,107.60	\$13,436.02	\$2,601,612.98	\$493,183.30
37	9/1/2012	\$16,543.62	\$3,123.63	\$13,419.99	\$2,598,489.35	\$506,603.29
38	10/1/2012	\$16,543.62	\$3,139.75	\$13,403.87	\$2,595,349.60	\$520,007.16
39	11/1/2012	\$16,543.62	\$3,155.94	\$13,387.68	\$2,592,193.66	\$533,394.84
40	12/1/2012	\$16,543.62	\$3,172.22	\$13,371.40	\$2,589,021.44	\$546,766.24
41	1/1/2013	\$16,543.62	\$3,188.58	\$13,355.04	\$2,585,832.86	\$560,121.28
42	2/1/2013	\$16,543.62	\$3,205.03	\$13,338.59	\$2,582,627.83	\$573,459.87
43	3/1/2013	\$16,543.62	\$3,221.56	\$13,322.06	\$2,579,406.27	\$586,781.93
44	4/1/2013	\$16,543.62	\$3,238.18	\$13,305.44	\$2,576,168.09	\$600,087.37
45	5/1/2013	\$16,543.62	\$3,254.89	\$13,288.73	\$2,572,913.20	\$613,376.10
46	6/1/2013	\$16,543.62	\$3,271.68	\$13,271.94	\$2,569,641.52	\$626,648.04
47	7/1/2013	\$16,543.62	\$3,288.55	\$13,255.07	\$2,566,352.97	\$639,903.11
48	8/1/2013	\$16,543.62	\$3,305.52	\$13,238.10	\$2,563,047.45	\$653,141.21
49	9/1/2013	\$16,543.62	\$3,322.57	\$13,221.05	\$2,559,724.88	\$666,362.26
50	10/1/2013	\$16,543.62	\$3,339.71	\$13,203.91	\$2,556,385.17	\$679,566.17
51	11/1/2013	\$16,543.62	\$3,356.93	\$13,186.69	\$2,553,028.24	\$692,752.86
52	12/1/2013	\$16,543.62	\$3,374.25	\$13,169.37	\$2,549,653.99	\$705,922.23
53	1/1/2014	\$16,543.62	\$3,391.65	\$13,151.97	\$2,546,262.34	\$719,074.20
54	2/1/2014	\$16,543.62	\$3,409.15	\$13,134.47	\$2,542,853.19	\$732,208.67
55	3/1/2014	\$16,543.62	\$3,426.74	\$13,116.88	\$2,539,426.45	\$745,325.55
56	4/1/2014	\$16,543.62	\$3,444.41	\$13,099.21	\$2,535,982.04	\$758,424.76
57	5/1/2014	\$16,543.62	\$3,462.18	\$13,081.44	\$2,532,519.86	\$771,506.20
58	6/1/2014	\$16,543.62	\$3,480.04	\$13,063.58	\$2,529,039.82	\$784,569.78
59	7/1/2014	\$16,543.62	\$3,497.99	\$13,045.63	\$2,525,541.83	\$797,615.41
60	8/1/2014	\$16,543.62	\$3,516.03	\$13,027.59	\$2,522,025.80	\$810,643.00
<b>Total</b>		<b>\$992,617.20</b>	<b>\$181,974.20</b>	<b>\$810,643.00</b>		

Contact: Mike Phillips (214) 878-2489

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# Sale Price Evaluation

1113 N. O'Connor Rd, Irving (TX) , 75061  
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	Down Payment (Percentage)	Down Payment	Debt Service Coverage Ratio (DSCR)	Capitalization Rate
Desired Rate of Return (Before Taxes and Equity)	10.00 %	10.00 %	10.00 %	10.00 %
Income	\$659,314.78	\$659,314.78	\$659,314.78	\$659,314.78
Expenses	\$367,356.00	\$367,356.00	\$367,356.00	\$367,356.00
<b>Net Annual Income</b>	<b>\$291,958.78</b>	<b>\$291,958.78</b>	<b>\$291,958.78</b>	<b>\$291,958.78</b>
<b>Mortgage</b>				
<b>Total Mortgage</b>	<b>\$3,181,709.05</b>	<b>\$3,301,062.06</b>	<b>\$3,313,868.90</b>	<b>\$2,559,657.20</b>
Interest Rate	6.19 %	6.19 %	6.19 %	6.19 %
Length	360 months	360 months	360 months	360 months
<b>Payments</b>	<b>\$19,466.34</b>	<b>\$20,196.57</b>	<b>\$20,274.92</b>	<b>\$15,660.50</b>
<b>Evaluation</b>				
<b>Down Payment</b>	<b>\$583,627.10</b>	<b>\$496,000.00</b>	<b>\$486,597.42</b>	<b>\$1,040,327.78</b>
Down Payment (Percentage)	15.50 %	13.06 %	12.80 %	28.90 %
Debt Coverage Ratio	1.25	1.20	1.20	1.55
<b>Annual Profits</b>	<b>\$58,362.71</b>	<b>\$49,600.00</b>	<b>\$48,659.74</b>	<b>\$104,032.78</b>
<b>Sale's Price Evaluation</b>	<b><u>\$3,765,336.15</u></b>	<b><u>\$3,797,062.06</u></b>	<b><u>\$3,800,466.32</u></b>	<b><u>\$3,599,984.98</u></b>
<b>Sale's Price Average</b>	<b><u>\$3,740,712.38</u></b>			

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# Resale Yield (year 5)

1113 N. O'Connor Rd, Irving (TX) , 75061  
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## Net Assets (Before Taxes)

<b>Resale Price</b>	<b>\$4,145,590.06</b>	
Resale Fees	- \$207,279.50	Brokerage Fees of 5.00 %
<b>Net Resale Price</b>	<b>\$3,938,310.56</b>	
Mortgage Balance	- \$2,522,025.80	
<b>Net Assets at Resale</b>	<b>\$1,416,284.76</b>	
Down Payment	- \$550,080.00	Down Payment and Unfinanced Fees
<b>Increase of Assets (Before Taxes)</b>	<b>\$866,204.76</b>	

## Capital Gain

Net Resale Price	\$3,938,310.56	
Acquisition Cost	- \$3,200,000.00	
<b>Capital Gain</b>	<b>\$738,310.56</b>	
Capital Gain Exemption	- \$0.00	
Capital Gain Balance	\$738,310.56	
<b>Taxable Capital Gain</b>	<b>\$738,310.56</b>	Taxable portion of Capital Gain of 100.00 %

## Tax

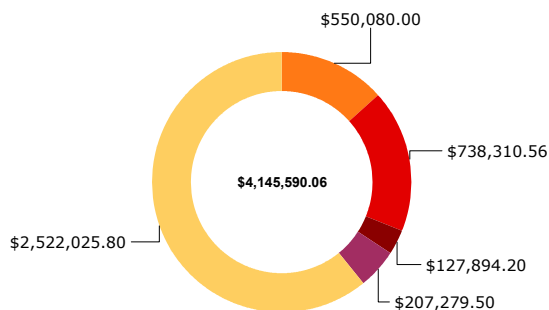
Recovered Annual Depreciation	+ \$424,484.85	
<b>Taxable Total</b>	<b>\$1,162,795.41</b>	
Income Taxes	\$0.00	Income Tax rate of 0.00 %

## Net Assets (After Taxes)

<b>Assets on Annual Basis</b>	<b>\$866,204.76</b>
Income Taxes	- \$0.00
<b>Increase of Assets (After Taxes)</b>	<b>\$866,204.76</b>

## Yield

Assets on Annual Basis	\$155,780.22
Average of Cash Flow (After Taxes)	+ \$115,961.95
<b>Annual Yield</b>	<b>\$271,742.17</b>
<b>Annual Rate Yield</b>	<b>49.40 %</b>



This diagram illustrates what the estimated resale price will help to pay. The orange tinted sections (down payment, capital gain and recaptured capital cost) represent the amount belonging to the investor if the building is sold after 5 years of possession.

- Recovered Principal
- Capital Gain (After Taxes)
- Down Payment
- Mortgage Balance
- Resale Fees
- Income Tax

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\* This report is an indication only and does not take into consideration a capital loss, assuming that the resale price is higher than the acquisition cost.





# MBP Capital, Inc.'s

## Detailed Financial Analysis

### Including:

- Investment Summary
- First 12 Months Estimated Operating Budget
- 5 year Cash Flow estimates
- Another View of Potential Re-Sale Value Worksheet
- 5 year IRR (Internal Rate of Return) worksheet

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DISCLAIMER: This analysis is not all inclusive nor do we guarantee any portion. It is to be used as a projection analysis only and is not to be considered fact. This package has been prepared for informational purposes only to assist a potential purchaser in determining whether it wishes to proceed with an in depth investigation of the property. The information contained within this investment analysis has been derived from information deemed reliable or may even be estimated information. It is subject to errors, omissions, price change, and/or withdrawal, and no warranty is made as to the accuracy. Further, no warranties or representations shall be made by MBP Capital, Inc. and/or its agents, representatives, or affiliates regarding oral statements which have been made in the discussion of the above property. This presentation was sent to the recipient under the assumption that he is a buying principal unless otherwise agreed to in writing. **Any potential purchaser of this subject property is hereby advised to conduct a thorough investigation** into the operation of the property, the income, expenses, and overall performance and not to depend on the enclosed information to be all inclusive or fact.

# Parkside Apartments

1113 N. O'Connor Rd, Irving, Texas

94. Units

Unit S.F.	Quant	Apart Size	Year 1 - Starting Point		Second Year - Stabilized	
			Average current rents	Rent	Unit Rent	Rent
550	16	1/1	\$505	\$8,080	\$520	\$8,322
660	2	1/1	\$490	\$980	\$505	\$1,009
752	4	1/1	\$510	\$2,040	\$525	\$2,101
800	16	1/1	\$600	\$9,600	\$618	\$9,888
857	26	2/2	\$630	\$16,380	\$649	\$16,871
1062	10	2/3	\$695	\$6,950	\$716	\$7,159
1121	20	2/3	\$685	\$13,700	\$706	\$14,111

<b>Monthly Rental Income</b>	<b>\$57,730</b>	3.00%	<b>\$59,462</b>
Total Rentable Square Feet:	<b>81,250</b>	Rent Escalation 2nd Year	
Average Unit SF:	864		
<b>Income</b>	<b>Year 1</b>		<b>Stabilized</b>
Rent (Potential Rental Income)	\$692,760		\$713,543
Utility Reimbursement	\$32,674		\$33,654
Miscellaneous	\$13,931		\$14,070
Laundry	\$3,384		\$3,384
minus: Collections, Loss to Lease, Etc.	2% (\$13,855)		
minus: Vacancy Factor	12% (\$83,131)	7%	(\$49,948)
<b>Total Effective Gross Income (EGI):</b>	<b>\$645,762</b>		<b>\$714,703</b>

Expenses	% of EGI	\$/Unit	Year 1	Increase / Decrease	Stabilized
<b>Property Taxes</b>	12.00%	\$ 825	\$77,520	1.00%	\$78,295
Franchise Tax		\$ -			
Utilities	11.26%	\$ 774	\$72,729		\$73,456
Insurance	3.64%	\$ 250	\$23,500		\$23,735
On-site Payroll	13.98%	\$ 960	\$90,275		\$91,178
Maint./MR Supplies	6.12%	\$ 421	\$39,539		\$39,935
Admin. / Misc.	2.17%	\$ 149	\$13,987		\$14,127
Contract Services	2.45%	\$ 168	\$15,792		\$15,950
Management Fee	5.27%	\$ 362	\$34,014		\$34,354
<b>56.89%</b>	Total Expenses:		<b>\$367,357</b>	IREM average	<b>\$371,030</b>
	Expenses per Unit		\$3,908	\$4,228	\$3,947
	Expenses per Square Foot		\$4.52	\$5.18	\$4.57
<b>Net Operating Income</b>			<b>\$278,406</b>		<b>\$343,673</b>
Cap Rate @ \$ 3,200,000			<b>8.70%</b>		
Re-sale Value if sold at this CAP Rate & this NOI			7.00%		\$4,909,612

EGI	Effective Gross Income	\$645,762	\$714,703
Expenses	Operating Expenses	\$367,357	\$371,030
NOI	Net Operating Income	\$278,406	\$343,673
Debt Service	Proposed	\$198,523	\$198,523
<b>Cash Flow</b>	Net Income	<b>\$79,883</b>	<b>\$145,149</b>
<b>Return on Investment</b>		<b>14.52%</b>	<b>26.39%</b>

*See attachments for Budget, Cash Flows, Resale and IRR calculations*

Sale Price		\$ 3,200,000
Down Payment	at 16% % down	\$496,000
Financing	at 6.19% % interest rate - 1st Note	\$2,704,000
Subtotal		\$3,200,000
Closing Costs		\$54,080
<b>Total Cost</b>		<b>\$3,254,080</b>
Cash Requirement		
Down Payment		\$496,000
Est. Closing Costs		\$54,080
Renovation		
<b>Total Cash</b>		<b>\$550,080</b>

Please see attached Budget, Actual Rent Roll and Financials (if available), Rent Comparables, and Sales Comparables. The above and attached Budget numbers were derived from property actuals, industry and sub-market norms, and over 20 years of multi-family property management experience. Please read the below Disclaimer.

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Mike Phillips , Brent Card  
**MBP Capital, Inc.**  
 5956 Sherry Lane, Suite 1000  
 Dallas, Texas 75225  
**214-878-2489 ; (406) 249-7317**

## Investment Analysis Summary

ASKING PRICE:	\$ 3,200,000	
<b>MBP Suggested Offer</b>	<b>\$ 3,200,000</b>	CAP Rate
Price per Unit:	\$ 34,043	<b>8.70%</b>
Number of Units:	94. Units	
<b>Down Payment</b>	<b>\$496,000</b>	Property Grade
Closing Costs	\$54,080	<b>B</b>
<b>Total Cash Needed</b>	<b>\$550,080</b>	
1st Year ROI	14.52%	
Stabilized ROI	26.39%	

### Does This Property Pass the Minimum Criteria?

Performance Ratio	Investor Minimums	This Property
CAP RATE	7.00%	8.70%
GRM	6.00	4.62
Net Income ROI	-15.00%	-0.71%
Cash on Cash ROI	8.00%	14.52%
Total Return on Investment	10.00%	20.74%
IRR - After Tax - 8 CAP	18.00%	43.38%
DSCR	1.20	1.40
Break-Even Ratio	90.0%	87.6%

### Does This Property Pass the Minimum Criteria?

Re-Sale CAP Rate	8.00%	Hold in # of Years
Estimated Sale Price based on Final HOLD year NOI	\$ 5,234,212	<b>5 Years</b>
<b>Loan Information</b>		
Down Payment:	16%	\$496,000
Loan Amount:	85%	\$2,704,000
Loan Interest Rate:	<b>6.19%</b>	<b>Loan must be assumed</b>
Amortization Period	30	

### Property Information

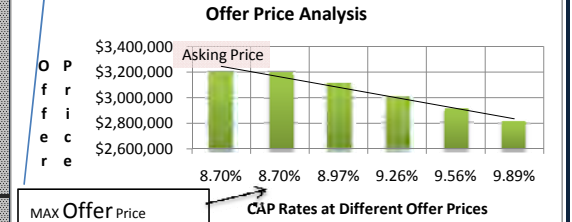
Land Size in Acres:	3.66	Acres
Land Size in SF:	159,285	SF
Units/Acre:	25.71	Units per Acre
Leasable Area:	81,250	Square Feet
Roofs:	Pitched	
Type HVAC:	Central HVAC	
Metering:	Electric:	Separate
	Gas:	Master
	Water:	RUBBS

### Misc. Notes about Property

Property Grade	B
Area Grade	B
Actual Current Occupancy	88%
Neighborhood direction	Stable
Age of Property	1980

### Buyer's Offer Analysis

Price	CAP RATE	Note
\$ 3,200,000	8.70%	Asking Price
\$ 3,200,000	8.70%	Suggested MAX
\$ 3,104,000	8.97%	
\$ 3,008,000	9.26%	
\$ 2,912,000	9.56%	
\$ 2,816,000	9.89%	Suggested Start





Name of Property	<b>Parkside Apartments</b>
Number of Units	94

Purchase Price	\$3,200,000
Asking Price	\$3,200,000

## Operating Budget for First 12 Months

This Budget was prepared by:  
**MBP Capital, Inc.**

Assumptions	Leasing	Loan Info	Management & Taxes
% Turn-over/Month	3%	Down Payment: 16%	Current Assessed Value \$ 3,499,860
Turns per month	2.82	Loan Interest Rate: 6.19%	2nd year assessed value \$ 3,040,000
# pools:	1	Amortization Period: 30	Tax Rate 2.55%
			Estimated Tax for 2009 \$ 77,520
			Monthly Tax Escrow \$ 6,460.00

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	12 month TOTAL	\$/SF	\$/unit
<b>REVENUE</b>															
Rental Income	49,647.80	50,161.60	50,675.39	51,189.19	51,702.99	52,216.79	52,730.58	53,244.38	53,758.18	54,271.97	54,785.77	55,299.57	629,684.20	\$7.75	\$ 6,699
Application Fee	338.40	338.40	338.40	338.40	338.40	338.40	338.40	338.40	338.40	338.40	338.40	338.40	4,060.80	\$0.05	\$ 43
Late Fee	258.50	258.50	258.50	258.50	258.50	258.50	258.50	258.50	258.50	258.50	258.50	258.50	3,102.00	\$0.04	\$ 33
Vending Income	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	1,128.00	\$0.01	\$ 12
Payphone Commission	9.40	9.40	9.40	9.40	9.40	9.40	9.40	9.40	9.40	9.40	9.40	9.40	112.80	\$0.00	\$ 1
Laundry Commission	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	3,384.00	\$0.04	\$ 36
Misc. Income	470.00	470.00	470.00	470.00	470.00	470.00	470.00	470.00	470.00	470.00	470.00	470.00	5,640.00	\$0.07	\$ 60
<b>Total Revenue</b>	<b>51,100.10</b>	<b>51,613.90</b>	<b>52,127.69</b>	<b>52,641.49</b>	<b>53,155.29</b>	<b>53,669.09</b>	<b>54,182.88</b>	<b>54,696.68</b>	<b>55,210.48</b>	<b>55,724.27</b>	<b>56,238.07</b>	<b>56,751.87</b>	<b>647,111.80</b>	<b>\$7.96</b>	<b>\$ 6,884</b>
<b>REIMBURSEMENTS</b>															
Utility Reimbursement	2,722.83	2,730.26	2,737.69	2,745.11	2,752.54	2,759.96	2,767.39	2,774.81	2,782.24	2,789.67	2,797.09	2,804.52	33,164.11	\$0.41	\$ 353
<b>Total Reimbursements</b>	<b>2,722.83</b>	<b>2,730.26</b>	<b>2,737.69</b>	<b>2,745.11</b>	<b>2,752.54</b>	<b>2,759.96</b>	<b>2,767.39</b>	<b>2,774.81</b>	<b>2,782.24</b>	<b>2,789.67</b>	<b>2,797.09</b>	<b>2,804.52</b>	<b>33,164.11</b>	<b>\$0.41</b>	<b>\$ 353</b>
<b>TOTAL INCOME</b>	<b>53,822.93</b>	<b>54,344.16</b>	<b>54,865.38</b>	<b>55,386.60</b>	<b>55,907.82</b>	<b>56,429.05</b>	<b>56,950.27</b>	<b>57,471.49</b>	<b>57,992.72</b>	<b>58,513.94</b>	<b>59,035.16</b>	<b>59,556.39</b>	<b>680,275.91</b>	<b>\$8.37</b>	<b>\$ 7,237</b>
<b>EXPENSES</b>															
Management Fee	2,691.15	2,717.21	2,743.27	2,769.33	2,795.39	2,821.45	2,847.51	2,873.57	2,899.64	2,925.70	2,951.76	2,977.82	34,013.80	\$0.42	\$ 362
<b>Total Management Fees</b>	<b>2,691.15</b>	<b>2,717.21</b>	<b>2,743.27</b>	<b>2,769.33</b>	<b>2,795.39</b>	<b>2,821.45</b>	<b>2,847.51</b>	<b>2,873.57</b>	<b>2,899.64</b>	<b>2,925.70</b>	<b>2,951.76</b>	<b>2,977.82</b>	<b>34,013.80</b>	<b>\$0.42</b>	<b>\$ 362</b>
<b>Payroll</b>															
Manager & Management Staff	2,820.00	2,820.00	2,820.00	2,820.00	2,820.00	2,820.00	2,820.00	2,820.00	2,820.00	2,820.00	2,820.00	2,820.00	33,840.00	\$0.42	\$ 360
Maintenance & Make-ready Staff	3,665.30	3,665.30	3,665.30	3,665.30	3,665.30	3,665.30	3,665.30	3,665.30	3,665.30	3,665.30	3,665.30	3,665.30	43,983.54	\$0.54	\$ 468
Contract Labor - Office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
Contract Labor - Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
Contract Labor - Make-Ready	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
Payroll Expense	1,037.65	1,037.65	1,037.65	1,037.65	1,037.65	1,037.65	1,037.65	1,037.65	1,037.65	1,037.65	1,037.65	1,037.65	12,451.77	\$0.15	\$ 132
Health Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
<b>Total Payroll</b>	<b>7,522.94</b>	<b>7,522.94</b>	<b>7,522.94</b>	<b>7,522.94</b>	<b>7,522.94</b>	<b>7,522.94</b>	<b>7,522.94</b>	<b>7,522.94</b>	<b>7,522.94</b>	<b>7,522.94</b>	<b>7,522.94</b>	<b>7,522.94</b>	<b>90,275.31</b>	<b>\$1.11</b>	<b>\$ 960</b>
<b>Taxes/Insurance</b>															
R/E Taxes	6,460.00	6,460.00	6,460.00	6,460.00	6,460.00	6,460.00	6,460.00	6,460.00	6,460.00	6,460.00	6,460.00	6,460.00	77,520.00	\$0.95	\$ 825
NEW Franchise Tax Estimate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
Property Insurance	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	23,500.00	\$0.29	\$ 250
Insurance - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
<b>Total Taxes/Insurance</b>	<b>8,418.33</b>	<b>8,418.33</b>	<b>8,418.33</b>	<b>8,418.33</b>	<b>8,418.33</b>	<b>8,418.33</b>	<b>8,418.33</b>	<b>8,418.33</b>	<b>8,418.33</b>	<b>8,418.33</b>	<b>8,418.33</b>	<b>8,418.33</b>	<b>101,020.00</b>	<b>\$1.24</b>	<b>\$ 1,075</b>
<b>Utilities</b>															
Electricity (House) or ALL	1,242.00	1,242.00	1,242.00	1,242.00	1,242.00	1,242.00	1,242.00	1,242.00	1,242.00	1,242.00	1,242.00	1,242.00	14,904.00	\$0.18	\$ 159
Electricity (Vacant)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
Gas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
Water/Sewer	4,818.75	4,818.75	4,818.75	4,818.75	4,818.75	4,818.75	4,818.75	4,818.75	4,818.75	4,818.75	4,818.75	4,818.75	57,825.00	\$0.71	\$ 615
<b>Total Utilities</b>	<b>6,060.75</b>	<b>6,060.75</b>	<b>6,060.75</b>	<b>6,060.75</b>	<b>6,060.75</b>	<b>6,060.75</b>	<b>6,060.75</b>	<b>6,060.75</b>	<b>6,060.75</b>	<b>6,060.75</b>	<b>6,060.75</b>	<b>6,060.75</b>	<b>72,729.00</b>	<b>\$0.90</b>	<b>\$ 774</b>
<b>Maintenance (Supplies)</b>															
Plumbing	176.25	176.25	176.25	176.25	176.25	176.25	176.25	176.25	176.25	176.25	176.25	176.25	2,115.00	\$0.03	\$ 23
Electric	176.25	176.25	176.25	176.25	176.25	176.25	176.25	176.25	176.25	176.25	176.25	176.25	2,115.00	\$0.03	\$ 23
Locks/Keys	70.50	70.50	70.50	70.50	70.50	70.50	70.50	70.50	70.50	70.50	70.50	70.50	846.00	\$0.01	\$ 9
HVAC	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	3,384.00	\$0.04	\$ 36
General Maintenance	423.00	423.00	423.00	423.00	423.00	423.00	423.00	423.00	423.00	423.00	423.00	423.00	5,076.00	\$0.06	\$ 54
Pool	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00	\$0.03	\$ 26
<b>Total Maintenance Supplies</b>	<b>1,328.00</b>	<b>1,328.00</b>	<b>1,328.00</b>	<b>1,328.00</b>	<b>1,328.00</b>	<b>1,328.00</b>	<b>1,328.00</b>	<b>1,328.00</b>	<b>1,328.00</b>	<b>1,328.00</b>	<b>1,328.00</b>	<b>1,328.00</b>	<b>15,936.00</b>	<b>\$0.20</b>	<b>\$ 170</b>

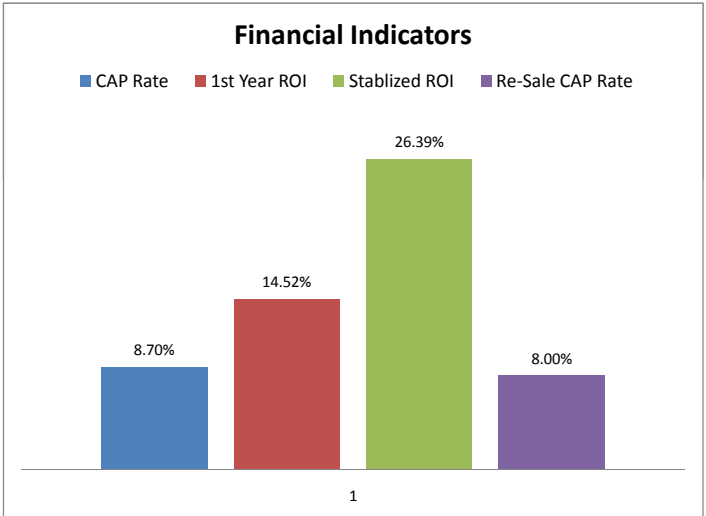
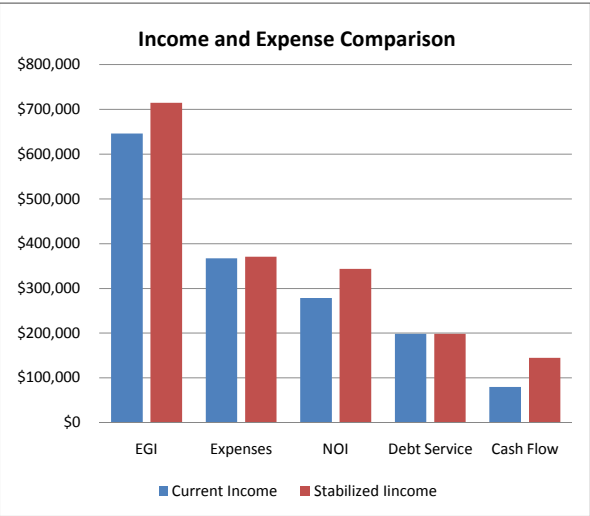
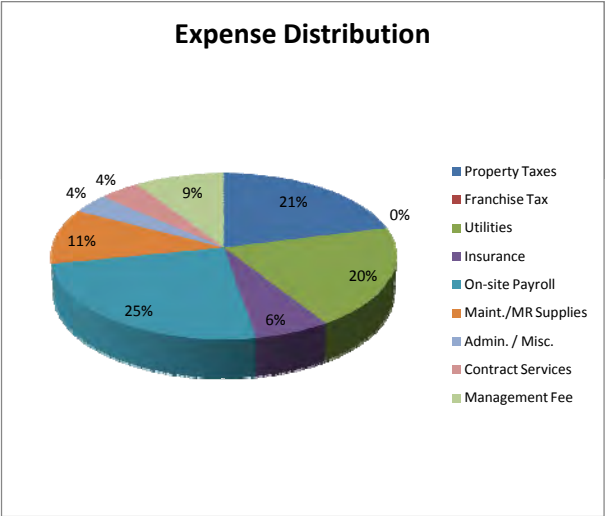
Operating Budget for First 12 Months - Continued

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	12 month TOTAL	\$/SF	\$/unit
<b>Contract Maintenance</b>															
Plumbing (Contract)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
Electric (Contract)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
HVAC (Contract)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
<b>Total Contract Maintenance</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
<b>Make-Ready</b>															
Painting	264.38	264.38	264.38	264.38	264.38	264.38	264.38	264.38	264.38	264.38	264.38	264.38	3,172.50	\$0.04	\$ 34
Resurfacing	158.63	158.63	158.63	158.63	158.63	158.63	158.63	158.63	158.63	158.63	158.63	158.63	1,903.50	\$0.02	\$ 20
Wallpaper	52.88	52.88	52.88	52.88	52.88	52.88	52.88	52.88	52.88	52.88	52.88	52.88	634.50	\$0.01	\$ 7
Carpet Cleaning	105.75	105.75	105.75	105.75	105.75	105.75	105.75	105.75	105.75	105.75	105.75	105.75	1,269.00	\$0.02	\$ 14
Carpet Installation	423.00	423.00	423.00	423.00	423.00	423.00	423.00	423.00	423.00	423.00	423.00	423.00	5,076.00	\$0.06	\$ 54
Housekeeping	116.33	116.33	116.33	116.33	116.33	116.33	116.33	116.33	116.33	116.33	116.33	116.33	1,395.90	\$0.02	\$ 15
Make-Ready Supplies	846.00	846.00	846.00	846.00	846.00	846.00	846.00	846.00	846.00	846.00	846.00	846.00	10,152.00	\$0.12	\$ 108
<b>Total Make-Ready Supplies</b>	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	23,603.40	\$0.29	\$ 251
<b>Contract Services</b>															
Landscaping	564.00	564.00	564.00	564.00	564.00	564.00	564.00	564.00	564.00	564.00	564.00	564.00	6,768.00	\$0.08	\$ 72
Pest Control	211.50	211.50	211.50	211.50	211.50	211.50	211.50	211.50	211.50	211.50	211.50	211.50	2,538.00	\$0.03	\$ 27
Trash Collection	540.50	540.50	540.50	540.50	540.50	540.50	540.50	540.50	540.50	540.50	540.50	540.50	6,486.00	\$0.08	\$ 69
Security	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
<b>Total Contract Services</b>	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	15,792.00	\$0.19	\$ 168
<b>Admin</b>															
Legal/Accounting	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	1,128.00	\$0.01	\$ 12
Dues/Subscriptions	70.50	70.50	70.50	70.50	70.50	70.50	70.50	70.50	70.50	70.50	70.50	70.50	846.00	\$0.01	\$ 9
Fees/Permits	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	1,128.00	\$0.01	\$ 12
Bank Charges	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	282.00	\$0.00	\$ 3
Misc.	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	564.00	\$0.01	\$ 6
Telephone	188.00	188.00	188.00	188.00	188.00	188.00	188.00	188.00	188.00	188.00	188.00	188.00	2,256.00	\$0.03	\$ 24
Office Supplies	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	282.00	\$0.00	\$ 3
Computer Supplies	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	169.20	\$0.00	\$ 2
Computer/Software Lease	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00	1,128.00	\$0.01	\$ 12
Postage/Delivery	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	282.00	\$0.00	\$ 3
Print Ads	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	282.00	3,384.00	\$0.04	\$ 36
Locator Fees	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	23.50	282.00	\$0.00	\$ 3
Third Party Submeter Co.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
Marketing Items	188.00	188.00	188.00	188.00	188.00	188.00	188.00	188.00	188.00	188.00	188.00	188.00	2,256.00	\$0.03	\$ 24
<b>Total Admin</b>	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	13,987.20	\$0.17	\$ 149
<b>TOTAL OPERATING EXPENSES</b>	30,469.72	30,495.78	30,521.84	30,547.91	30,573.97	30,600.03	30,626.09	30,652.15	30,678.21	30,704.27	30,730.33	30,756.39	367,356.70	\$4.52	\$ 3,908
<b>NET OPERATING INCOME</b>	23,353.21	23,848.37	24,343.53	24,838.70	25,333.86	25,829.02	26,324.18	26,819.34	27,314.51	27,809.67	28,304.83	28,799.99	312,919.21	\$3.85	\$ 3,329
<b>Debt Service</b>															
1st Principle & Interest	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	198,523.43	\$2.44	\$ 2,112
2nd Principle & Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
<b>Total Debt Service</b>	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	198,523.43	\$2.44	\$ 2,112
<b>NET CASH FLOW</b>	6,809.59	7,304.75	7,799.92	8,295.08	8,790.24	9,285.40	9,780.56	10,275.72	10,770.89	11,266.05	11,761.21	12,256.37	114,395.78	\$1.41	\$ 1,217
Minus \$250/unit Replacement Reserves	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	23,500.00		\$ 250
<b>NET CASH AFTER RESERVES</b>	4,851.26	5,346.42	5,841.58	6,336.74	6,831.91	7,327.07	7,822.23	8,317.39	8,812.55	9,307.71	9,802.88	10,298.04	90,895.78	\$1.12	\$ 967

This analysis is the © Intellectual Property of MBP Capital, Inc. It is based on our opinion of the property ONLY.

**SUMMARY**

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	12 month TOTAL	\$/SF	\$/unit
<b>Total Revenue</b>	51,100.10	51,613.90	52,127.69	52,641.49	53,155.29	53,669.09	54,182.88	54,696.68	55,210.48	55,724.27	56,238.07	56,751.87	647,111.80	\$7.96	\$ 6,884
<b>Total Reimbursements</b>	2,722.83	2,730.26	2,737.69	2,745.11	2,752.54	2,759.96	2,767.39	2,774.81	2,782.24	2,789.67	2,797.09	2,804.52	33,164.11	\$0.41	\$ 353
<b>TOTAL INCOME</b>	<b>53,822.93</b>	<b>54,344.16</b>	<b>54,865.38</b>	<b>55,386.60</b>	<b>55,907.82</b>	<b>56,429.05</b>	<b>56,950.27</b>	<b>57,471.49</b>	<b>57,992.72</b>	<b>58,513.94</b>	<b>59,035.16</b>	<b>59,556.39</b>	<b>680,275.91</b>	<b>\$8.37</b>	<b>\$ 7,237</b>
<b>Total Management Fees</b>	2,691.15	2,717.21	2,743.27	2,769.33	2,795.39	2,821.45	2,847.51	2,873.57	2,899.64	2,925.70	2,951.76	2,977.82	34,013.80	\$0.42	\$ 362
<b>Total Payroll</b>	7,522.94	7,522.94	7,522.94	7,522.94	7,522.94	7,522.94	7,522.94	7,522.94	7,522.94	7,522.94	7,522.94	7,522.94	90,275.31	\$1.11	\$ 960
<b>Total Taxes/Insurance</b>	8,418.33	8,418.33	8,418.33	8,418.33	8,418.33	8,418.33	8,418.33	8,418.33	8,418.33	8,418.33	8,418.33	8,418.33	101,020.00	\$1.24	\$ 1,075
<b>Total Utilities</b>	6,060.75	6,060.75	6,060.75	6,060.75	6,060.75	6,060.75	6,060.75	6,060.75	6,060.75	6,060.75	6,060.75	6,060.75	72,729.00	\$0.90	\$ 774
<b>Total Maintenance Supplies</b>	1,328.00	1,328.00	1,328.00	1,328.00	1,328.00	1,328.00	1,328.00	1,328.00	1,328.00	1,328.00	1,328.00	1,328.00	15,936.00	\$0.20	\$ 170
<b>Total Contract Maintenance</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00	\$ -
<b>Total Make-Ready Supplies</b>	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	1,966.95	23,603.40	\$0.29	\$ 251
<b>Total Contract Services</b>	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	1,316.00	15,792.00	\$0.19	\$ 168
<b>Total Admin</b>	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	1,165.60	13,987.20	\$0.17	\$ 149
<b>TOTAL EXPENSES</b>	<b>30,469.72</b>	<b>30,495.78</b>	<b>30,521.84</b>	<b>30,547.91</b>	<b>30,573.97</b>	<b>30,600.03</b>	<b>30,626.09</b>	<b>30,652.15</b>	<b>30,678.21</b>	<b>30,704.27</b>	<b>30,730.33</b>	<b>30,756.39</b>	<b>367,356.70</b>	<b>\$4.52</b>	<b>\$ 3,908</b>
<b>NET OPERATING INCOME</b>	<b>23,353.21</b>	<b>23,848.37</b>	<b>24,343.53</b>	<b>24,838.70</b>	<b>25,333.86</b>	<b>25,829.02</b>	<b>26,324.18</b>	<b>26,819.34</b>	<b>27,314.51</b>	<b>27,809.67</b>	<b>28,304.83</b>	<b>28,799.99</b>	<b>312,919.21</b>	<b>\$3.85</b>	<b>\$ 3,329</b>
<b>Total Debt Service</b>	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	16,543.62	198,523.43	\$2.44	\$ 2,112
<b>Net Cash Flow</b>	6,809.59	7,304.75	7,799.92	8,295.08	8,790.24	9,285.40	9,780.56	10,275.72	10,770.89	11,266.05	11,761.21	12,256.37	114,395.78	\$1.41	\$ 1,217
Minus \$250/unit Replacement Reserves	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	1,958.33	23,500.00	-	250.00
<b>NET CASH AFTER RESERVES</b>	<b>4,851.26</b>	<b>5,346.42</b>	<b>5,841.58</b>	<b>6,336.74</b>	<b>6,831.91</b>	<b>7,327.07</b>	<b>7,822.23</b>	<b>8,317.39</b>	<b>8,812.55</b>	<b>9,307.71</b>	<b>9,802.88</b>	<b>10,298.04</b>	<b>90,895.78</b>	<b>1.12</b>	<b>966.98</b>





# MBP Capital, Inc.

## Annual Property Operating Data

Property Name	Parkside Apartments	
Location	Parkside Apartments	
Type of Property	Multifamily	
Size of Property	94	(Units)
Purpose of analysis	Purchase	
Assessed/Appraised Values	\$	3,499,860
Land & Personal	874,965	25%
Improvements	2,624,895	75%
Property Tax Rate	2.55%	\$ 89,246
Total	<b>3,499,860</b>	100%
Adjusted Basis as of:	2-Nov-09	\$ 3,213,520.00

Purchase Price	\$	3,200,000.00
plus Acquisition Costs	\$	13,520.00
plus Loan Fees/Costs/Renovation	\$	40,560.00
Less Mortgages	\$	(2,704,000.00)
Equals Initial Investment	\$	550,080.00

	Balance	Periodic Pmt	Pmts/Yr	Interest	Amort Period	Loan Term
1st	\$2,704,000	\$16,543.62	12	6.19%	30	10
2nd			12	7.25%	30	10

### First Year Operating Data

ALL FIGURES ARE ANNUAL	\$/Unit	% of GOI		COMMENTS/FOOTNOTES
1 <b>POTENTIAL RENTAL INCOME</b>	7,369.79		692,760	Rent if 100% Occupied
2 Less: Vacancy & Cr. Losses	(1,031.77)	14.%	(96,986)	Estimated Vacancy and Collection Loss
3 <b>EFFECTIVE RENTAL INCOME</b>	6,338.02		595,774	Estimated Rental Income minus Rent Losses
4 Plus: Utility Reimb. & Other Income	531.80		49,989	Misc. Income and Utility Reimbursements
5 <b>GROSS OPERATING INCOME (GOI)</b>	6,869.81	100.00%	645,762	Gross Operating Income
6 <b>OPERATING EXPENSES:</b>				
7 Real Estate Taxes	824.68	12.00%	77,520	Current Year Property Taxes
8 Franchise Tax	-			
9 Utilities	773.71	11.26%	72,729	Previous 12 months Utility cost plus escalation %
10 Property Insurance	250.00	3.64%	23,500	Estimated First Year Insurance expense
11 On-Site Payroll	960.38	13.98%	90,275	On-site staff (management & maintenance) plus payroll expense
12 Maintenance / Make-ready Supplies	420.63	6.12%	39,539	Estimated cost of all maintenance and make-ready materials
13 Administrative / Misc.	148.80	2.17%	13,987	Office, phone, advertising, postage, signs, & all admin. & misc.
14 Contract Services	168.00	2.45%	15,792	Landscaping, trash, pest control, security
15 <b>Management Fees</b>	361.85	5.27%	34,014	Estimated Property Management Company Fees
16 <b>TOTAL OPERATING EXPENSES</b>	3,908.05	56.89%	367,357	IREM estimated average = \$4,228/unit
17 <b>NET OPERATING INCOME</b>	2,961.76	43.11%	278,406	NOI
18 Less: Annual Debt Service	2,111.95	30.74%	198,523	Principal and Interest for all loans
19 Less: Participation Payments	-		-	General Partner fees (if any)
20 <b>NET INCOME</b>	849.81	12.37%	79,882	NET
21 Less: Funded Reserves	250.00		23,500	Replacement Reserves
22 <b>CASH FLOW BEFORE TAXES</b>	\$ 599.81	8.73%	56,382	CASH FLOW estimate

Disclaimer: This entire analysis was done as an estimation of income and expenses and there may be errors. It was NOT prepared by a CPA. There are tax related calculations throughout this analysis and MBP Capital, Inc. expressly and emphatically encourages and requires that you do not depend on this analysis as fact. This analysis was put together to help you decide whether or not this property fits your investment needs and we suggest that you make your own calculations and make decisions based on advice from your attorney and tax related professionals. This analysis is not all inclusive nor do we guarantee any portion. It is to be used as a projection analysis only and is not to be considered fact. A thorough investigation is recommended during the inspection and feasibility period. This package has been prepared for informational purposes only to assist a potential purchaser in determining whether it wishes to proceed with an in depth investigation of the property. The information contained within this investment analysis has been derived from information deemed reliable or may even be estimated information. However, it is subject to errors, omissions, price change, and/or withdrawal, and no warranty is made as to the accuracy. Further, no warranties or representations shall be made by MBP Capital, Inc. and/or its agents, representatives, or affiliates regarding oral statements which have been made in the discussion of the above property. This presentation was sent to the recipient under the assumption that he is a buying principal unless otherwise agreed to in writing. Any potential purchaser of this subject property is hereby advised to conduct an investigation into the operation of the property, the income, expenses, and overall performance and not to depend on the enclosed information to be all inclusive or fact.

MBP Capital, Inc.

Cash Flow Analysis Worksheet



Property Name	Parkside Apartments	Acquisition Price	\$3,200,000
Location	1113 N. O'Connor Rd, Irving, Texas	Plus Acquisition Costs	\$13,520
Type of Property	Multifamily	Plus Loan Costs	\$40,560
Size of Property (sf/units)	94	Minus Mortgages	\$2,704,000
Purpose of Analysis	Potential Purchase	Equals Initial Investment	\$550,080
Prepared by	Mike Phillips , Brent Card		
Date Prepared	November 2, 2009		

MORTGAGE DATA			COST RECOVERY DATA			BASIS DATA		
	1st Mortgage	2nd Mortgage	Value	Improvements	Personal Property			
Amount	\$2,704,000		\$2,410,140	\$32,135		Acquisition Price		\$3,200,000
Interest Rate	6.19%	7.25%	C. R. Method	SL	SL	Acquisition Costs		\$13,520
Amortization Period	30	30	Useful Life	27.5	15	Total Acquisition Basis		\$3,213,520
Loan Term	10	10	In Service Date	1-Jan	1-Jan			
Payments/Year	12	12	Date of Sale	1-Jan	1-Jan			
Periodic Payment	\$16,543.62		12 Months % age	3.636%	6.667%			
Annual Debt Service	\$198,523		11.5 Months % age	3.485%	6.389%			
Loan Fees/Costs	\$40,560							

TAXABLE INCOME											
End of Year	1	2	3	4	5	6	7	8	9	10	11
<b>1 POTENTIAL RENTAL INCOME</b>	<b>\$692,760</b>	<b>\$713,543</b>	<b>\$734,949</b>	<b>\$756,998</b>	<b>\$779,707</b>	<b>\$803,099</b>					
2 -Vacancy & Credit Losses	\$96,986	\$49,948	\$51,446	\$52,990	\$54,580	\$56,217					
<b>3 EFFECTIVE RENTAL INCOME</b>	<b>\$595,774</b>	<b>\$663,595</b>	<b>\$683,503</b>	<b>\$704,008</b>	<b>\$725,128</b>	<b>\$746,882</b>					
4 +Other Income (collectable)	\$49,989	\$51,488	\$53,033	\$54,624	\$56,263	\$57,951					
<b>5 GROSS OPERATING INCOME</b>	<b>\$645,762</b>	<b>\$715,083</b>	<b>\$736,536</b>	<b>\$758,632</b>	<b>\$781,391</b>	<b>\$804,833</b>					
<b>6 OPERATING EXPENSES</b>											
7 Property Taxes	\$ 77,520	\$ 78,295	\$ 79,078	\$ 79,869	\$ 80,668	\$ 81,474	\$ 82,289	\$ 83,112	\$ 83,943	\$ 84,782	\$ 85,630
8 Franchise Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 Utilities	\$ 72,729	\$ 73,456	\$ 74,191	\$ 74,933	\$ 75,682	\$ 76,439	\$ 77,203	\$ 77,975	\$ 78,755	\$ 79,543	\$ 80,338
10 Insurance	\$ 23,500	\$ 23,735	\$ 23,972	\$ 24,212	\$ 24,454	\$ 24,699	\$ 24,946	\$ 25,195	\$ 25,447	\$ 25,702	\$ 25,959
11 On-site Payroll	\$ 90,275	\$ 91,178	\$ 92,090	\$ 93,011	\$ 93,941	\$ 94,880	\$ 95,829	\$ 96,787	\$ 97,755	\$ 98,733	\$ 99,720
12 Maint./MR Supplies	\$ 39,539	\$ 39,935	\$ 40,334	\$ 40,737	\$ 41,145	\$ 41,556	\$ 41,972	\$ 42,392	\$ 42,816	\$ 43,244	\$ 43,676
13 Admin. / Misc.	\$ 13,987	\$ 14,127	\$ 14,268	\$ 14,411	\$ 14,555	\$ 14,701	\$ 14,848	\$ 14,996	\$ 15,146	\$ 15,298	\$ 15,451
14 Contract Services	\$ 15,792	\$ 15,950	\$ 16,109	\$ 16,271	\$ 16,433	\$ 16,598	\$ 16,764	\$ 16,931	\$ 17,100	\$ 17,271	\$ 17,444
15 Management Fee	\$ 34,014	\$ 34,354	\$ 34,697	\$ 35,044	\$ 35,395	\$ 35,749	\$ 36,106	\$ 36,467	\$ 36,832	\$ 37,200	\$ 37,572
16											
<b>27 TOTAL OPERATING EXPENSES</b>	<b>\$367,357</b>	<b>\$371,030</b>	<b>\$374,741</b>	<b>\$378,488</b>	<b>\$382,273</b>	<b>\$386,096</b>					
<b>28 NET OPERATING INCOME</b>	<b>\$278,406</b>	<b>\$344,053</b>	<b>\$361,795</b>	<b>\$380,144</b>	<b>\$399,118</b>	<b>\$418,737</b>					
29 -Interest-First Mortgage	\$166,479	\$164,438	\$162,267	\$159,958	\$157,502						
30 -Interest-Second Mortgage											
31 -Cost Recovery-Improvements	\$83,993	\$87,633	\$87,633	\$87,633	\$83,993						
32 -Cost Recovery-Personal Property	\$2,053	\$2,142	\$2,142	\$2,142	\$2,053						
33 -Loan Costs Amortization	\$4,056	\$4,056	\$4,056	\$4,056	\$4,056						
34 -											
35 -											
<b>36 REAL ESTATE TAXABLE INCOME</b>	<b>\$21,825</b>	<b>\$85,784</b>	<b>\$105,697</b>	<b>\$126,355</b>	<b>\$151,514</b>						
37 Tax Liability (Savings) at 35%	\$7,639	\$30,024	\$36,994	\$44,224	\$53,030						

CASH FLOW											
<b>38 NET OPERATING INCOME (Line 28)</b>	<b>\$278,406</b>	<b>\$344,053</b>	<b>\$361,795</b>	<b>\$380,144</b>	<b>\$399,118</b>						
39 -Annual Debt Service	\$198,523	\$198,523	\$198,523	\$198,523	\$198,523						
40											
41											
42 -											
<b>43 CASH FLOW BEFORE TAXES</b>	<b>\$79,882</b>	<b>\$145,530</b>	<b>\$163,272</b>	<b>\$181,620</b>	<b>\$200,594</b>						
44 -Tax Liability (Savings) (Line 37 )	\$7,639	\$30,024	\$36,994	\$44,224	\$53,030						
<b>45 CASH FLOW AFTER TAXES</b>	<b>\$72,244</b>	<b>\$115,505</b>	<b>\$126,278</b>	<b>\$137,396</b>	<b>\$147,565</b>						

**MBP Capital, Inc.**  
**Cash Sale Worksheet**  
**MORTGAGE BALANCES**

1 End of Year:	1	2	3	4	5	6	7	8	9	10
2 Principal Balance - 1st Mortgage	\$2,671,955	\$2,637,870	\$2,601,613	\$2,563,048	\$2,522,026					
3 Principal Balance - 2nd Mortgage										
4 TOTAL UNPAID BALANCE	\$2,671,955	\$2,637,870	\$2,601,613	\$2,563,048	\$2,522,026					

**CALCULATION OF SALE PROCEEDS**

5 END OF YEAR	1	2	3	4	5	6	7	8	9	10
6 PROJECTED SALES PRICE (Rounded to nearest 000)					\$5,234,000					

**CALCULATION OF ADJUSTED BASIS**

7 Basis at Acquisition					\$3,213,520					
8 +Capital Additions										
9 -Cost Recovery (Depreciation) Taken					\$441,417					
10 -Basis in Partial Sales										
11 =Adjusted Basis at Sale					\$2,772,103					

**CALCULATION OF CAPITAL GAIN ON SALE**

12 Sale Price					\$5,234,000					
13 -Costs of Sale					\$261,700					
14 -Adjusted Basis at Sale (Line 11)					\$2,772,103					
15 -										
16 =Gain or (Loss)					\$2,200,197					
17 -Straight Line Cost Recovery (limited to gain) (Line 9)					\$441,417					
18 -Suspended Losses										
19 =Capital Gain from Appreciation					\$1,758,780					

**ITEMS TAXED AS ORDINARY INCOME**

20 Unamortized Loan Fees/Costs (negative)					(\$20,280)					
21 +										
22 =Ordinary Taxable Income					(\$20,280)					

**CALCULATION OF SALE PROCEEDS**

23 Sale Price					\$5,234,000					
24 Cost of Sale					\$261,700					
25 -Participaiton Payments on Sale										
26 -Mortgage Balance(s)					\$2,522,026					
27 +Balance of Funded Reserves										
28 =SALE PROCEEDS BEFORE TAX					\$2,450,274					
29 -Tax (Savings)on Ordinary Income (Line 22 x 35%)					(\$7,098)					
30 -Tax on Cost Recovery Recapture (Line 17 x 25%)					\$110,354					
31 -Tax on Capital Gain (Line 19 x 15%)					\$263,817					
32 =SALE PROCEEDS AFTER TAX					\$2,083,201					



**MBP Capital, Inc.**  
**Proof of Before Tax IRR**

EOY	Cash Flows	Sale Proceeds
	(\$550,080)	
1	\$79,882	
2	\$145,530	
3	\$163,272	
4	\$181,620	
5	\$200,594 +	\$2,450,273.91
6		
7		
8		
9		
10		

**IRR = 50.08%**

Year	Beginning Investment Amount	+	Amount Earned/ Return On	=	Beginning Amount Plus Amount Earned	-	Amount Withdrawn/ Cash Flow	=	Ending Investment Amount	Return Of
1	\$550,080	+	\$275,485	=	\$825,565	-	\$79,882	=	\$745,682	(\$195,602)
2	\$745,682	+	\$373,444	=	\$1,119,126	-	\$145,530	=	\$973,597	(\$227,914)
3	\$973,597	+	\$487,585	=	\$1,461,182	-	\$163,272	=	\$1,297,910	(\$324,313)
4	\$1,297,910	+	\$650,004	=	\$1,947,914	-	\$181,620	=	\$1,766,294	(\$468,384)
5	\$1,766,294	+	\$884,575	=	\$2,650,868	-	\$2,650,868	=		\$1,766,294
6		+		=		-		=		
7		+		=		-		=		
8		+		=		-		=		
9		+		=		-		=		
10		+		=		-		=		
<b>Totals</b>			<b>\$2,671,092</b>				<b>\$3,221,172</b>			<b>\$550,080</b>

MBP Capital, Inc.  
 Financial Calculator-11/2/2009

*Mortgage Amortization Annual Summary*

Payments Per Year	12
Amortization Period (Years)	30
Loan Amount	\$2,704,000
Annual Interest Rate	6.19%
Periodic Payment	\$16,543.62
Annual Debt Service	\$198,523

First Note - Loan Summary

Period	Beginning Balance	Interest	Principal	Ending Balance
1	\$2,704,000.00	\$166,478.58	\$32,044.85	\$2,671,955.15
2	\$2,671,955.15	\$164,437.76	\$34,085.67	\$2,637,869.48
3	\$2,637,869.48	\$162,266.97	\$36,256.46	\$2,601,613.02
4	\$2,601,613.02	\$159,957.91	\$38,565.52	\$2,563,047.50
5	\$2,563,047.50	\$157,501.79	\$41,021.64	\$2,522,025.86
6	\$2,522,025.86	\$154,889.28	\$43,634.15	\$2,478,391.71
7	\$2,478,391.71	\$152,110.35	\$46,413.08	\$2,431,978.63
8	\$2,431,978.63	\$149,154.47	\$49,368.96	\$2,382,609.67
9	\$2,382,609.67	\$146,010.31	\$52,513.12	\$2,330,096.55
10	\$2,330,096.55	\$142,665.91	\$55,857.52	\$2,274,239.03
11	\$2,274,239.03	\$139,108.54	\$59,414.89	\$2,214,824.14
12	\$2,214,824.14	\$135,324.60	\$63,198.83	\$2,151,625.31
13	\$2,151,625.31	\$131,299.67	\$67,223.76	\$2,084,401.55
14	\$2,084,401.55	\$127,018.41	\$71,505.02	\$2,012,896.53
15	\$2,012,896.53	\$122,464.49	\$76,058.94	\$1,936,837.59
16	\$1,936,837.59	\$117,620.55	\$80,902.88	\$1,855,934.71
17	\$1,855,934.71	\$112,468.13	\$86,055.30	\$1,769,879.41
18	\$1,769,879.41	\$106,987.55	\$91,535.88	\$1,678,343.53
19	\$1,678,343.53	\$101,157.93	\$97,365.50	\$1,580,978.03
20	\$1,580,978.03	\$94,957.04	\$103,566.39	\$1,477,411.64
21	\$1,477,411.64	\$88,361.23	\$110,162.20	\$1,367,249.44
22	\$1,367,249.44	\$81,345.36	\$117,178.07	\$1,250,071.37
23	\$1,250,071.37	\$73,882.69	\$124,640.74	\$1,125,430.63
24	\$1,125,430.63	\$65,944.72	\$132,578.71	\$992,851.92
25	\$992,851.92	\$57,501.21	\$141,022.22	\$851,829.70
26	\$851,829.70	\$48,519.99	\$150,003.44	\$701,826.26
27	\$701,826.26	\$38,966.74	\$159,556.69	\$542,269.57
28	\$542,269.57	\$28,805.10	\$169,718.33	\$372,551.24
29	\$372,551.24	\$17,996.31	\$180,527.12	\$192,024.12
30	\$192,024.12	\$6,450.14	\$192,073.29	



# Most Recent Rent Roll

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# Most Recent Year-To-Date Profit and Loss Statements

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DISCLAIMER: This analysis is not all inclusive nor do we guarantee any portion. It is to be used as a projection analysis only and is not to be considered fact. This package has been prepared for informational purposes only to assist a potential purchaser in determining whether it wishes to proceed with an in depth investigation of the property. The information contained within this investment analysis has been derived from information deemed reliable or may even be estimated information. It is subject to errors, omissions, price change, and/or withdrawal, and no warranty is made as to the accuracy. Further, no warranties or representations shall be made by MBP Capital, Inc. and/or its agents, representatives, or affiliates regarding oral statements which have been made in the discussion of the above property. This presentation was sent to the recipient under the assumption that he is a buying principal unless otherwise agreed to in writing. **Any potential purchaser of this subject property is hereby advised to conduct a thorough investigation** into the operation of the property, the income, expenses, and overall performance and not to depend on the enclosed information to be all inclusive or fact.

For :  
 Parkside, LLC  
 1115 N. OConnor  
 Irving, TX 75061

**Rent Roll Summary**

Prepared By :  
 Majestic Realty Service  
 9900 N Central Expwy Ste 235  
 Dallas, TX 75231-

Unit #	Resident Name	Memo	Amount	Deposits	Lease Start Date
101	Mauricio Canizalez	Rent Charges	\$560.00	\$0.00	11/20/09
102	Available	Rent Charges	\$560.00		
103	Manuel A. Reyes	Rent Charges	\$600.00	\$0.00	06/22/09
104	Gertrudis N. Reyes	Rent Charge	\$560.00	\$0.00	02/05/10
105	Anna R. Rodriguez	Rent Charges	\$500.00	\$0.00	08/01/09
106	Alberto Mares	rent Charge	\$560.00	\$0.00	01/08/10
107	STORAGE UNIT DOWN UNIT		\$0.00		
108	Donie E. Thomas	Rent Charges	\$475.00	\$0.00	02/26/10
109	Olga Rios	Rent Charges	\$480.00	\$0.00	04/01/09
110	Available	Rent Charges	\$575.00		
	Available	Employee discount	(\$143.75)		
111	Bonilla Reyes	Rent Charges	\$610.00	\$0.00	08/01/09
112	Rafael Martinez	Rent Charges	\$510.00	\$0.00	08/01/09
113	Gerardo Aguirera	Rent Charges	\$550.00	\$0.00	11/01/09
114	Catherine Lynch	Rent Charges	\$440.00	\$0.00	11/25/09
115	Martha Saenz Ortiz	Rent Charges	\$440.00	\$0.00	11/02/09
116	Michelle Lazo	Rent Charges	\$600.00	\$250.00	07/15/09
117	Jose Villalta	Rent Charges	\$510.00	\$0.00	04/01/10
118	Maria Guevara	Rent Charges	\$440.00	\$0.00	03/04/10
119	Destiny Calderon	Rent charge	\$440.00	\$0.00	03/02/10
120	Jose Vasquez	Rent Charges	\$550.00	\$0.00	02/01/09
121	Alicia Maldonado Funez	Rent Charges	\$560.00	\$0.00	11/01/09
122	Norma Rios	Rent Charges	\$630.00	\$0.00	05/01/06
123	Mayela Castenda	Rent Charges	\$630.00	\$0.00	03/01/08
124	Jessica Amiros Anuario	Rent Charges	\$599.00	\$0.00	08/01/09
125	Jorge Padilla	Rent Charges	\$590.00	\$0.00	02/01/09
126	Irenia Centeno Chavez	Rent Charges	\$440.00	\$0.00	12/08/09
127	Erik Lopez	Rent Charges	\$440.00	\$0.00	04/09/10
128	Sharon Noles	Rent Charges	\$575.00	\$50.00	03/01/10
129	Hilomar Contreras	Rent Charges	\$585.00	\$0.00	04/11/05
130	Pleasure Williams	Rent Charges	\$440.00	\$220.00	02/03/10
131	Anarely Perez	Rent Charges	\$485.00	\$0.00	05/15/09
132	Available		\$0.00	\$0.00	
133	Martha Ortega	Rent Charges	\$650.00	\$0.00	09/18/09
134	Bernice Aldridge	Rent Charges	\$560.00	\$0.00	10/30/09
135	Juanita Tharp	Rent Charges	\$685.00	\$0.00	08/03/09

For :  
 Parkside, LLC  
 1115 N. OConnor  
 Irving, TX 75061

**Rent Roll Summary**

Prepared By :  
 Majestic Realty Service  
 9900 N Central Expwy Ste 235  
 Dallas, TX 75231-

Unit #	Resident Name	Memo	Amount	Deposits	Lease Start Date
136	Jessie J. Phoenix	Rent Charges	\$685.00	\$0.00	08/01/09
137	Available	Rent Charges	\$650.00		
138	Joanella Everette	Rent Charges	\$625.00	\$0.00	11/02/09
139	Available	Rent Charges	\$695.00		
140	Carlos Alva	Rent Charges	\$625.00	\$0.00	03/05/10
141	Claudia Hochenedel	Rent Charges	\$173.75	\$0.00	09/29/09
142	Paulina A Cole	Rent Charges	\$625.00	\$0.00	12/31/09
201	Pearline Villarreal	Rent Charges	\$575.00	\$287.50	03/19/10
		Move in Special	\$199.00	\$0.00	03/19/10
		Administration Fee	\$100.00	\$0.00	03/19/10
202	Christopher Williams	Rent Charges	\$600.00	\$0.00	09/22/09
203	Irma Jimenez	Rent Charges	\$610.00	\$0.00	07/14/09
204	Michelle Taylor	Rent charge	\$575.00	\$0.00	03/03/10
205	Jose Granados	Rent Charges	\$505.00	\$0.00	11/01/07
206	Aida Menjivar	Rent Charges	\$610.00	\$0.00	07/01/09
207	HARNECK GREWAL-OWNER		\$0.00	\$0.00	
208	Mary Randazzo	Rent Charges	\$530.00	\$0.00	07/01/09
209	Sergio Gutierrez	Rent Charges	\$575.00	\$0.00	04/01/10
210	Maria Garcia	Rent Charges	\$599.00	\$0.00	11/04/08
211	Maria Garza	Rent Charges	\$600.00	\$200.00	01/01/09
212	Sue Goh	Rent Charges	\$640.00	\$0.00	05/26/06
213	Diana Defee	Rent Charges	\$550.00	\$0.00	12/01/09
214	Martin Garcia	Rent Charges	\$500.00	\$0.00	05/31/09
215	Daniel Marroquin	Rent Charges	\$440.00	\$0.00	03/07/10
216	Laura Martin Balencia	Rent Charges	\$510.00	\$0.00	11/05/09
217	Felicia Martinez	Rent Charges	\$510.00	\$0.00	12/11/09
218	Sonia Facon	Rent Charges	\$480.00	\$0.00	01/01/08
219	Maria E. Duran De Ayala	Rent Charges	\$500.00	\$0.00	06/22/09
220	Addalizeth Martinez	Rent Charge	\$510.00	\$0.00	02/01/10
221	Marco Jiminez	Rent Charges	\$635.00	\$240.00	02/11/08
222	Ana Marisol Juarez	Rent Charges	\$560.00	\$0.00	12/02/09
223	Otilia Mendoza	Rent Charges	\$610.00	\$0.00	08/01/09
224	Melissa Allison	Rent Charges	\$560.00	\$0.00	12/01/09
225	Mario Munoz	Rent Charges	\$510.00	\$0.00	03/12/10
226	Patsy J. Weaver	Rent Charges	\$490.00	\$0.00	08/01/09
227	Nathan Vanegas	Rent Charges	\$440.00	\$0.00	11/18/09

For :  
 Parkside, LLC  
 1115 N. OConnor  
 Irving, TX 75061

**Rent Roll Summary**

Prepared By :  
 Majestic Realty Service  
 9900 N Central Expwy Ste 235  
 Dallas, TX 75231-

Unit #	Resident Name	Memo	Amount	Deposits	Lease Start Date
228	Stephanie Taylor	Rent Charges	\$550.00	\$0.00	12/31/08
229	Latoya Minter	Rent Charges	\$550.00	\$0.00	08/16/09
230	Hector Martinez	Rent Charges	\$485.00	\$100.00	05/01/08
231	Jose Martinez	Rent Charges	\$480.00	\$0.00	08/01/09
232	Manuel Arreola	Rent Charge	\$510.00	\$0.00	01/30/10
233	Aljandro Huerta	Rent Charges	\$665.00	\$0.00	09/01/09
234	Sonia Monica Orrantia	Rent charge	\$650.00	\$0.00	12/23/09
235	Della La Shawn Mason	Rent Charges	\$650.00	\$0.00	12/02/09
236	Derek J. Braxton	Rent charge	\$650.00	\$325.00	04/02/10
237	Kelly Collins Contreras	Rent Charges	\$670.00	\$225.00	07/01/09
238	Gabriel Granillo	Rent Charges	\$655.00	\$0.00	02/01/10
239	Alberto Gonzalez	Rent Charges	\$695.00	\$0.00	08/01/09
240	Zarahi Solano	Rent Charge	\$685.00	\$0.00	05/13/09
241	Available	Rent Charges	\$725.00		
242	Marvin Solomon	Rent Charge	\$650.00	\$150.00	01/09/10
243	Available	Rent Charges	\$685.00		
244	Stella Garcia	Rent Charge	\$650.00	\$0.00	02/03/10
245	Available	Rent Charges	\$685.00		
246	Gerardo Flores	Rent Charges	\$675.00	\$0.00	11/15/08
247	Leticia Sanchez	Rent Charge	\$650.00	\$0.00	02/27/10
248	Lanshele Romain Schuler	Rent Charges	\$700.00	\$0.00	09/01/09
249	Jesus Martinez	Rent Charges	\$675.00	\$0.00	03/01/09
250	Alexandra A. Smith	Rent Charges	\$685.00	\$300.00	08/01/09
251	Tanika Lashaune Thomas	Rent Charge	\$650.00	\$0.00	01/16/10
252	Deborah Neighbors	Rent Charges	\$675.00	\$0.00	12/01/08
<b>Total</b>			<b>\$52,287.00</b>	<b>\$2,347.50</b>	

For :  
Parkside, LLC  
1115 N. OConnor  
Irving, TX 75061-

**Income Statement**  
Revenue: Cash; Expense: Cash

Prepared By :  
Majestic Realty Service  
9900 N Central Expwy Ste 235  
Dallas, TX 75231-

	03/01/2010	% of Total	01/01/2010	% of Total
	03/31/2010	Revenue	03/31/2010	Revenue
<b>Revenue</b>				
<b>RENTAL INCOME</b>				
Rent	\$47,615.23	94.27%	\$136,585.74	93.95%
NSF Fee	\$50.00	0.10%	\$50.00	0.03%
Administration Fee	\$600.00	1.19%	\$1,599.00	1.10%
Utility Income	\$459.90	0.91%	\$2,037.34	1.40%
Vending Income	\$752.13	1.49%	\$1,561.41	1.07%
Application Fee	\$175.00	0.35%	\$945.00	0.65%
Non-Refundable Pet Fee	\$0.00	0.00%	\$150.00	0.10%
Interest Income	\$0.06	0.00%	\$0.24	0.00%
Tenant Charges	\$0.00	0.00%	\$154.00	0.11%
Late Fees	\$856.85	1.70%	\$2,304.85	1.59%
<b>Total RENTAL INCOME</b>	<b>\$50,509.17</b>	<b>100.00%</b>	<b>\$145,387.58</b>	<b>100.00%</b>
<b>Total Revenue</b>	<b>\$50,509.17</b>	<b>100.00%</b>	<b>\$145,387.58</b>	<b>100.00%</b>
<b>Expenses</b>				
<b>OPERATING EXPENSES</b>				
<b>GENERAL AND ADMINISTRATIVE</b>				
Manager's Salary	\$2,915.50	5.77%	\$8,678.00	5.97%
Payroll Burden - Admin	\$396.90	0.79%	\$1,180.92	0.81%
Contract Labor - Administrative	\$210.00	0.42%	\$1,835.00	1.26%
Consulting Fees	\$1,347.50	2.67%	\$1,347.50	0.93%
Professional Fees	\$0.00	0.00%	\$100.00	0.07%
Forms/Printing	\$42.89	0.08%	\$42.89	0.03%
Advertising/Marketing	\$950.00	1.88%	\$2,015.00	1.39%
Postage & Delivery	\$14.96	0.03%	\$106.85	0.07%
Telephone/Pager	\$287.97	0.57%	\$878.64	0.60%
Internet Services	\$62.83	0.12%	\$188.49	0.13%
Credit/Criminal	\$253.18	0.50%	\$504.28	0.35%
Legal Services	(\$155.00)	(0.31%)	(\$1,084.00)	(0.75%)
Bank Charges	\$865.19	1.71%	\$1,053.19	0.72%
Lease Commission	\$275.00	0.54%	\$1,325.00	0.91%
Office Supplies	\$0.00	0.00%	\$254.40	0.17%
Fines/Penalty	\$50.00	0.10%	\$50.00	0.03%
Permits & Licenses	\$50.00	0.10%	\$50.00	0.03%
Employee Expense	\$0.00	0.00%	\$100.00	0.07%
Computer Expense	\$14.95	0.03%	\$403.25	0.28%
Management Fee	\$2,525.45	5.00%	\$7,296.37	5.02%
<b>Total GENERAL AND ADMINISTRA</b>	<b>\$10,107.32</b>	<b>20.01%</b>	<b>\$26,325.78</b>	<b>18.11%</b>
<b>MAINTENANCE EXP (CAM)</b>				
Maintenance Payroll	\$2,734.28	5.41%	\$7,861.81	5.41%
Payroll Burden - Maintenance	\$424.92	0.84%	\$1,267.14	0.87%
Contract Labor	\$3,200.50	6.34%	\$8,850.50	6.09%

**For :**  
 Parkside, LLC  
 1115 N. OConnor  
 Irving, TX 75061-

**Income Statement**  
**Revenue: Cash; Expense: Cash**

**Prepared By :**  
 Majestic Realty Service  
 9900 N Central Expwy Ste 235  
 Dallas, TX 75231-

	03/01/2010	% of Total	01/01/2010	% of Total
	03/31/2010	Revenue	03/31/2010	Revenue
Supplies & Materials	\$2,085.01	4.13%	\$2,393.08	1.65%
Fire Alarm/Extinguisher Inspection	\$64.79	0.13%	\$231.00	0.16%
M/R - Floors	\$181.55	0.36%	(\$101.55)	(0.07%)
Cleaning Contract	\$0.00	0.00%	\$615.00	0.42%
M/R - Paint	\$498.55	0.99%	\$2,100.66	1.44%
Patrol Services/Fire Alarms	\$47.78	0.09%	\$143.34	0.10%
HVAC Repairs	\$0.00	0.00%	\$350.71	0.24%
Plumbing Repairs	\$0.00	0.00%	\$304.94	0.21%
Tub/Tile Repair	\$486.00	0.96%	\$3,268.00	2.25%
Electrical Repairs	\$541.25	1.07%	\$5,402.31	3.72%
Glass Repair/Replacement	\$54.56	0.11%	\$284.48	0.20%
Appliance Replacement	\$73.66	0.15%	\$326.86	0.22%
Carpentry Repairs	\$0.00	0.00%	\$150.00	0.10%
Carpet/Tile Replacement	\$0.00	0.00%	\$734.50	0.51%
Landscape Maintenance	\$0.00	0.00%	\$900.00	0.62%
Pest Control	\$195.70	0.39%	\$391.42	0.27%
<b>Total MAINTENANCE EXP (CAM)</b>	<b>\$10,588.55</b>	<b>20.96%</b>	<b>\$35,474.20</b>	<b>24.40%</b>
<b>UTILITIES</b>				
Electricity	\$4,743.87	9.39%	\$9,984.34	6.87%
Utility Billing Service	\$110.60	0.22%	\$314.49	0.22%
Trash Removal	\$555.86	1.10%	\$1,636.18	1.13%
Water/Sewer	\$4,571.53	9.05%	\$14,419.76	9.92%
<b>Total UTILITIES</b>	<b>\$9,981.86</b>	<b>19.76%</b>	<b>\$26,354.77</b>	<b>18.13%</b>
<b>Total OPERATING EXPENSES</b>	<b>\$30,677.73</b>	<b>60.74%</b>	<b>\$88,154.75</b>	<b>60.63%</b>
<b>Total Expenses</b>	<b>\$30,677.73</b>	<b>60.74%</b>	<b>\$88,154.75</b>	<b>60.63%</b>
<b>NET OPERATING INCOME</b>	<b>\$19,831.44</b>	<b>39.26%</b>	<b>\$57,232.83</b>	<b>39.37%</b>
<b>DEBT SERVICE</b>				
<b>OPERATING EXPENSES</b>				
Mortgage Escrow	\$7,698.36	15.24%	\$15,396.72	10.59%
Mortgage Interest	\$14,336.59	28.38%	\$28,673.18	19.72%
Mortgage Principal	\$2,427.28	4.81%	\$4,854.56	3.34%
Replacement Reserves	\$2,193.33	4.34%	(\$5,425.83)	(3.73%)
<b>Total OPERATING EXPENSES</b>	<b>\$26,655.56</b>	<b>52.77%</b>	<b>\$43,498.63</b>	<b>29.92%</b>
<b>Total DEBT SERVICE</b>	<b>\$26,655.56</b>	<b>52.77%</b>	<b>\$43,498.63</b>	<b>29.92%</b>
<b>NET INCOME AFTER DEBT SERVICE</b>	<b>(\$6,824.12)</b>	<b>(13.51%)</b>	<b>\$13,734.20</b>	<b>9.45%</b>
<b>CAPITAL ACCOUNTS</b>				
<b>CAPITAL ACCOUNTS</b>				
Building Improvements	\$3,682.55	7.29%	\$21,366.81	14.70%
<b>Total CAPITAL ACCOUNTS</b>	<b>\$3,682.55</b>	<b>7.29%</b>	<b>\$21,366.81</b>	<b>14.70%</b>

**For :**  
 Parkside, LLC  
 1115 N. OConnor  
 Irving, TX 75061-

**Income Statement**  
**Revenue: Cash; Expense: Cash**

**Prepared By :**  
 Majestic Realty Service  
 9900 N Central Expwy Ste 235  
 Dallas, TX 75231-

	03/01/2010 03/31/2010	% of Total Revenue	01/01/2010 03/31/2010	% of Total Revenue
<b>Total CAPITAL ACCOUNTS</b>	<b>\$3,682.55</b>	<b>7.29%</b>	<b>\$21,366.81</b>	<b>14.70%</b>
<b>NET CASH FLOW (LOSS)</b>	<b>(\$10,506.67)</b>	<b>(20.80%)</b>	<b>(\$7,632.61)</b>	<b>(5.25%)</b>
<b>ADJUSTMENTS</b>				
Owner Contribution	\$0.00	0.00%	(\$17,500.00)	(12.04%)
<b>CURRENT LIABILITIES</b>				
Security Deposits	(\$287.50)	(0.57%)	(\$507.50)	(0.35%)
Pet Deposit	\$0.00	0.00%	(\$150.00)	(0.10%)
<b>Total CURRENT LIABILITIES</b>	<b>(\$287.50)</b>	<b>(0.57%)</b>	<b>(\$657.50)</b>	<b>(0.45%)</b>
<b>Total ADJUSTMENTS</b>	<b>(\$287.50)</b>	<b>(0.57%)</b>	<b>(\$18,157.50)</b>	<b>(12.49%)</b>
<b>CASH FLOW</b>	<b>(\$10,219.17)</b>	<b>(20.23%)</b>	<b>\$10,524.89</b>	<b>7.24%</b>

**Income-12 Statement (Cash)**  
**Parkside, LLC - (parkside)**  
**January 2009 - December 2009**

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Account Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>INCOME</b>													
Rent Income	54,496	56,313	46,724	49,235	38,645	47,379	41,054	41,395	40,280	41,195	40,541	3,177	500,434
NSF Fees				50	50	50	50			50	46	4	300
Administration Fee	113	300	500	200	199		400	735	65	100	300		2,912
Utility Income	1,294	1,826	2,468	1,645	5,714	3,354	3,287	2,549	2,369	2,372	2,679	300	29,855
Vending Income	575	1,054		928	36	428	338	430	512	418	359		5,077
Application Fees	105	150	174	35	35		240	350	105	140	420	140	1,894
Non-Refundable P				24		126							150
Tenant Charges		-80	100				20			-175			-135
Late Charges	475	93	0	99	177	524	96	480	232	1,121	559	65	3,921
Fines											80		80
<b>TOTAL INCOM</b>	<b>57,059</b>	<b>59,656</b>	<b>49,967</b>	<b>52,216</b>	<b>44,856</b>	<b>51,861</b>	<b>45,484</b>	<b>45,938</b>	<b>43,563</b>	<b>45,221</b>	<b>44,983</b>	<b>3,685</b>	<b>544,489</b>
<b>OPERATING EXPENS</b>													
<b>GENERAL &amp; ADMINI</b>													
Management Fee	2,853	2,983	2,498	2,456	2,385	2,593	2,274	2,297	2,178	2,234			24,753
Manager's Salary	3,272	2,180	2,180	2,180	1,558	2,156	4,024	2,546	2,166	2,801	2,801	521	28,384
Leasing Agent's S											1,340		1,340
Professional Fees				1,500	1,100								2,600
Referral Fee	450	300		150						300			1,200
Forms/Printing										150			150
Payroll Burden						171	527	434	354	369	369		2,224
Advertising/Marketi							320			765	400		1,485
Postage & Delivery	11	21	14	15	3	7	11	14	14	19	16		145
Telephone/Pager	375	384		594	141	839	688	640		915	315		4,891
Credit/Criminal Ch	100		138			449	129		433	129			1,377
Legal Services			672		-672	672	433	-405	112	1,200	500		2,512
Bank/Financial Inst	45	42	40	43	44	280	73	44	35	35			680
Late Charges										838			838
Lease Commission	275		225	338					343	343			1,523
Travel	685	47											732
Office Supplies		5	102		18	176	730	263	97	37	564		1,993
Fines/Penalty										50			50
Permits & Licenses		50		120			150		40	100			460
Answering Service	160												160
Employee Expens		34							25				59
Dues & Meetings								298					298
Computer Expense	123	123	108	123	123	123	123	365	122	122	107		1,562
Medical Screening	37	37			37			37		37			185
<b>TOTAL GENER</b>	<b>8,385</b>	<b>6,207</b>	<b>5,977</b>	<b>7,519</b>	<b>4,738</b>	<b>7,466</b>	<b>9,483</b>	<b>6,532</b>	<b>5,918</b>	<b>10,443</b>	<b>6,412</b>	<b>521</b>	<b>79,601</b>
<b>MAINTENANCE EXP</b>													
Maintenance Payr	3,840	2,560	2,560	2,560	2,560	2,560	3,328	84	1,262	989	2,725		25,028
Contract Labor								1,398	1,283	1,250	5,890		9,820
Lighting						56	32	65	39		146		338
Supplies & Materia	867	557	-1,393	293	88	680	680	712	494	620	871		4,468
Fire Alarm/Extingu		87	166			692			736	-102			1,579
Payroll Burden	612	408	408	408	574	436	560	13	46		195		3,660
Pool Supplies/Serv		71		36		200	122	806	312	213	8		1,768
M/R-Floors	117	390		112			563	1,253	409	630	401		3,875
M/R-Cleaning	300	60	240	300		68	230	610	185	250	647		2,890
Trash Removal	497	790	470	454	472	472	982	1,030	479	479	479		6,125
M/R-Paint	239	476	226	104		548	300	2,131	593	615	275		5,507
Patrol Services/Fir			213	39		87	44	44	44	91	48		609
Landscape Mainte			250			6	500	487	600	530	678		3,051
Pest Control	196	358					29	189	449	189	720		2,131
HVAC Repairs	177						158	268	782	632	274		2,291
Plumbing Repairs			169		23			202	198	192	765		1,548
Tub/Tile Repair											210		210
Electrical Repairs		32		75			126				599		833
Roof/Deck Repairs	900												900
Glass Repair/Repl		41	185	49		28	174	68	338	139	88		1,109
Carpet/Floor Clean										240			240
Door Repair					-101								-77
Fence Repair											275		275
Window Covering		22				233							256
Appliance Replace											305		305
Locks & Keys						5		59			243		307
<b>TOTAL MAINT</b>	<b>7,745</b>	<b>5,852</b>	<b>3,495</b>	<b>4,430</b>	<b>3,616</b>	<b>6,071</b>	<b>7,828</b>	<b>9,417</b>	<b>7,768</b>	<b>6,956</b>	<b>15,865</b>		<b>79,044</b>
<b>UTILITIES</b>													
Electricity	1,256	1,805	916	830	-175	1,761	1,061	970	1,585	1,934	3,059		15,002
Utility Billing Servic	222		235	124		252	119	219		105	97		1,372
Water/Sewer	4,983	4,868	4,862	3,515	5,201	4,684	5,286	4,991	4,979	4,751	4,273		52,394
<b>TOTAL UTILITI</b>	<b>6,461</b>	<b>6,673</b>	<b>6,013</b>	<b>4,469</b>	<b>5,026</b>	<b>6,696</b>	<b>6,465</b>	<b>6,180</b>	<b>6,564</b>	<b>6,791</b>	<b>7,429</b>		<b>68,767</b>
<b>TAXES &amp; INSURAN</b>													
Mortgage Escrow	7,328	7,328	7,328	7,924	7,924	7,924	7,924	7,924	7,924	7,924	7,924		85,375
<b>TOTAL TAXES</b>	<b>7,328</b>	<b>7,328</b>	<b>7,328</b>	<b>7,924</b>	<b>7,924</b>	<b>7,924</b>	<b>7,924</b>	<b>7,924</b>	<b>7,924</b>	<b>7,924</b>	<b>7,924</b>		<b>85,375</b>
<b>TOTAL OPERATING</b>	<b>29,918</b>	<b>26,061</b>	<b>22,813</b>	<b>24,343</b>	<b>21,303</b>	<b>28,156</b>	<b>31,700</b>	<b>30,053</b>	<b>28,174</b>	<b>32,114</b>	<b>37,631</b>	<b>521</b>	<b>312,788</b>

**Income-12 Statement (Cash)**  
**Parkside, LLC - (parkside)**  
**January 2009 - December 2009**

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Account Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
NET OPERATING IN	27,140	33,595	27,154	27,873	23,553	23,705	13,784	15,885	15,389	13,107	7,352	3,164	231,701
DEBT SERVICE													
Mortgage Interest	14,061	14,504	13,089	14,472	13,993	14,445	13,967	14,418	14,405	13,928	14,377		155,659
Mortgage Principal	2,703	2,260	3,675	2,292	2,771	2,319	2,797	2,346	2,359	2,836	2,386		28,743
Replacement Rese	2,193	2,193	2,193	2,193	2,193	2,193	2,193	2,193	2,193	2,193	2,193		24,127
TOTAL DEBT S	18,957	18,957	18,957	18,957	18,957	18,957	18,957	18,957	18,957	18,957	18,957		208,529
CAPITAL ACCOUNT													
Roof						480					700		1,180
Major Carpentry/R		4,000	4,300										8,300
Concrete Repair/R		995											995
Major Electrical Re	687		285			661		955	4,691	1,992	2,502		11,772
Major Plumbing Re	453	567		531		615	921						3,085
Major HVAC Repai		744	1,684	3,525		625	1,098		1,297				8,973
Appliance Replace	2,230	1,615	665	285		1,201	468	557		212	127		7,360
Carpet/Tile Replac		1,256			216	1,509	64		1,787	591	26		5,449
Building Improvem	4,621	2,540	5,381	1,120	2,311	6,127	8,298	7,020	1,805	4,977	12,223		56,425
TOTAL CAPITA	7,990	11,716	12,316	5,460	2,527	11,218	10,849	8,533	9,579	7,772	15,577		103,538
NET CASH FLOW (L	193	2,922	-4,119	3,456	2,068	-6,471	-16,022	-11,605	-13,148	-13,623	-27,183	3,164	-80,366

**Budget Comparison Cash Flow (Cash)  
Parkside, LLC - (parkside)  
December 2008**

	<u>MTD Actual</u>	<u>MTD Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>\$ Var.</u>	<u>% Var.</u>	<u>Annual</u>
<b>INCOME</b>									
Rent Income	46,868.09	50,000.00	-3,131.91	-6.26	416,127.81	418,000.00	-1,872.19	-0.45	418,000.00
NSF Fees	35.00	0.00	35.00	0	320.00	0.00	320.00	0	0.00
Administration Fee	286.00	400.00	-114.00	-28.50	2,079.00	3,600.00	-1,521.00	-42.25	3,600.00
Utility Income	2,602.55	1,500.00	1,102.55	73.50	19,971.63	13,500.00	6,471.63	47.94	13,500.00
Vending Income	547.88	400.00	147.88	36.97	3,585.04	3,600.00	-14.96	-0.42	3,600.00
Application Fees	0.00	0.00	0.00	0	2,119.00	1,200.00	919.00	76.58	1,200.00
Non-Refundable Pet Fee	0.00	0.00	0.00	0	150.00	0.00	150.00	0	0.00
Interest Income	0.00	0.00	0.00	0	89.65	0.00	89.65	0	0.00
Late Charges	160.30	500.00	-339.70	-67.94	1,945.14	4,500.00	-2,554.86	-56.77	4,500.00
<b>TOTAL INCOME</b>	<b>50,499.82</b>	<b>52,800.00</b>	<b>-2,300.18</b>	<b>-4.36</b>	<b>446,387.27</b>	<b>444,400.00</b>	<b>1,987.27</b>	<b>0.45</b>	<b>444,400.00</b>
<b>OPERATING EXPENSES</b>									
<b>GENERAL &amp; ADMINISTRATIVE</b>									
Management Fee	2,525.00	2,500.00	-25.00	-1.00	21,923.80	21,400.00	-523.80	-2.45	21,400.00
Manager's Salary	2,000.00	1,706.00	-294.00	-17.23	20,405.75	19,773.00	-632.75	-3.20	19,773.00
Leasing Agent's Salary	0.00	0.00	0.00	0	798.00	0.00	-798.00	0	0.00
Professional Fees	0.00	0.00	0.00	0	450.00	0.00	-450.00	0	0.00
Referral Fee	150.00	200.00	50.00	25.00	701.90	850.00	148.10	17.42	850.00
Forms/Printing	42.89	50.00	7.11	14.22	255.56	450.00	194.44	43.21	450.00
Tenant/Client Relations	0.00	0.00	0.00	0	8.10	0.00	-8.10	0	0.00
Payroll Burden	0.00	250.00	250.00	100.00	1,967.81	2,478.00	510.19	20.59	2,478.00
Advertising/Marketing	0.00	0.00	0.00	0	774.13	0.00	-774.13	0	0.00
Postage & Delivery	9.24	25.00	15.76	63.04	152.21	225.00	72.79	32.35	225.00
Telephone/Pager	594.89	200.00	-394.89	-197.4	4,040.81	2,955.00	-1,085.81	-36.74	2,955.00
Credit/Criminal Checks	120.95	200.00	79.05	39.53	1,095.72	1,505.00	409.28	27.19	1,505.00
Legal Services	-224.00	0.00	224.00	0	446.80	0.00	-446.80	0	0.00
Bank/Financial Inst. Charges	23.30	0.00	-23.30	0	708.69	0.00	-708.69	0	0.00
Lease Commissions	0.00	0.00	0.00	0	389.00	0.00	-389.00	0	0.00
Travel	685.00	0.00	-685.00	0	6,301.41	0.00	-6,301.41	0	0.00
Office Supplies	80.94	50.00	-30.94	-61.88	1,104.74	450.00	-654.74	-145.5	450.00
Permits & Licenses	180.00	0.00	-180.00	0	1,993.36	550.00	-1,443.36	-262.4	550.00
Surveys/Appraisals	350.00	0.00	-350.00	0	350.00	0.00	-350.00	0	0.00
Answering Service	0.00	60.00	60.00	100.00	469.57	540.00	70.43	13.04	540.00
Dues & Meetings	0.00	0.00	0.00	0	135.27	0.00	-135.27	0	0.00
Signs & Displays	0.00	0.00	0.00	0	380.30	0.00	-380.30	0	0.00
Computer Expense	124.85	110.00	-14.85	-13.50	1,426.43	990.00	-436.43	-44.08	990.00
Medical Insurance	0.00	0.00	0.00	0	575.00	0.00	-575.00	0	0.00
Medical Screening	0.00	0.00	0.00	0	74.00	0.00	-74.00	0	0.00
<b>TOTAL GENERAL &amp; ADMIN</b>	<b>6,663.06</b>	<b>5,351.00</b>	<b>-1,312.06</b>	<b>-24.52</b>	<b>66,928.36</b>	<b>52,166.00</b>	<b>-14,762.36</b>	<b>-28.30</b>	<b>52,166.00</b>
<b>MAINTENANCE EXP (CAM)</b>									
Maintenance Payroll	2,432.00	3,289.00	857.00	26.06	5,011.95	29,601.00	24,589.05	83.07	29,601.00
Contract Labor	4,884.00	1,500.00	-3,384.00	-225.6	42,198.18	13,500.00	-28,698.18	-212.5	13,500.00
Supplies & Materials	1,925.65	2,000.00	74.35	3.72	11,426.94	14,400.00	2,973.06	20.65	14,400.00
Fire Alarm/Extinguisher Inspection	0.00	0.00	0.00	0	462.02	0.00	-462.02	0	0.00
Payroll Burden	402.83	400.00	-2.83	-0.71	790.41	3,600.00	2,809.59	78.04	3,600.00
Pool Supplies/Service & Repair	0.00	0.00	0.00	0	1,310.75	0.00	-1,310.75	0	0.00
M/R-Floors	1,587.42	250.00	-1,337.42	-534.9	4,146.85	2,250.00	-1,896.85	-84.30	2,250.00
M/R-Cleaning	685.00	200.00	-485.00	-242.5	3,030.00	1,800.00	-1,230.00	-68.33	1,800.00
Trash Removal	1,057.70	550.00	-507.70	-92.31	3,762.48	4,950.00	1,187.52	23.99	4,950.00
M/R-Paint	505.48	500.00	-5.48	-1.10	4,750.45	4,500.00	-250.45	-5.57	4,500.00
Tree Services	0.00	0.00	0.00	0	350.00	0.00	-350.00	0	0.00
Patrol Services/Fire Alarms	0.00	125.00	125.00	100.00	609.22	1,125.00	515.78	45.85	1,125.00
Landscape Maintenance	300.00	650.00	350.00	53.85	4,768.10	5,850.00	1,081.90	18.49	5,850.00
Pest Control	0.00	300.00	300.00	100.00	1,699.75	2,700.00	1,000.25	37.05	2,700.00
Sprinkler Repairs	0.00	0.00	0.00	0	757.75	0.00	-757.75	0	0.00
HVAC Repairs	555.58	1,000.00	444.42	44.44	9,796.96	15,000.00	5,203.04	34.69	15,000.00
Plumbing Repairs	233.75	500.00	266.25	53.25	5,761.05	4,500.00	-1,261.05	-28.02	4,500.00
Tub/Tile Repair	0.00	0.00	0.00	0	1,385.00	0.00	-1,385.00	0	0.00
Electrical Repairs	0.00	0.00	0.00	0	1,557.65	0.00	-1,557.65	0	0.00
Ceiling Fans	0.00	0.00	0.00	0	290.87	0.00	-290.87	0	0.00
Painting	0.00	500.00	500.00	100.00	2,097.95	4,500.00	2,402.05	53.38	4,500.00
Gate Repairs	0.00	0.00	0.00	0	222.75	0.00	-222.75	0	0.00
Glass Repair/Replacement	0.00	0.00	0.00	0	42.63	0.00	-42.63	0	0.00
Window Covering Repair/Replace	147.17	500.00	352.83	70.57	2,733.80	4,500.00	1,766.20	39.25	4,500.00
Appliance Replacement	1,305.16	750.00	-555.16	-74.02	4,730.78	6,750.00	2,019.22	29.91	6,750.00
Carpentry Repairs	0.00	0.00	0.00	0	2,020.00	0.00	-2,020.00	0	0.00
Carpet/Tile Replacement	1,852.40	750.00	-912.40	-121.6	12,803.25	6,750.00	-6,053.25	-89.68	6,750.00
Equipment Purchase	0.00	0.00	0.00	0	664.64	0.00	-664.64	0	0.00
Signage	0.00	0.00	0.00	0	299.00	0.00	-299.00	0	0.00
<b>TOTAL MAINT EXP (CAM)</b>	<b>17,684.14</b>	<b>13,764.00</b>	<b>-3,920.14</b>	<b>-28.48</b>	<b>129,481.18</b>	<b>126,276.00</b>	<b>-3,205.18</b>	<b>-2.54</b>	<b>126,276.00</b>
<b>UTILITIES</b>									
Electricity	1,360.58	2,500.00	1,139.42	45.58	16,976.41	22,500.00	5,523.59	24.55	22,500.00
Utility Billing Service	114.60	100.00	-14.60	-14.60	643.45	900.00	256.55	28.51	900.00
Water/Sewer	7,806.61	4,500.00	-3,306.61	-73.48	32,205.16	40,500.00	8,294.84	20.48	40,500.00
<b>TOTAL UTILITIES</b>	<b>9,281.79</b>	<b>7,100.00</b>	<b>-2,181.79</b>	<b>-30.73</b>	<b>49,825.02</b>	<b>63,900.00</b>	<b>14,074.98</b>	<b>22.03</b>	<b>63,900.00</b>
<b>TAXES &amp; INSURANCE</b>									





# Subject Property

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## Demographics

## Transportation System

## Population Data

## Regional Summary and Data

## City, County, Submarket Data

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# DALLAS/FORT WORTH

## ECONOMY

One of the nation's most vibrant markets, the Greater Dallas/Fort Worth area is enjoying a sustained period of population and employment growth and low inflation. The Dallas/Fort Worth Metroplex is a dynamic 12-county region made up of Dallas, Fort Worth and 126 other municipalities. The Dallas/Fort Worth MSA is now second only to the New York-Northern New Jersey-Long Island metro area, surpassing all other regions in the United States in revenue. Employment growth in Texas and the Dallas area grew at an aggressive pace throughout the last decade and into the current, despite periods of changing economic conditions. As the nation's second largest concentration of high technology, the Dallas area has become "Silicon Prairie". According to a recent economic study, the Dallas/Fort Worth Metroplex is projected to add over 600,000 jobs over the next seven years, an increase of nearly 23 percent. The study ranks Dallas among the leading metropolitan areas in the country for job growth. There are over 128,000 businesses in the

	Company	# DFW Employees
1	AMR Corp.	24,277
2	Texas Instruments Inc.	10,400
3	Brinker International Inc.	9,567
4	Electronic Data Systems Corp.	7,300
5	JCPenney Co.	7,298
6	Southwest Airlines Co.	5,405
7	Blockbuster Inc.	4,500
8	RadioShack Corp.	4,082
9	Burlington Northern Santa Fe	3,500
10	Perot Systems Corp.	3,500
11	Centex Corp.	3,428
12	TXU Corp.	3,211
13	Tenet Healthcare Corp.	3,066
14	Sabre Holdings Corp.	3,000
15	Belo Corp.	3,000
16	AmeriCredit Corp.	2,100
17	Michaels Stores Inc.	2,019
18	Trinity Industries Inc.	2,000
19	Alliance Data Systems	1,900
20	Affiliated Computer Services Inc.	1,800

Source: Dallas Morning News

Metroplex and more than 1,500 regional and corporate headquarters.

The Dallas-Fort Worth region is a vibrant international business center. The Metroplex is home to over 2,250 global companies, and

22 of the Fortune 500 companies. Since the enactment of North American Free Trade Agreement (NAFTA), D/FW's trade with Mexico and Canada has doubled to \$2.3 billion. The new International Terminal D at D/FW International Airport contributes \$2.3 billion annually to the North Texas economy in passenger service, while international cargo adds \$34 million.

## TRANSPORTATION ADVANTAGES

Dallas-Fort Worth has an excellent infrastructure of highways, rail routes, major airports and public transportation systems. The central location and international airport system give businesses a competitive advantage in the national and international marketplace. Markets anywhere in the





country or the world can be easily accessed from the region. The Metroplex is a center of distribution activity for regional, national and international operations.

Dallas/Fort Worth International Airport, larger than the island of Manhattan, is the third busiest airport in the world with some 2,500 flights per day. The D/FW Airport provides direct service to approximately 160 worldwide destinations, with an international flight increase of 69% over the past four years. With major cities in three nations, Canada, Mexico and U.S., only four hours away, it serves more than 60 million passengers per year (5th highest in the world). Home to American Airlines, the nation's largest carrier, D/FW Airport has earned a reputation as one of the best-operating airports in the world. The \$2.7 billion

Capital Development Program at D/FW International Airport will generate an additional \$34 billion in economic impact and create 77,000 new jobs over the next 15 years. Dallas' Love Field Airport is considered one of the premier "close-in" airports in the nation and is the home base for Southwest Airlines. Located in the heart of Dallas, seven miles northwest of the downtown central business district, Love Field provides a convenient and efficient airport serving both commercial airline and corporate user needs. Transporting seven million passengers a year, it provides a vital link in the economy of the City of Dallas, the region and the nation.

Dallas Area Rapid Transit (DART) is an extensive network of modern public transit services. DART covers 700 square miles in Dallas and 13 surrounding suburban communities, serving 94.4 million passengers. In conjunction with DART Rail, Trinity Railway Express (TRE) and bus services, DART moves more than 200,000 passengers per day across the Metroplex. Through 2015, DART is slated to more than double its size to 93 miles of light rail service and 35 miles of commuter rail service through a northwest and southeast extension.

The D/FW Metroplex is served by six interstates and seven other U.S. highways and numerous state highways. Interstate 35 serves as a north and south artery throughout the Metroplex and the nation, while Interstate 20 serves as the east and west artery. I-635 forms a loop around the entire Dallas area, linking commuters to several major Dallas thoroughfares such as the Dallas North Tollway, North Central Expressway and Interstate 30. The George Bush Turnpike (GBT), a recent addition to Dallas, is a 29.2 mile, six-lane, limited access expressway passing through or along the cities of Irving, Farmers Branch, Carrollton, Dallas, Plano, Richardson and Garland. The GBT gives a boost to east-west traffic in the northern half of the



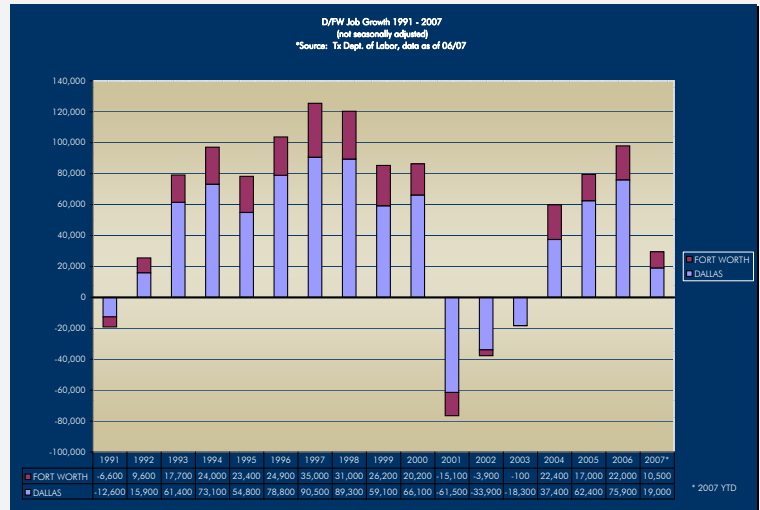
Dallas Metroplex, linking commuters to high tech corridors and corporate headquarters.

## RECREATION

With 60 acres of prime real estate on the north side of Downtown, the Dallas/Fort Worth Arts District is the largest arts and culture development in the United States. Anchored by artistic centers such as the Dallas/Fort Worth Museum of Art, Morton H. Meyerson Symphony Center, Arts District Theater, Dallas/Fort Worth Theater Center, Arts Magnet School and the Nasher Sculpture Center, this breeding ground of culture offers diverse activities for visitors all within close proximity to each other.

Dallas/Fort Worth' prosperous sport's history is attributed to the fact that the Metroplex is one of the few markets in the country with eight major league sports franchises. The sports organizations in the area include the Cowboys (NFL), Mavericks (NBA), Texas Rangers (MLB), Stars (NHL), Frisco Roughriders (minor league baseball), Sidekicks (Indoor Soccer), Burn (outdoor soccer) and Dragoons (National Polo League). The DFW area is also home to major PGA tours that include the Byron Nelson and the Colonial.

Dallas/Fort Worth has more shopping centers per capita than any other major U.S. city as well as four times more restaurants per capita than New York City. When you add the new American Airlines Center, Six Flags Over Texas, Lone Star Park (horse racing), Fort Worth Zoo, Dallas/Fort Worth Arboretum, Dealey Plaza Sixth Floor Museum, the Texas Motor Speedway, in addition to extensive parks, lakes, and award-winning golf courses, the Dallas/Fort Worth community has access to a wide range of recreational activities.



## POPULATION

Dallas/Fort Worth has an estimated 2006 population of 6,528,765 people, experiencing a growth rate of 13.33 percent from 2000-2006. By 2010, the D/FW CMSA is projected to be the fourth largest in the nation. The population growth is also significant considering that the majority of the new residents are still in their prime earning years, with the median age at 33.42. Between 2000 and 2030, the diversified population of the Metroplex is expected to grow by 2.7 million people to over 8 million.



# Disclosures, Legal & Confidentiality Agreements

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Please see the end of this package for the following:

- Americans with Disabilities Act, Hazardous Materials and Tax Disclosure
- Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards
- Information about Brokerage Services
- Confidentiality and Buyer Representation Agreements
- Third Party Brokerage Agreement

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**Americans with Disabilities Act,  
Hazardous Materials and Tax Disclosure**

The Americans With Disabilities Act is intended to make many business establishments equally accessible to persons with a variety of disabilities; modifications to real property may be required. State and local laws also may mandate changes. The real estate brokers in this transaction are not qualified to advise you as to what, if any, changes may be required now, or in the future. Owners should consult the attorneys and qualified design professionals of their choice for information regarding these matters. Real estate brokers cannot determine which attorneys or design professionals have the appropriate expertise in this area.

Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and may need to be specifically treated/handled or removed. For example, some transformers and other electrical components contain PCB's, and asbestos has been used in components such as fire-proofing, heating and cooling systems, air duct insulation, spray-on and tile acoustical materials, linoleum, floor tiles, roofing, dry wall and plaster. Due to prior or current uses of the Property or in the area, the Property may have hazardous or undesirable metals (including lead-based paint), minerals, chemicals, hydrocarbons, or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Real estate agents have no expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/or operators. It is the responsibility of the Seller and Buyer to retain qualified experts to detect and correct such matters and to consult with legal counsel of their choice to determine what provisions, if any, they may wish to include in transactions documents regarding the Property.

Sale, lease and other transactions can have local, state and federal tax consequences for the seller and/or buyer. In the event of a sale, Internal Revenue Code Section 1445 requires that all buyers of an interest in any real property located in the United States must withhold and pay over to the Internal Revenue Service (IRS) an amount equal to ten percent (10%) of the gross sales price within ten (10) days of the date of the sale unless the buyer can adequately establish that the seller was not a foreigner, generally by having the seller sign a Non-Foreign Seller Certificate. Note that depending upon the structure of the transactions, the tax withholding liability could exceed the net cash proceeds to be paid to the seller at closing. Consult your tax and legal advisor. Real estate brokers are not qualified to give legal or tax advice or to determine whether any other person is properly qualified to provide legal or tax advice.

**SELLER**

**BUYER**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



ADDENDUM FOR SELLER'S DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS

CONCERNING THE PROPERTY AT \_\_\_\_\_ (Street Address and City)

A. LEAD WARNING STATEMENT: Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning.

B. SELLER'S DISCLOSURE:

- 1. PRESENCE OF LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS (check one box only):
r (a) Known lead-based paint and/or lead-based paint hazards are present in the Property (explain):
r (b) Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the Property.
2. RECORDS AND REPORTS AVAILABLE TO SELLER (check one box only):
r (a) Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the Property (list documents):
r (b) Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the Property.

C. BUYER'S RIGHTS (check one box only):

- r 1. Buyer waives the opportunity to conduct a risk assessment or inspection of the Property for the presence of lead-based paint or lead-based paint hazards.
r 2. Within ten days after the effective date of this contract, Buyer may have the Property inspected for the presence of lead-based paint and/or lead-based paint hazards. If lead-based paint or lead-based paint hazards are present, Buyer may terminate this contract by giving Seller written notice within 14 days after the effective date of this contract.

D. BUYERS ACKNOWLEDGMENT (check applicable boxes):

- r 1. Buyer has received copies of all information listed above.
r 2. Buyer has received the pamphlet Protect Your Family from Lead in Your Home.

E. BROKER'S ACKNOWLEDGMENT: Brokers have informed Seller of Seller's obligations under 42 U.S.C. 4852d to: (a) provide Buyer with the federally approved pamphlet on lead poisoning prevention; (b) complete this addendum; (c) disclose any known lead-based paint and/or lead-based paint hazards in the Property, (d) deliver all records and reports to Buyer pertaining to lead-based paint and/or lead-based paint hazards in the Property, (e) provide Buyer a period of up to 10 days to have the Property inspected-, (f) retain a completed copy of this addendum for at least 3 years following the sale. Brokers are aware of their responsibility to ensure compliance.

F. CERTIFICATION OF ACCURACY: The following persons have reviewed the information above and certify, to their knowledge, that the information they have provided is true and accurate.

Seller Date Buyer Date
Seller Date Buyer Date
Listing Broker Date Other Broker Date



## ***INFORMATION ABOUT BROKERAGE SERVICES***

***Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.***

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

### **IF THE BROKER REPRESENTS THE OWNER:**

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written - listing agreement, or by agreeing to act as a subagent by accepting an offer of sub-agency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

### **IF THE BROKER REPRESENTS THE BUYER:**

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

### **IF THE BUYER ACTS AS AN INTERMEDIARY:**

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:



**INFORMATION ABOUT BROKERAGE SERVICES (continued)**

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

**IF YOU CHOOSE TO HAVE A BROKER REPRESENT YOU**, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records. MBP Capital, Inc., Mike Phillips ("Listing Agent") represent the owner of the **Property**.

By: \_\_\_\_\_ Date: \_\_\_\_\_

Please print name: \_\_\_\_\_

*Please initial all pages before returning...*



## Confidentiality & Buyer Registration Agreement

MBP Capital, Inc. ("Broker") has compiled information, research, property data, numbers and information regarding this Property and has provided an Information Package and Web Site ("Web Site and its content" or "[www.mbpcapital.com](http://www.mbpcapital.com)") that allows Investors, Principals or Buyers ("Buyers") to view certain CONFIDENTIAL INFORMATION. The information and web site packages may include Data and Sales Packages from Other Brokers ("Other Brokers") and are governed by the Confidentiality Agreements provided by the Other Brokers regarding specific Property or their listings in general. In some cases including this case, MBP Capital may have signed and agreed to the Other Brokers Confidentiality Agreements. These Other Broker Confidentiality Agreements may require that the Buyer pay MBP Capital a commission and may state that the Seller or Other Broker will not pay a commission to MBP Capital ("Broker"). If Seller or Other Broker will not pay a commission to Broker then you ("Buyer") are agreeing to pay MBP Capital's commission, if necessary. Buyer does hereby agree to this Confidentiality Agreement and that of the Other Broker or Seller. In order to view the Web Site, the Buyer must register in the Guestbook located on the Home Page of the MBP Capital, Inc. web site or execute this Agreement. By registering, the Buyer is ACCEPTING this Agreement. The Web Site and its content has been prepared by Broker for use by a limited number of parties ("Buyers") and does not purport to provide a necessarily accurate summary of the property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective Buyers may need or desire. All projections have been developed by Broker and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Seller, Other Broker and/or Broker and therefore are subject to variation. No representation is made by Broker, Other Broker or the Seller as to the accuracy or completeness of the information contained herein, and nothing contained herein shall be relied on as a promise or representation as to the future performance of the property. Although the information contained herein is believed to be correct, the Seller, Broker, Other Broker and/or any of their agents or employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise a thorough independent due diligence and feasibility study verifying all such information. Further, Broker, Other Broker, the Seller and any of their agents or employees disclaim any and all liability for representations and warranties, expressed and implied, contained in or omitted from the Web Site and its content or any other written or oral communication transmitted or made available to the Buyer. The Web Site and its content do not constitute a representation that there has been no change in the business or affairs of the property or the Owner since the date of preparation of the Web Site and its content. Analysis and verification of the information contained in the Web Site and its content are solely the responsibility of the prospective Buyer. Additional information and an opportunity to inspect the property will be made available (upon written request and agreement) to interested and qualified prospective Buyers. By accepting this Agreement, the Web Site and its content, you agree to indemnify, defend, protect and hold Seller, Other Broker and Broker and any affiliate of Seller, Other Broker or Broker harmless from and against any and all claims, damages, demands, liabilities, losses, costs or expenses (including reasonable attorney's fees, collectively "Claims") arising, directly or indirectly from any actions or omissions of Broker, Other Broker, the Seller and/or any of their employees, officers, directors or agents. By accepting this Agreement, the Web Site and its content, you acknowledge **that you are a principal** and not an agent of or acting on behalf of any other party in connection with the acquisition. Buyer acknowledges that MBP Capital will represent the Buyer on any transaction that was

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DISCLAIMER: This analysis is not all inclusive nor do we guarantee any portion. It is to be used as a projection analysis only and is not to be considered fact. This package has been prepared for informational purposes only to assist a potential purchaser in determining whether it wishes to proceed with an in depth investigation of the property. The information contained within this investment analysis has been derived from information deemed reliable or may even be estimated information. It is subject to errors, omissions, price change, and/or withdrawal, and no warranty is made as to the accuracy. Further, no warranties or representations shall be made by MBP Capital, Inc. and/or its agents, representatives, or affiliates regarding oral statements which have been made in the discussion of the above property. This presentation was sent to the recipient under the assumption that he is a buying principal unless otherwise agreed to in writing. **Any potential purchaser of this subject property is hereby advised to conduct a thorough investigation** into the operation of the property, the income, expenses, and overall performance and not to depend on the enclosed information to be all inclusive or fact.



# Confidentiality & Buyer Registration Agreement

introduced to the Buyer by MBP Capital. Furthermore, Buyer acknowledges that it has not had any discussion regarding this Property's Sale with any other broker or agent other than Broker, including but not limited to, resolutions of incomplete, conflicting or duplicate registrations. Buyer shall indemnify and hold Seller, Other Broker and Broker harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney's fees and court costs which may be incurred with respect to any claims for other real estate commissions, broker's fees or finder's fees in relation to or in connection with the Property to the extent claimed, through or under Seller. The Seller, Other Broker and Broker each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. The Seller shall have no legal commitment or obligations to any entity reviewing the Web Site and its content or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Seller and its legal counsel, and any conditions to the Seller's obligation there under have been satisfied or waived. The MBP Capital Web Site and its content and the contents, except such information, which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting the Web Site and its content, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose the Web Site and its content or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make an offer and from whom you have obtained an agreement of confidentiality) without prior written authorization of the Seller, Other Broker or Broker, and that you will not use the Web Site and its content or any of the contents in any fashion or manner detrimental to the interest of the Seller, Other Broker or Broker. No employee of seller or at the subject property is to be contacted without the written approval of the listing agents ("Other Broker") and only through MBP Capital ("Broker") and doing so would be a violation of this confidentiality agreement. By Registering on the Web Site, executing this Agreement, and/or viewing the balance of this Information Package, you are ACCEPTING this Confidentiality Agreement and you hereby authorize MBP Capital, Inc. to contact you regarding our web site, our properties listed, Other Broker properties or any other properties that we list and/or present to you in the future.

**AGREED AND ACCEPTED:**

**X**

Buyer agrees through Registration in the above Guestbook located at [www.mbpcapital.com](http://www.mbpcapital.com), by viewing the balance of this package or by execution of this Confidentiality and Buyer Registration Agreement

Name: \_\_\_\_\_

Email address: \_\_\_\_\_

Phone: \_\_\_\_\_

Please fax back to: (214) 580-9523  
or email to [mike@mbpcapital.com](mailto:mike@mbpcapital.com)

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