

Notes & Assumptions to Pro Forma Statement of Cash Flows

The following notes and assumptions pertain to these pro forma statements:

1. Changes in Cash Flows Due to Operations.
 - 1.1. Net Income (Loss) from Operations – reports the Net Income of the proposed Project as recorded on the “Pro Forma Statement of Operating Income & Expense” (see discussion under the heading entitled, “Pro Forma Statement of Operating Income & Expense”).
 - 1.2. (Increase) Decrease in Accounts Receivable – reports the changes in cash flows due to (increases)/decreases of the Accounts Receivable line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
 - 1.3. (Increase) Decrease in Inventory – reports the changes in cash flows due to (increases)/decreases of the Inventory line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
 - 1.4. (Increase) Decrease in Prepaid Operating Expense – reports the changes in cash flows due to (increases)/decreases of the Prepaids line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
 - 1.5. (Increase) Decrease in Tenant Deposits – reports the changes in cash flows due to (increases)/decreases of the Tenant Deposits line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
 - 1.6. Increase (Decrease) In Conditional Refund Obligations – reports the changes in cash flows due to increases/(decreases) of the Conditional Refund Obligations line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
 - 1.7. Increase (Decrease) in Amortization – reports the changes in cash flows due to increases/(decreases) of the Amortization line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
 - 1.8. Increase (Decrease) in Accounts Payable – reports the changes in cash flows due to increases/(decreases) of the Accounts Payable line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
 - 1.9. Increase (Decrease) in Accrued Payroll & Benefits – reports the changes in cash flows due to increases/(decreases) of the Accrued Payroll & Benefits line item

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recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).

2. Changes in Cash Flows Due to Investing Activities.
 - 2.1. (Increase) Decrease in Plant & Property – reports the changes in cash flows due to (increases)/decreases of the Plant & Property line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
 - 2.2. (Increase) Decrease in Depreciation – reports the changes in cash flows due to (increases)/decreases of the Depreciation line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
 - 2.3. (Increase) Decrease in Replacement Reserves – reports the changes in cash flows due to (increases)/decreases of the CI Maintenance Reserve line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
 - 2.4. (Increase) Decrease in Operating Reserves – reports the changes in cash flows due to (increases)/decreases of the Operating Reserve line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
3. Changes in Cash Flows Due to Financing Activities.
 - 3.1. Increase (Decrease) in Accrued Interest – reports the changes in cash flows due to increases/(decreases) of the Accrued Interest line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
 - 3.2. Increase in Long Term Debt – reports the changes in cash flows due to increases/(decreases) of the Long-Term Debt line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
 - 3.3. Payments on Long Term Debt – reports the changes in cash flows due to payments of amortized principle on the outstanding indebtedness recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
 - 3.4. (Increase) Decrease in Debt Service Reserves – reports the changes in cash flows due to (increases)/decreases of the Debt Service Reserve line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).

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- 3.5. Payment of Debt Issuance Costs – reports the payment of debt issuance costs of the proposed Project as these costs are reported on the Pro Forma Statement of Project Sources & Uses of Funds.
- 3.6. Payment of Capitalized Pre-Opening Costs – reports the payment of pre-opening operating costs of the proposed Project as set forth on the Pro Forma Schedule of Prepaid Operating Costs.
- 3.7. Changes in Capital Contributions – reports the changes in cash flows due to increases in the Capital Contributions line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).
- 3.8. Increase (Decrease) in Owner Equity Account – reports the changes in cash flows due to increases in the Owner Equity Account line item recorded on the Pro Forma Statement of Assets, Liabilities & Equities” (see discussion under the heading entitled “Pro Forma Statement of Assets, Liabilities & Equities”).

Pro Forma Statement of Pro Forma Statement of Cash Flows

The following spreadsheets provide detail for the first five (5) years of operations pertaining to the cash flows from operating, non-operating, financing and investment activities of the proposed Project.

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PRO FORMA STATEMENT OF PROJECT CASH FLOWS


Exhibit 1: Pro Forma Statement of Cash Flows (11 sheets)

Pro Forma Statement of Cash Flows						
Project Name: Chalet du Soleil						
Project Type: 48-Bed ALZ/ALCF						
Project Location: Tucson, AZ						
Analysis Number: Construction Funding Analysis						
Period Ending:	End Year 1	End Year 2	End Year 3	End Year 4	End Year 5	
Changes in Cash Flows Due to Operations						
Net Income (Loss) from Operations	\$ (101,248)	\$ (553,559)	\$ 9,439	\$ 79,854	\$ 209,082	
(Increase) Decrease in Accounts Receivable	(45,619)	(90,781)	(5,456)	(5,674)	(5,901)	
(Increase) Decrease in Inventory	(785)	(13,088)	(28,054)	(31,896)	50,655	
(Increase) Decrease in Prepaid Operating Expense	(4,663)	948	(96)	(95)	(98)	
(Increase) Decrease in Tenant Deposits	(6,000)	(17,000)	-	-	-	
Increase (Decrease) in Conditional Refund Obligations	6,000	17,000	-	-	-	
Increase (Decrease) in Amortization	-	157,061	289,958	175,409	175,409	
Increase (Decrease) in Accounts Payable	27,999	10,123	1,171	1,187	1,225	
Increase (Decrease) in Accrued Payroll & Benefits	42,645	26,112	1,719	1,762	1,806	
Sub-Total Operating Cash Flow Changes	\$ (81,671)	\$ (463,185)	\$ 268,682	\$ 220,547	\$ 432,178	
Changes in Cash Flows Due to Investing Activities						
(Increase) Decrease in Plant & Property	(4,297,629)	-	-	-	-	
(Increase) Decrease in Depreciation	11,815	141,783	141,783	141,783	141,783	
(Increase) Decrease in Replacement Reserves	(2,954)	(35,446)	(35,446)	(35,446)	(35,446)	
(Increase) Decrease in Operating Reserves	(541,237)	-	-	-	-	
Sub-Total Investing Activity Cash Flow Changes	\$ (4,830,004)	\$ 106,337	\$ 106,337	\$ 106,337	\$ 106,337	
Changes in Cash Flows Due to Financing Activities						
Increase (Decrease) in Accrued Interest	42,006	2,479	(346)	(5,373)	(5,402)	
Increase in Long Term Debt	5,564,867	(55,791)	(60,122)	(64,789)	(69,819)	
Payments on Long Term Debt	4,133	321	346	373	402	
(Increase) Decrease in Debt Service Reserves	(233,798)	-	-	-	-	
Payment of Debt Issuance Costs	(534,615)	-	-	-	-	
Payment of Capitalized Pre-Opening Costs	(457,588)	-	-	-	-	
Changes in Capital Contributions	81,843	131,268	-	-	-	
Increase (Decrease) in Owner Equity Account	620,000	380,000	-	(500,000)	(500,000)	
Sub-Total Financing Activity Cash Flow Changes	\$ 5,086,849	\$ 458,277	\$ (60,122)	\$ (569,789)	\$ (574,819)	
Total Changes in Cash Flow for Reporting Period	\$ 175,175	\$ 101,430	\$ 314,897	\$ (242,906)	\$ (36,304)	
Cash Flows @ Beginning of Period	\$ -	\$ 175,175	\$ 276,604	\$ 591,501	\$ 348,596	
Cash Flows @ End of Period	175,175	276,604	591,501	348,596	312,291	

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

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PRO FORMA STATEMENT OF PROJECT CASH FLOWS

Pro Forma Statement of Cash Flows						
Project Name: Chalet du Soleil						
Project Type: 48-Bed ALZ/ALCF						
Project Location: Tucson, AZ						
Analysis Number: Construction Funding Analysis						
Period Ending:	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
Changes in Cash Flows Due to Operations						
Net Income (Loss) from Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Increase) Decrease in Accounts Receivable	-	-	-	-	-	-
(Increase) Decrease in Inventory	-	-	-	-	-	-
(Increase) Decrease in Prepaid Operating Expense	-	-	-	-	-	-
(Increase) Decrease in Tenant Deposits	-	-	-	-	-	-
Increase (Decrease) in Conditional Refund Obligations	-	-	-	-	-	-
Increase (Decrease) in Amortization	-	-	-	-	-	-
Increase (Decrease) in Accounts Payable	16,088	1,200	-	675	-	(1,738)
Increase (Decrease) in Accrued Payroll & Benefits	-	6,530	-	3,950	-	-
Sub-Total Operating Cash Flow Changes	\$ 16,088	\$ 7,730	\$ -	\$ 4,625	\$ -	\$ (1,738)
Changes in Cash Flows Due to Investing Activities						
(Increase) Decrease in Plant & Property	(29,273)	(23,500)	(42,500)	(11,660)	(19,610)	(1,518,381)
(Increase) Decrease in Depreciation	-	-	-	-	-	-
(Increase) Decrease in Replacement Reserves	-	-	-	-	-	-
(Increase) Decrease in Operating Reserves	-	-	-	-	-	-
Sub-Total Investing Activity Cash Flow Changes	\$ (29,273)	\$ (23,500)	\$ (42,500)	\$ (11,660)	\$ (19,610)	\$ (1,518,381)
Changes in Cash Flows Due to Financing Activities						
Increase (Decrease) in Accrued Interest	-	-	-	-	-	-
Increase in Long Term Debt	-	-	-	-	3,000	1,694,125
Payments on Long Term Debt	-	-	-	-	-	-
(Increase) Decrease in Debt Service Reserves	-	-	-	-	-	-
Payment of Debt Issuance Costs	(87,879)	(10,611)	(15,791)	(25,367)	(7,791)	(134,424)
Payment of Capitalized Pre-Opening Costs	(18,938)	(34,073)	(34,073)	(38,963)	(38,963)	(36,713)
Changes in Capital Contributions	4,133	2,049	-	-	-	-
Increase (Decrease) in Owner Equity Account	140,000	70,000	100,000	80,000	70,000	-
Sub-Total Financing Activity Cash Flow Changes	\$ 37,317	\$ 27,365	\$ 50,136	\$ 15,670	\$ 26,246	\$ 1,522,988
Total Changes in Cash Flow for Reporting Period	\$ 24,131	\$ 11,595	\$ 7,636	\$ 8,634	\$ 6,636	\$ 2,870
Cash Flows @ Beginning of Period	-	24,131	35,727	43,362	51,997	58,633
Cash Flows @ End of Period	24,131	35,727	43,362	51,997	58,633	61,502

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.


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PRO FORMA STATEMENT OF PROJECT CASH FLOWS

Pro Forma Statement of Cash Flows								
Project Name: Chalet du Soleil								
Project Type: 48-Bed ALZ/ALCF								
Project Location: Tucson, AZ								
Analysis Number: Construction Funding Analysis								
								
Period Ending:	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	End Year 1	
Changes in Cash Flows Due to Operations								
Net Income (Loss) from Operations	\$ -	\$ -	\$ -	\$ -	\$ (4,700)	\$ (96,548)	\$ (101,248)	
(Increase) Decrease in Accounts Receivable	-	-	-	-	-	(45,619)	(45,619)	
(Increase) Decrease in Inventory	-	-	-	-	-	(785)	(785)	
(Increase) Decrease in Prepaid Operating Expense	-	-	-	-	-	(4,663)	(4,663)	
(Increase) Decrease in Tenant Deposits	-	-	-	-	-	(6,000)	(6,000)	
Increase (Decrease) in Conditional Refund Obligations	-	-	-	-	-	6,000	6,000	
Increase (Decrease) in Amortization	-	-	-	-	-	-	-	
Increase (Decrease) in Accounts Payable	-	-	-	1,400	805	9,569	27,999	
Increase (Decrease) in Accrued Payroll & Benefits	-	-	1,646	9,430	12,573	8,517	42,645	
Sub-Total Operating Cash Flow Changes	\$ -	\$ -	\$ 1,646	\$ 10,830	\$ 8,678	\$ (129,530)	\$ (81,671)	
Changes in Cash Flows Due to Investing Activities								
(Increase) Decrease in Plant & Property	(669,334)	(433,697)	(580,970)	(580,970)	(345,334)	(42,400)	(4,297,629)	
(Increase) Decrease in Depreciation	-	-	-	-	-	11,815	11,815	
(Increase) Decrease in Replacement Reserves	-	-	-	-	-	(2,954)	(2,954)	
(Increase) Decrease in Operating Reserves	-	-	-	-	-	(541,237)	(541,237)	
Sub-Total Investing Activity Cash Flow Changes	\$ (669,334)	\$ (433,697)	\$ (580,970)	\$ (580,970)	\$ (345,334)	\$ (574,775)	\$ (4,830,004)	
Changes in Cash Flows Due to Financing Activities								
Increase (Decrease) in Accrued Interest	-	-	-	4,700	1,500	35,806	42,006	
Increase in Long Term Debt	728,864	505,265	657,180	686,611	1,035,164	254,658	5,564,867	
Payments on Long Term Debt	-	-	-	-	-	4,133	4,133	
(Increase) Decrease in Debt Service Reserves	-	-	-	-	(233,798)	-	(233,798)	
Payment of Debt Issuance Costs	(24,823)	(29,849)	(33,217)	(37,598)	(90,030)	(37,235)	(534,615)	
Payment of Capitalized Pre-Opening Costs	(36,713)	(36,713)	(36,713)	(59,158)	(86,569)	-	(457,588)	
Changes in Capital Contributions	-	-	-	-	-	75,661	81,843	
Increase (Decrease) in Owner Equity Account	10,000	-	-	-	-	150,000	620,000	
Sub-Total Financing Activity Cash Flow Changes	\$ 677,328	\$ 438,704	\$ 587,250	\$ 594,555	\$ 626,267	\$ 483,024	\$ 5,086,849	
Total Changes in Cash Flow for Reporting Period	\$ 7,995	\$ 5,006	\$ 7,926	\$ 24,415	\$ 289,612	\$ (221,281)	\$ 175,175	
Cash Flows @ Beginning of Period	61,502	69,497	74,504	82,430	106,844	396,456	\$ -	
Cash Flows @ End of Period	69,497	74,504	82,430	106,844	396,456	175,175	175,175	
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PRO FORMA STATEMENT OF PROJECT CASH FLOWS

Pro Forma Statement of Cash Flows						
Project Name: Chalet du Soleil						
Project Type: 48-Bed ALZ/ALCF						
Project Location: Tucson, AZ						
Analysis Number: Construction Funding Analysis						
						
Period Ending:	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
Changes in Cash Flows Due to Operations						
Net Income (Loss) from Operations	\$ (122,821)	\$ (106,061)	\$ (89,201)	\$ (72,624)	\$ (56,605)	\$ (46,562)
(Increase) Decrease in Accounts Receivable	(11,405)	(11,405)	(11,405)	(11,405)	(11,405)	(11,405)
(Increase) Decrease in Inventory	(1,348)	(658)	(754)	(850)	(945)	(1,041)
(Increase) Decrease in Prepaid Operating Expense	(103)	-	-	-	-	-
(Increase) Decrease in Tenant Deposits	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Increase (Decrease) in Conditional Refund Obligations	2,000	2,000	2,000	2,000	2,000	2,000
Increase (Decrease) in Amortization	24,163	12,082	12,082	12,082	12,082	12,082
Increase (Decrease) in Accounts Payable	1,308	868	868	1,352	2,009	2,009
Increase (Decrease) in Accrued Payroll & Benefits	6,793	1,881	1,881	1,881	1,881	5,120
Sub-Total Operating Cash Flow Changes	\$ (103,412)	\$ (103,293)	\$ (86,529)	\$ (69,565)	\$ (52,984)	\$ (39,798)
Changes in Cash Flows Due to Investing Activities						
(Increase) Decrease in Plant & Property	-	-	-	-	-	-
(Increase) Decrease in Depreciation	11,815	11,815	11,815	11,815	11,815	11,815
(Increase) Decrease in Replacement Reserves	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)
(Increase) Decrease in Operating Reserves	-	-	-	-	-	-
Sub-Total Investing Activity Cash Flow Changes	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861
Changes in Cash Flows Due to Financing Activities						
Increase (Decrease) in Accrued Interest	874	774	574	474	(26)	(27)
Increase in Long Term Debt	(4,159)	(4,185)	(4,211)	(4,237)	(4,264)	(4,290)
Payments on Long Term Debt	26	26	26	26	26	27
(Increase) Decrease in Debt Service Reserves	-	-	-	-	-	-
Payment of Debt Issuance Costs	-	-	-	-	-	-
Payment of Capitalized Pre-Opening Costs	-	-	-	-	-	-
Changes in Capital Contributions	11,310	13,140	6,302	10,039	4,220	45,920
Increase (Decrease) in Owner Equity Account	100,000	90,000	80,000	60,000	50,000	-
Sub-Total Financing Activity Cash Flow Changes	\$ 108,051	\$ 99,755	\$ 82,691	\$ 66,302	\$ 49,957	\$ 41,629
Total Changes in Cash Flow for Reporting Period	\$ 13,501	\$ 5,324	\$ 5,024	\$ 5,599	\$ 5,835	\$ 10,693
Cash Flows @ Beginning of Period	175,175	188,676	194,000	199,024	204,622	210,457
Cash Flows @ End of Period	188,676	194,000	199,024	204,622	210,457	221,149

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PRO FORMA STATEMENT OF PROJECT CASH FLOWS

Pro Forma Statement of Cash Flows								
Project Name: Chalet du Soleil								
Project Type: 48-Bed ALZ/ALCF								
Project Location: Tucson, AZ								
Analysis Number: Construction Funding Analysis								
								
Period Ending:	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	End Year 2	
Changes in Cash Flows Due to Operations								
Net Income (Loss) from Operations	\$ (33,990)	\$ (13,791)	\$ (5,517)	\$ (5,490)	\$ (5,463)	\$ 4,565	\$ (553,559)	
(Increase) Decrease in Accounts Receivable	(11,405)	(5,702)	-	-	-	(5,246)	(90,781)	
(Increase) Decrease in Inventory	(1,137)	(1,233)	(1,281)	(1,281)	(1,281)	(1,281)	(13,088)	
(Increase) Decrease in Prepaid Operating Expense	-	1,050	-	-	-	-	948	
(Increase) Decrease in Tenant Deposits	(2,000)	(2,000)	(1,000)	-	-	-	(17,000)	
Increase (Decrease) in Conditional Refund Obligations	2,000	2,000	1,000	-	-	-	17,000	
Increase (Decrease) in Amortization	12,082	12,082	12,082	12,082	12,082	12,082	157,061	
Increase (Decrease) in Accounts Payable	2,009	(1,304)	1,004	-	-	-	10,123	
Increase (Decrease) in Accrued Payroll & Benefits	3,854	1,881	940	-	-	-	26,112	
Sub-Total Operating Cash Flow Changes	\$ (28,586)	\$ (7,017)	\$ 7,229	\$ 5,311	\$ 5,339	\$ 10,120	\$ (463,185)	
Changes in Cash Flows Due to Investing Activities								
(Increase) Decrease in Plant & Property	-	-	-	-	-	-	-	
(Increase) Decrease in Depreciation	11,815	11,815	11,815	11,815	11,815	11,815	141,783	
(Increase) Decrease in Replacement Reserves	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)	(35,446)	
(Increase) Decrease in Operating Reserves	-	-	-	-	-	-	-	
Sub-Total Investing Activity Cash Flow Changes	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 106,337	
Changes in Cash Flows Due to Financing Activities								
Increase (Decrease) in Accrued Interest	(27)	(27)	(27)	(27)	(10,027)	9,972	2,479	
Increase in Long Term Debt	(4,317)	(8,477)	(4,371)	(4,399)	(4,426)	(4,454)	(55,791)	
Payments on Long Term Debt	27	27	27	27	27	28	321	
(Increase) Decrease in Debt Service Reserves	-	-	-	-	-	-	-	
Payment of Debt Issuance Costs	-	-	-	-	-	-	-	
Payment of Capitalized Pre-Opening Costs	-	-	-	-	-	-	-	
Changes in Capital Contributions	32,837	7,498	-	-	-	-	131,268	
Increase (Decrease) in Owner Equity Account	-	-	-	-	-	-	380,000	
Sub-Total Financing Activity Cash Flow Changes	\$ 28,520	\$ (979)	\$ (4,371)	\$ (4,399)	\$ (14,426)	\$ 5,546	\$ 458,277	
Total Changes in Cash Flow for Reporting Period	\$ 8,795	\$ 866	\$ 11,719	\$ 9,774	\$ (226)	\$ 24,527	\$ 101,430	
Cash Flows @ Beginning of Period	221,149	229,944	230,810	242,529	252,303	252,077	\$ 175,175	
Cash Flows @ End of Period	229,944	230,810	242,529	252,303	252,077	276,604	276,604	
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PRO FORMA STATEMENT OF PROJECT CASH FLOWS

Pro Forma Statement of Cash Flows							
Project Name: Chalet du Soleil							
Project Type: 48-Bed ALZ/ALCF							
Project Location: Tucson, AZ							
Analysis Number: Construction Funding Analysis							
Period Ending:	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	
Changes in Cash Flows Due to Operations							
Net Income (Loss) from Operations	\$ (203)	\$ (175)	\$ (147)	\$ (119)	\$ (91)	\$ (62)	
(Increase) Decrease in Accounts Receivable	-	-	-	-	-	-	
(Increase) Decrease in Inventory	(13,615)	(1,313)	(1,313)	(1,313)	(1,313)	(1,313)	
(Increase) Decrease in Prepaid Operating Expense	(96)	-	-	-	-	-	
(Increase) Decrease in Tenant Deposits	-	-	-	-	-	-	
Increase (Decrease) in Conditional Refund Obligations	-	-	-	-	-	-	
Increase (Decrease) in Amortization	157,061	12,082	12,082	12,082	12,082	12,082	
Increase (Decrease) in Accounts Payable	1,171	-	-	-	-	-	
Increase (Decrease) in Accrued Payroll & Benefits	1,719	-	-	-	-	-	
Sub-Total Operating Cash Flow Changes	\$ 146,036	\$ 10,594	\$ 10,622	\$ 10,650	\$ 10,678	\$ 10,707	
Changes in Cash Flows Due to Investing Activities							
(Increase) Decrease in Plant & Property	-	-	-	-	-	-	
(Increase) Decrease in Depreciation	11,815	11,815	11,815	11,815	11,815	11,815	
(Increase) Decrease in Replacement Reserves	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)	
(Increase) Decrease in Operating Reserves	-	-	-	-	-	-	
Sub-Total Investing Activity Cash Flow Changes	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	
Changes in Cash Flows Due to Financing Activities							
Increase (Decrease) in Accrued Interest	(28)	(28)	(28)	(28)	(29)	(29)	
Increase in Long Term Debt	(8,936)	(4,510)	(4,538)	(4,566)	(4,595)	(4,624)	
Payments on Long Term Debt	28	28	28	28	29	29	
(Increase) Decrease in Debt Service Reserves	-	-	-	-	-	-	
Payment of Debt Issuance Costs	-	-	-	-	-	-	
Payment of Capitalized Pre-Opening Costs	-	-	-	-	-	-	
Changes in Capital Contributions	-	-	-	-	-	-	
Increase (Decrease) in Owner Equity Account	-	-	-	-	-	-	
Sub-Total Financing Activity Cash Flow Changes	\$ (8,936)	\$ (4,510)	\$ (4,538)	\$ (4,566)	\$ (4,595)	\$ (4,624)	
Total Changes in Cash Flow for Reporting Period	\$ 145,962	\$ 14,945	\$ 14,945	\$ 14,945	\$ 14,945	\$ 14,945	
Cash Flows @ Beginning of Period	276,604	422,567	437,512	452,457	467,403	482,347	
Cash Flows @ End of Period	422,567	437,512	452,457	467,403	482,347	497,292	

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

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PRO FORMA STATEMENT OF PROJECT CASH FLOWS

Pro Forma Statement of Cash Flows							
Project Name: Chalet du Soleil							
Project Type: 48-Bed ALZ/ALCF							
Project Location: Tucson, AZ							
Analysis Number: Construction Funding Analysis							
Period Ending:	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	End Year 3
Changes in Cash Flows Due to Operations							
Net Income (Loss) from Operations	\$ (33)	\$ (5)	\$ 25	\$ 54	\$ 83	\$ 10,113	\$ 9,439
(Increase) Decrease in Accounts Receivable	-	-	-	-	-	(5,456)	(5,456)
(Increase) Decrease in Inventory	(1,313)	(1,313)	(1,313)	(1,313)	(1,313)	(1,313)	(28,054)
(Increase) Decrease in Prepaid Operating Expense	-	-	-	-	-	-	(96)
(Increase) Decrease in Tenant Deposits	-	-	-	-	-	-	-
Increase (Decrease) in Conditional Refund Obligations	-	-	-	-	-	-	-
Increase (Decrease) in Amortization	12,082	12,082	12,082	12,082	12,082	12,082	289,958
Increase (Decrease) in Accounts Payable	-	-	-	-	-	-	1,171
Increase (Decrease) in Accrued Payroll & Benefits	-	-	-	-	-	-	1,719
Sub-Total Operating Cash Flow Changes	\$ 10,736	\$ 10,764	\$ 10,794	\$ 10,823	\$ 10,852	\$ 15,426	\$ 268,682
Changes in Cash Flows Due to Investing Activities							
(Increase) Decrease in Plant & Property	-	-	-	-	-	-	-
(Increase) Decrease in Depreciation	11,815	11,815	11,815	11,815	11,815	11,815	141,783
(Increase) Decrease in Replacement Reserves	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)	(35,446)
(Increase) Decrease in Operating Reserves	-	-	-	-	-	-	-
Sub-Total Investing Activity Cash Flow Changes	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 106,337
Changes in Cash Flows Due to Financing Activities							
Increase (Decrease) in Accrued Interest	(29)	(29)	(29)	(29)	(10,030)	9,970	(346)
Increase in Long Term Debt	(4,652)	(4,681)	(4,711)	(4,740)	(4,770)	(4,800)	(60,122)
Payments on Long Term Debt	29	29	29	29	30	30	346
(Increase) Decrease in Debt Service Reserves	-	-	-	-	-	-	-
Payment of Debt Issuance Costs	-	-	-	-	-	-	-
Payment of Capitalized Pre-Opening Costs	-	-	-	-	-	-	-
Changes in Capital Contributions	-	-	-	-	-	-	-
Increase (Decrease) in Owner Equity Account	-	-	-	-	-	-	-
Sub-Total Financing Activity Cash Flow Changes	\$ (4,652)	\$ (4,681)	\$ (4,711)	\$ (4,740)	\$ (14,770)	\$ 5,200	\$ (60,122)
Total Changes in Cash Flow for Reporting Period	\$ 14,945	\$ 14,944	\$ 14,944	\$ 14,944	\$ 4,944	\$ 29,488	\$ 314,897
Cash Flows @ Beginning of Period	497,292	512,237	527,181	542,126	557,070	562,013	\$ 276,604
Cash Flows @ End of Period	512,237	527,181	542,126	557,070	562,013	591,501	591,501

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

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PRO FORMA STATEMENT OF PROJECT CASH FLOWS

Pro Forma Statement of Cash Flows						
Project Name: Chalet du Soleil						
Project Type: 48-Bed ALZ/ALCF						
Project Location: Tucson, AZ						
Analysis Number: Construction Funding Analysis						
						
Period Ending:	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Changes in Cash Flows Due to Operations						
Net Income (Loss) from Operations	\$ 5,653	\$ 5,683	\$ 5,713	\$ 5,743	\$ 5,774	\$ 5,805
(Increase) Decrease in Accounts Receivable	-	-	-	-	-	-
(Increase) Decrease in Inventory	(17,096)	(1,345)	(1,345)	(1,345)	(1,345)	(1,345)
(Increase) Decrease in Prepaid Operating Expense	(95)	-	-	-	-	-
(Increase) Decrease in Tenant Deposits	-	-	-	-	-	-
Increase (Decrease) in Conditional Refund Obligations	-	-	-	-	-	-
Increase (Decrease) in Amortization	91,518	7,626	7,626	7,626	7,626	7,626
Increase (Decrease) in Accounts Payable	1,187	-	-	-	-	-
Increase (Decrease) in Accrued Payroll & Benefits	1,762	-	-	-	-	-
Sub-Total Operating Cash Flow Changes	\$ 82,927	\$ 11,964	\$ 11,994	\$ 12,024	\$ 12,055	\$ 12,086
Changes in Cash Flows Due to Investing Activities						
(Increase) Decrease in Plant & Property	-	-	-	-	-	-
(Increase) Decrease in Depreciation	11,815	11,815	11,815	11,815	11,815	11,815
(Increase) Decrease in Replacement Reserves	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)
(Increase) Decrease in Operating Reserves	-	-	-	-	-	-
Sub-Total Investing Activity Cash Flow Changes	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861
Changes in Cash Flows Due to Financing Activities						
Increase (Decrease) in Accrued Interest	(30)	(30)	(30)	(31)	(31)	(31)
Increase in Long Term Debt	(9,629)	(4,860)	(4,890)	(4,921)	(4,952)	(4,982)
Payments on Long Term Debt	30	30	30	31	31	31
(Increase) Decrease in Debt Service Reserves	-	-	-	-	-	-
Payment of Debt Issuance Costs	-	-	-	-	-	-
Payment of Capitalized Pre-Opening Costs	-	-	-	-	-	-
Changes in Capital Contributions	-	-	-	-	-	-
Increase (Decrease) in Owner Equity Account	-	-	-	-	-	-
Sub-Total Financing Activity Cash Flow Changes	\$ (9,629)	\$ (4,860)	\$ (4,890)	\$ (4,921)	\$ (4,952)	\$ (4,982)
Total Changes in Cash Flow for Reporting Period	\$ 82,160	\$ 15,965	\$ 15,965	\$ 15,965	\$ 15,965	\$ 15,965
Cash Flows @ Beginning of Period	591,501	673,661	689,626	705,591	721,556	\$ 737,521
Cash Flows @ End of Period	673,661	689,626	705,591	721,556	737,521	753,486

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

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PRO FORMA STATEMENT OF PROJECT CASH FLOWS

Pro Forma Statement of Cash Flows							
Project Name: Chalet du Soleil							
Project Type: 48-Bed ALZ/ALCF							
Project Location: Tucson, AZ							
Analysis Number: Construction Funding Analysis							
Period Ending:	Jul-11	Aug-11	Sep-11	Oct-11	Oct-11	Nov-11	End Year 4
Changes in Cash Flows Due to Operations							
Net Income (Loss) from Operations	\$ 5,836	\$ 5,867	\$ 5,898	\$ 5,930	\$ 5,961	\$ 15,993	\$ 79,854
(Increase) Decrease in Accounts Receivable	-	-	-	-	-	(5,674)	(5,674)
(Increase) Decrease in Inventory	(1,345)	(1,345)	(1,345)	(1,345)	(1,345)	(1,345)	(31,896)
(Increase) Decrease in Prepaid Operating Expense	-	-	-	-	-	-	(95)
(Increase) Decrease in Tenant Deposits	-	-	-	-	-	-	-
Increase (Decrease) in Conditional Refund Obligations	-	-	-	-	-	-	-
Increase (Decrease) in Amortization	7,626	7,626	7,626	7,626	7,626	7,626	175,409
Increase (Decrease) in Accounts Payable	-	-	-	-	-	-	1,187
Increase (Decrease) in Accrued Payroll & Benefits	-	-	-	-	-	-	1,762
Sub-Total Operating Cash Flow Changes	\$ 12,117	\$ 12,148	\$ 12,179	\$ 12,211	\$ 12,242	\$ 16,600	\$ 220,547
Changes in Cash Flows Due to Investing Activities							
(Increase) Decrease in Plant & Property	-	-	-	-	-	-	-
(Increase) Decrease in Depreciation	11,815	11,815	11,815	11,815	11,815	11,815	141,783
(Increase) Decrease in Replacement Reserves	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)	(35,446)
(Increase) Decrease in Operating Reserves	-	-	-	-	-	-	-
Sub-Total Investing Activity Cash Flow Changes	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 106,337
Changes in Cash Flows Due to Financing Activities							
Increase (Decrease) in Accrued Interest	(31)	(31)	(32)	(32)	(10,032)	4,968	(5,373)
Increase in Long Term Debt	(5,014)	(5,045)	(5,076)	(5,108)	(5,140)	(5,172)	(64,789)
Payments on Long Term Debt	31	31	32	32	32	32	373
(Increase) Decrease in Debt Service Reserves	-	-	-	-	-	-	-
Payment of Debt Issuance Costs	-	-	-	-	-	-	-
Payment of Capitalized Pre-Opening Costs	-	-	-	-	-	-	-
Changes in Capital Contributions	-	-	-	-	-	-	-
Increase (Decrease) in Owner Equity Account	-	-	-	-	-	(500,000)	(500,000)
Sub-Total Financing Activity Cash Flow Changes	\$ (5,014)	\$ (5,045)	\$ (5,076)	\$ (5,108)	\$ (15,140)	\$ (500,172)	\$ (569,789)
Total Changes in Cash Flow for Reporting Period	\$ 15,964	\$ 15,964	\$ 15,964	\$ 15,964	\$ 5,964	\$ (474,711)	\$ (242,906)
Cash Flows @ Beginning of Period	753,486	769,450	785,415	801,379	817,343	823,306	\$ 591,501
Cash Flows @ End of Period	769,450	785,415	801,379	817,343	823,306	348,596	348,596

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

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PRO FORMA STATEMENT OF PROJECT CASH FLOWS

Pro Forma Statement of Cash Flows							
Project Name: Chalet du Soleil							
Project Type: 48-Bed ALZ/ALCF							
Project Location: Tucson, AZ							
Analysis Number: Construction Funding Analysis							
Period Ending:	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	
Changes in Cash Flows Due to Operations							
Net Income (Loss) from Operations	\$ 16,825	\$ 16,858	\$ 16,890	\$ 16,923	\$ 16,956	\$ 16,989	
(Increase) Decrease in Accounts Receivable	-	-	-	-	-	-	
(Increase) Decrease in Inventory	71,892	(1,931)	(1,931)	(1,931)	(1,931)	(1,931)	
(Increase) Decrease in Prepaid Operating Expense	(98)	-	-	-	-	-	
(Increase) Decrease in Tenant Deposits	-	-	-	-	-	-	
Increase (Decrease) in Conditional Refund Obligations	-	-	-	-	-	-	
Increase (Decrease) in Amortization	91,518	7,626	7,626	7,626	7,626	7,626	
Increase (Decrease) in Accounts Payable	1,225	-	-	-	-	-	
Increase (Decrease) in Accrued Payroll & Benefits	1,806	-	-	-	-	-	
Sub-Total Operating Cash Flow Changes	\$ 183,168	\$ 22,553	\$ 22,586	\$ 22,619	\$ 22,652	\$ 22,685	
Changes in Cash Flows Due to Investing Activities							
(Increase) Decrease in Plant & Property	-	-	-	-	-	-	
(Increase) Decrease in Depreciation	11,815	11,815	11,815	11,815	11,815	11,815	
(Increase) Decrease in Replacement Reserves	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)	
(Increase) Decrease in Operating Reserves	-	-	-	-	-	-	
Sub-Total Investing Activity Cash Flow Changes	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	
Changes in Cash Flows Due to Financing Activities							
Increase (Decrease) in Accrued Interest	-	(5,065)	(33)	(33)	(33)	(33)	
Increase in Long Term Debt	(10,377)	(5,237)	(5,270)	(5,303)	(5,336)	(5,369)	
Payments on Long Term Debt	32	33	33	33	33	33	
(Increase) Decrease in Debt Service Reserves	-	-	-	-	-	-	
Payment of Debt Issuance Costs	-	-	-	-	-	-	
Payment of Capitalized Pre-Opening Costs	-	-	-	-	-	-	
Changes in Capital Contributions	-	-	-	-	-	-	
Increase (Decrease) in Owner Equity Account	-	-	-	-	-	-	
Sub-Total Financing Activity Cash Flow Changes	\$ (10,344)	\$ (10,269)	\$ (5,270)	\$ (5,303)	\$ (5,336)	\$ (5,369)	
Total Changes in Cash Flow for Reporting Period	\$ 181,684	\$ 21,145	\$ 26,178	\$ 26,177	\$ 26,177	\$ 26,177	
Cash Flows @ Beginning of Period	348,596	530,280	551,425	577,603	603,781	\$ 629,958	
Cash Flows @ End of Period	530,280	551,425	577,603	603,781	629,958	656,135	

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.

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PRO FORMA STATEMENT OF PROJECT CASH FLOWS

Pro Forma Statement of Cash Flows							
Project Name: Chalet du Soleil							
Project Type: 48-Bed ALZ/ALCF							
Project Location: Tucson, AZ							
Analysis Number: Construction Funding Analysis							
Period Ending:	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	End Year 5
Changes in Cash Flows Due to Operations							
Net Income (Loss) from Operations	\$ 17,022	\$ 17,056	\$ 17,090	\$ 17,124	\$ 17,158	\$ 22,192	\$ 209,082
(Increase) Decrease in Accounts Receivable	-	-	-	-	-	(5,901)	(5,901)
(Increase) Decrease in Inventory	(1,931)	(1,931)	(1,931)	(1,931)	(1,931)	(1,931)	50,655
(Increase) Decrease in Prepaid Operating Expense	-	-	-	-	-	-	(98)
(Increase) Decrease in Tenant Deposits	-	-	-	-	-	-	-
Increase (Decrease) in Conditional Refund Obligations	-	-	-	-	-	-	-
Increase (Decrease) in Amortization	7,626	7,626	7,626	7,626	7,626	7,626	175,409
Increase (Decrease) in Accounts Payable	-	-	-	-	-	-	1,225
Increase (Decrease) in Accrued Payroll & Benefits	-	-	-	-	-	-	1,806
Sub-Total Operating Cash Flow Changes	\$ 22,718	\$ 22,792	\$ 22,785	\$ 22,819	\$ 22,854	\$ 21,987	\$ 432,178
Changes in Cash Flows Due to Investing Activities							
(Increase) Decrease in Plant & Property	-	-	-	-	-	-	-
(Increase) Decrease in Depreciation	11,815	11,815	11,815	11,815	11,815	11,815	141,783
(Increase) Decrease in Replacement Reserves	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)	(2,954)	(35,446)
(Increase) Decrease in Operating Reserves	-	-	-	-	-	-	-
Sub-Total Investing Activity Cash Flow Changes	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 8,861	\$ 106,337
Changes in Cash Flows Due to Financing Activities							
Increase (Decrease) in Accrued Interest	(34)	(34)	(34)	(34)	(34)	(35)	(5,402)
Increase in Long Term Debt	(5,403)	(5,437)	(5,471)	(5,505)	(5,539)	(5,574)	(69,819)
Payments on Long Term Debt	34	34	34	34	34	35	402
(Increase) Decrease in Debt Service Reserves	-	-	-	-	-	-	-
Payment of Debt Issuance Costs	-	-	-	-	-	-	-
Payment of Capitalized Pre-Opening Costs	-	-	-	-	-	-	-
Changes in Capital Contributions	-	-	-	-	-	-	-
Increase (Decrease) in Owner Equity Account	-	-	-	-	-	(500,000)	(500,000)
Sub-Total Financing Activity Cash Flow Changes	\$ (5,403)	\$ (5,437)	\$ (5,471)	\$ (5,505)	\$ (5,539)	\$ (505,574)	\$ (574,819)
Total Changes in Cash Flow for Reporting Period	\$ 26,177	\$ 26,177	\$ 26,176	\$ 26,176	\$ 26,176	\$ (474,725)	\$ (36,304)
Cash Flows @ Beginning of Period	656,135	682,311	708,488	734,664	760,841	787,016	348,596
Cash Flows @ End of Period	682,311	708,488	734,664	760,841	787,016	312,291	312,291

The accompanying notes and assumptions are an integral part of this pro forma financial presentation.