

## **PRO FORMA STATEMENT OF OPERATING INCOME & EXPENSE**

### **Notes & Assumptions to Pro Forma Statement of Operating Income & Expense**

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


1. All values beyond the Year 1 schedule of values (set forth below) are adjusted for inflation in subsequent years of the Forecast Period beyond Year 1.
2. An accounting election is made in the pro forma financial presentation to record all department expenses on a cash basis for the purposes of determining the amount of working capital required to sustain the proposed Project on a month-by-month basis.
3. Operating Revenues. See discussion under the following headings:
  - 3.1. Routine Senior Housing Rental Revenue. Pro Forma Statement of
  - 3.2. Routine Rental Revenue (Commercial).
  - 3.3. Ancillary Revenues.
4. Operating Expenses. See discussion under the following headings:
  - 4.1. Pro Forma Statement of General & Administrative Department Expense.
  - 4.2. Pro Forma Statement of Activities Department Expense.
  - 4.3. Pro Forma Statement of Assisted Living/Health Care Department Expense.
  - 4.4. Pro Forma Statement of Dietary/Food Service Department Expense.
  - 4.5. Pro Forma Statement of Housekeeping & Laundry Department Expense.
  - 4.6. Pro Forma Statement of Marketing Department Expense.
  - 4.7. Pro Forma Statement of Maintenance & Grounds Department Expense.
  - 4.8. Pro Forma Statement of Transportation Department Expense.
  - 4.9. Pro Forma Statement of Fixed Operating Expense.
5. Non-Operating Expense. See discussion under the heading entitled, "Project Non-Operating Expense Schedule.

### **Pro Forma Statement of Operating Income & Expense**

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


## PRO FORMA STATEMENT OF OPERATING INCOME & EXPENSE

### Exhibit 1: Pro Forma Statement of Operating Income & Expense (11 sheets)

Pro Forma Statement of Operating Income & Expense						
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	
<b>Income</b>						
Routine Rental Revenue (Senior Housing)	\$ 58,500	\$ 2,149,680	\$ 2,910,586	\$ 3,027,009	\$ 3,148,089	
Routine Rental Revenue (Commercial)	-	-	-	-	-	
Other Housing Programs & Ancillary Revenue	7,296	268,104	363,002	377,522	392,623	
<b>Total Income</b>	<b>\$ 65,796</b>	<b>\$ 2,417,784</b>	<b>\$ 3,273,588</b>	<b>\$ 3,404,531</b>	<b>\$ 3,540,713</b>	
<b>Less Operating Expense</b>						
General & Administrative	24,897	424,658	485,421	500,994	517,094	
Activities	7,754	142,608	168,305	172,512	176,825	
Assisted Living/Health Care	32,018	661,496	815,407	835,792	856,687	
Dietary/Food Service	15,168	279,600	311,401	319,186	327,166	
Housekeeping & Laundry	12,579	186,243	218,846	224,318	229,925	
Marketing	12,562	134,936	112,265	115,072	117,949	
Maintenance & Grounds	12,373	152,191	155,996	159,896	163,893	
Transportation	5,912	72,722	74,540	76,403	78,313	
Fixed Operating Expense	8,983	110,494	113,256	116,088	118,990	
<b>Total Operating Expense</b>	<b>\$ 132,248</b>	<b>\$ 2,164,947</b>	<b>\$ 2,455,438</b>	<b>\$ 2,520,261</b>	<b>\$ 2,586,843</b>	
<b>Operating Income (EBITDA)</b>	<b>\$ (66,452)</b>	<b>\$ 252,837</b>	<b>\$ 818,150</b>	<b>\$ 884,270</b>	<b>\$ 953,870</b>	
<b>Non-Operating Expense</b>						
Rent	-	-	-	-	-	
Interest	10,900	519,634	521,949	517,654	458,026	
Depreciation	11,815	141,783	141,783	141,783	141,783	
Amortization	12,082	144,979	144,979	144,979	144,979	
<b>Total Non-Operating Expense</b>	<b>\$ 34,797</b>	<b>\$ 806,396</b>	<b>\$ 808,711</b>	<b>\$ 804,416</b>	<b>\$ 744,788</b>	
<b>Pre-Tax Profit (Loss)</b>	<b>\$ (101,248)</b>	<b>\$ (553,559)</b>	<b>\$ 9,439</b>	<b>\$ 79,854</b>	<b>\$ 209,082</b>	
<b>Allowance for Income Taxes</b>						
<b>Net Income (Loss)</b>	<b>\$ (101,248)</b>	<b>\$ (553,559)</b>	<b>\$ 9,439</b>	<b>\$ 79,854</b>	<b>\$ 209,082</b>	
The accompanying notes and assumptions are an integral part of this pro forma financial presentation.						

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# PRO FORMA STATEMENT OF OPERATING INCOME & EXPENSE

Pro Forma Statement of Operating Income & Expense							
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	
<b>Income</b>							
Routine Rental Revenue (Senior Housing)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Routine Rental Revenue (Commercial)	-	-	-	-	-	-	-
Other Housing Programs & Ancillary Revenue	-	-	-	-	-	-	-
<b>Total Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Less Operating Expense</b>							
General & Administrative	-	-	-	-	-	-	-
Activities	-	-	-	-	-	-	-
Assisted Living/Health Care	-	-	-	-	-	-	-
Dietary/Food Service	-	-	-	-	-	-	-
Housekeeping & Laundry	-	-	-	-	-	-	-
Marketing	-	-	-	-	-	-	-
Maintenance & Grounds	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Fixed Operating Expense	-	-	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Operating Income (EBITDA)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Non-Operating Expense</b>							
Rent	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	-
<b>Total Non-Operating Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Pre-Tax Profit (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Allowance for Income Taxes	-	-	-	-	-	-	-
<b>Net Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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## PRO FORMA STATEMENT OF OPERATING INCOME & EXPENSE

Pro Forma Statement of Operating Income & Expense							
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
<b>Income</b>							
Routine Rental Revenue (Senior Housing)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,500	\$ 58,500
Routine Rental Revenue (Commercial)	-	-	-	-	-	-	-
Other Housing Programs & Ancillary Revenue	-	-	-	-	-	7,296	7,296
<b>Total Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,796</b>	<b>\$ 65,796</b>
<b>Less Operating Expense</b>							
General & Administrative	-	-	-	-	-	24,897	24,897
Activities	-	-	-	-	-	7,754	7,754
Assisted Living/Health Care	-	-	-	-	-	32,018	32,018
Dietary/Food Service	-	-	-	-	-	15,168	15,168
Housekeeping & Laundry	-	-	-	-	-	12,579	12,579
Marketing	-	-	-	-	-	12,562	12,562
Maintenance & Grounds	-	-	-	-	-	12,373	12,373
Transportation	-	-	-	-	-	5,912	5,912
Fixed Operating Expense	-	-	-	-	-	8,983	8,983
<b>Total Operating Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 132,248</b>	<b>\$ 132,248</b>
<b>Operating Income (EBITDA)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (66,452)</b>	<b>\$ (66,452)</b>
<b>Non-Operating Expense</b>							
Rent	-	-	-	-	-	-	-
Interest	-	-	-	-	4,700	6,200	10,900
Depreciation	-	-	-	-	-	11,815	11,815
Amortization	-	-	-	-	-	12,082	12,082
<b>Total Non-Operating Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,700</b>	<b>\$ 30,097</b>	<b>\$ 34,797</b>
<b>Pre-Tax Profit (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,700)</b>	<b>\$ (96,548)</b>	<b>\$ (101,248)</b>
Allowance for Income Taxes	-	-	-	-	-	-	-
<b>Net Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,700)</b>	<b>\$ (96,548)</b>	<b>\$ (101,248)</b>
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## PRO FORMA STATEMENT OF OPERATING INCOME & EXPENSE

Pro Forma Statement of Operating Income & Expense							
Project Name: Chalet du Soleil		Jan-09		Feb-09		Mar-09	
Project Type: 48-Bed ALZ/ALCF		Apr-09		May-09		Jun-09	
Project Location: Tucson, AZ							
Analysis Number: Construction Funding Analysis							
							
Period Ending:		Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
<b>Income</b>							
Routine Rental Revenue (Senior Housing)	\$	81,120	\$ 101,400	\$ 121,680	\$ 141,960	\$ 162,240	\$ 182,520
Routine Rental Revenue (Commercial)		-	-	-	-	-	-
Other Housing Programs & Ancillary Revenue		10,117	12,646	15,176	17,705	20,234	22,764
<b>Total Income</b>	<b>\$</b>	<b>91,237</b>	<b>\$ 114,046</b>	<b>\$ 136,856</b>	<b>\$ 159,665</b>	<b>\$ 182,474</b>	<b>\$ 205,284</b>
<b>Less Operating Expense</b>							
General & Administrative		30,160	30,616	31,072	32,012	33,608	35,205
Activities		8,623	9,297	9,972	10,647	11,322	11,996
Assisted Living/Health Care		35,995	39,171	42,347	45,523	48,699	58,353
Dietary/Food Service		19,644	20,400	21,157	21,913	22,670	23,426
Housekeeping & Laundry		13,006	13,118	13,230	13,341	13,453	13,565
Marketing		12,777	12,777	12,777	12,777	12,777	12,777
Maintenance & Grounds		12,683	12,683	12,683	12,683	12,683	12,683
Transportation		6,060	6,060	6,060	6,060	6,060	6,060
Fixed Operating Expense		9,208	9,208	9,208	9,208	9,208	9,208
<b>Total Operating Expense</b>	<b>\$</b>	<b>148,155</b>	<b>\$ 153,330</b>	<b>\$ 158,506</b>	<b>\$ 164,164</b>	<b>\$ 170,480</b>	<b>\$ 183,274</b>
<b>Operating Income (EBITDA)</b>	<b>\$</b>	<b>(56,918)</b>	<b>\$ (39,284)</b>	<b>\$ (21,650)</b>	<b>\$ (4,499)</b>	<b>\$ 11,994</b>	<b>\$ 22,010</b>
<b>Non-Operating Expense</b>							
Rent		-	-	-	-	-	-
Interest		42,006	42,880	43,654	44,228	44,702	44,675
Depreciation		11,815	11,815	11,815	11,815	11,815	11,815
Amortization		12,082	12,082	12,082	12,082	12,082	12,082
<b>Total Non-Operating Expense</b>	<b>\$</b>	<b>65,903</b>	<b>\$ 66,777</b>	<b>\$ 67,551</b>	<b>\$ 68,125</b>	<b>\$ 68,599</b>	<b>\$ 68,572</b>
<b>Pre-Tax Profit (Loss)</b>	<b>\$</b>	<b>(122,821)</b>	<b>\$ (106,061)</b>	<b>\$ (89,201)</b>	<b>\$ (72,624)</b>	<b>\$ (56,605)</b>	<b>\$ (46,562)</b>
<b>Allowance for Income Taxes</b>		-	-	-	-	-	-
<b>Net Income (Loss)</b>	<b>\$</b>	<b>(122,821)</b>	<b>\$ (106,061)</b>	<b>\$ (89,201)</b>	<b>\$ (72,624)</b>	<b>\$ (56,605)</b>	<b>\$ (46,562)</b>

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## PRO FORMA STATEMENT OF OPERATING INCOME & EXPENSE

Pro Forma Statement of Operating Income & Expense								
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	
<b>Income</b>								
Routine Rental Revenue (Senior Housing)	\$ 202,800	\$ 223,080	\$ 233,220	\$ 233,220	\$ 233,220	\$ 233,220	\$ 2,149,680	
Routine Rental Revenue (Commercial)	-	-	-	-	-	-	-	
Other Housing Programs & Ancillary Revenue	25,293	27,822	29,087	29,087	29,087	29,087	268,104	
<b>Total Income</b>	<b>\$ 228,093</b>	<b>\$ 250,902</b>	<b>\$ 262,307</b>	<b>\$ 262,307</b>	<b>\$ 262,307</b>	<b>\$ 262,307</b>	<b>\$ 2,417,784</b>	
<b>Less Operating Expense</b>								
General & Administrative	36,801	38,398	39,196	39,196	39,196	39,196	424,658	
Activities	12,671	13,346	13,683	13,683	13,683	13,683	142,608	
Assisted Living/Health Care	61,529	64,705	66,293	66,293	66,293	66,293	661,496	
Dietary/Food Service	24,183	24,939	25,317	25,317	25,317	25,317	279,600	
Housekeeping & Laundry	17,624	17,736	17,792	17,792	17,792	17,792	186,243	
Marketing	12,777	9,099	9,099	9,099	9,099	9,099	134,936	
Maintenance & Grounds	12,683	12,683	12,683	12,683	12,683	12,683	152,191	
Transportation	6,060	6,060	6,060	6,060	6,060	6,060	72,722	
Fixed Operating Expense	9,208	9,208	9,208	9,208	9,208	9,208	110,494	
<b>Total Operating Expense</b>	<b>\$ 193,537</b>	<b>\$ 196,174</b>	<b>\$ 199,332</b>	<b>\$ 199,332</b>	<b>\$ 199,332</b>	<b>\$ 199,332</b>	<b>\$ 2,164,947</b>	
<b>Operating Income (EBITDA)</b>	<b>\$ 34,556</b>	<b>\$ 54,728</b>	<b>\$ 62,975</b>	<b>\$ 62,975</b>	<b>\$ 62,975</b>	<b>\$ 62,975</b>	<b>\$ 252,837</b>	
<b>Non-Operating Expense</b>								
Rent	-	-	-	-	-	-	-	
Interest	44,649	44,622	44,595	44,568	44,541	34,513	519,634	
Depreciation	11,815	11,815	11,815	11,815	11,815	11,815	141,783	
Amortization	12,082	12,082	12,082	12,082	12,082	12,082	144,979	
<b>Total Non-Operating Expense</b>	<b>\$ 68,546</b>	<b>\$ 68,519</b>	<b>\$ 68,492</b>	<b>\$ 68,465</b>	<b>\$ 68,437</b>	<b>\$ 58,410</b>	<b>\$ 806,396</b>	
<b>Pre-Tax Profit (Loss)</b>	<b>\$ (33,990)</b>	<b>\$ (13,791)</b>	<b>\$ (5,517)</b>	<b>\$ (5,490)</b>	<b>\$ (5,463)</b>	<b>\$ 4,565</b>	<b>\$ (553,559)</b>	
Allowance for Income Taxes	-	-	-	-	-	-	-	
<b>Net Income (Loss)</b>	<b>\$ (33,990)</b>	<b>\$ (13,791)</b>	<b>\$ (5,517)</b>	<b>\$ (5,490)</b>	<b>\$ (5,463)</b>	<b>\$ 4,565</b>	<b>\$ (553,559)</b>	
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## PRO FORMA STATEMENT OF OPERATING INCOME & EXPENSE

<b>Pro Forma Statement of Operating Income &amp; Expense</b>													
Project Name: Chalet du Soleil		Jan-10		Feb-10		Mar-10		Apr-10		May-10		Jun-10	
Project Type: 48-Bed ALZ/ALCF													
Project Location: Tucson, AZ													
Analysis Number: Construction Funding Analysis													
													
<u>Income</u>													
Routine Rental Revenue (Senior Housing)	\$ 242,549	\$ 242,549	\$ 242,549	\$ 242,549	\$ 242,549	\$ 242,549	\$ 242,549	\$ 242,549	\$ 242,549	\$ 242,549	\$ 242,549	\$ 242,549	\$ 242,549
Routine Rental Revenue (Commercial)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Housing Programs & Ancillary Revenue	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250
<b>Total Income</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>
<u>Less Operating Expense</u>													
General & Administrative	40,452	40,452	40,452	40,452	40,452	40,452	40,452	40,452	40,452	40,452	40,452	40,452	40,452
Activities	14,025	14,025	14,025	14,025	14,025	14,025	14,025	14,025	14,025	14,025	14,025	14,025	14,025
Assisted Living/Health Care	67,951	67,951	67,951	67,951	67,951	67,951	67,951	67,951	67,951	67,951	67,951	67,951	67,951
Dietary/Food Service	25,950	25,950	25,950	25,950	25,950	25,950	25,950	25,950	25,950	25,950	25,950	25,950	25,950
Housekeeping & Laundry	18,237	18,237	18,237	18,237	18,237	18,237	18,237	18,237	18,237	18,237	18,237	18,237	18,237
Marketing	9,355	9,355	9,355	9,355	9,355	9,355	9,355	9,355	9,355	9,355	9,355	9,355	9,355
Maintenance & Grounds	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Transportation	6,212	6,212	6,212	6,212	6,212	6,212	6,212	6,212	6,212	6,212	6,212	6,212	6,212
Fixed Operating Expense	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438	9,438
<b>Total Operating Expense</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>
<b>Operating Income (EBITDA)</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>
<u>Non-Operating Expense</u>													
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	44,485	44,458	44,430	44,401	44,401	44,373	44,344	44,315	44,286	44,257	44,228	44,199	44,170
Depreciation	11,815	11,815	11,815	11,815	11,815	11,815	11,815	11,815	11,815	11,815	11,815	11,815	11,815
Amortization	12,082	12,082	12,082	12,082	12,082	12,082	12,082	12,082	12,082	12,082	12,082	12,082	12,082
<b>Total Non-Operating Expense</b>	<b>\$ 68,382</b>	<b>\$ 68,354</b>	<b>\$ 68,326</b>	<b>\$ 68,298</b>	<b>\$ 68,270</b>	<b>\$ 68,241</b>	<b>\$ 68,213</b>	<b>\$ 68,185</b>	<b>\$ 68,157</b>	<b>\$ 68,129</b>	<b>\$ 68,101</b>	<b>\$ 68,073</b>	<b>\$ 68,045</b>
<b>Pre-Tax Profit (Loss)</b>	<b>\$ (203)</b>	<b>\$ (175)</b>	<b>\$ (147)</b>	<b>\$ (119)</b>	<b>\$ (91)</b>	<b>\$ (62)</b>	<b>\$ (34)</b>	<b>\$ (4)</b>	<b>\$ 24</b>	<b>\$ 52</b>	<b>\$ 80</b>	<b>\$ 108</b>	<b>\$ 136</b>
<b>Allowance for Income Taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Income (Loss)</b>	<b>\$ (203)</b>	<b>\$ (175)</b>	<b>\$ (147)</b>	<b>\$ (119)</b>	<b>\$ (91)</b>	<b>\$ (62)</b>	<b>\$ (34)</b>	<b>\$ (4)</b>	<b>\$ 24</b>	<b>\$ 52</b>	<b>\$ 80</b>	<b>\$ 108</b>	<b>\$ 136</b>

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


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## PRO FORMA STATEMENT OF OPERATING INCOME & EXPENSE

Pro Forma Statement of Operating Income & Expense								
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
<b>Income</b>								
Routine Rental Revenue (Senior Housing)	\$ 242,549	\$ 242,549	\$ 242,549	\$ 242,549	\$ 242,549	\$ 242,549	\$ 2,910,586	
Routine Rental Revenue (Commercial)	-	-	-	-	-	-	-	
Other Housing Programs & Ancillary Revenue	30,250	30,250	30,250	30,250	30,250	30,250	363,002	
<b>Total Income</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 272,799</b>	<b>\$ 3,273,588</b>	
<b>Less Operating Expense</b>								
General & Administrative	40,452	40,452	40,452	40,452	40,452	40,452	485,421	
Activities	14,025	14,025	14,025	14,025	14,025	14,025	168,305	
Assisted Living/Health Care	67,951	67,951	67,951	67,951	67,951	67,951	815,407	
Dietary/Food Service	25,950	25,950	25,950	25,950	25,950	25,950	311,401	
Housekeeping & Laundry	18,237	18,237	18,237	18,237	18,237	18,237	218,846	
Marketing	9,355	9,355	9,355	9,355	9,355	9,355	112,265	
Maintenance & Grounds	13,000	13,000	13,000	13,000	13,000	13,000	155,996	
Transportation	6,212	6,212	6,212	6,212	6,212	6,212	74,540	
Fixed Operating Expense	9,438	9,438	9,438	9,438	9,438	9,438	113,256	
<b>Total Operating Expense</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 204,620</b>	<b>\$ 2,455,438</b>	
<b>Operating Income (EBITDA)</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 68,179</b>	<b>\$ 818,150</b>	
<b>Non-Operating Expense</b>								
Rent	-	-	-	-	-	-	-	
Interest	44,316	44,287	44,258	44,229	44,199	34,169	521,949	
Depreciation	11,815	11,815	11,815	11,815	11,815	11,815	141,783	
Amortization	12,082	12,082	12,082	12,082	12,082	12,082	144,979	
<b>Total Non-Operating Expense</b>	<b>\$ 68,213</b>	<b>\$ 68,184</b>	<b>\$ 68,155</b>	<b>\$ 68,125</b>	<b>\$ 68,096</b>	<b>\$ 58,066</b>	<b>\$ 808,711</b>	
<b>Pre-Tax Profit (Loss)</b>	<b>\$ (33)</b>	<b>\$ (5)</b>	<b>\$ 25</b>	<b>\$ 54</b>	<b>\$ 83</b>	<b>\$ 10,113</b>	<b>\$ 9,439</b>	
Allowance for Income Taxes	-	-	-	-	-	-	-	
<b>Net Income (Loss)</b>	<b>\$ (33)</b>	<b>\$ (5)</b>	<b>\$ 25</b>	<b>\$ 54</b>	<b>\$ 83</b>	<b>\$ 10,113</b>	<b>\$ 9,439</b>	
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## PRO FORMA STATEMENT OF OPERATING INCOME & EXPENSE

<b>Pro Forma Statement of Operating Income &amp; Expense</b>							
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	
<b>Income</b>							
Routine Rental Revenue (Senior Housing)	\$ 252,251	\$ 252,251	\$ 252,251	\$ 252,251	\$ 252,251	\$ 252,251	\$ 252,251
Routine Rental Revenue (Commercial)	-	-	-	-	-	-	-
Other Housing Programs & Ancillary Revenue	31,460	31,460	31,460	31,460	31,460	31,460	31,460
<b>Total Income</b>	<b>\$ 283,711</b>	<b>\$ 283,711</b>	<b>\$ 283,711</b>	<b>\$ 283,711</b>	<b>\$ 283,711</b>	<b>\$ 283,711</b>	<b>\$ 283,711</b>
<b>Less Operating Expense</b>							
General & Administrative	41,750	41,750	41,750	41,750	41,750	41,750	41,750
Activities	14,376	14,376	14,376	14,376	14,376	14,376	14,376
Assisted Living/Health Care	69,649	69,649	69,649	69,649	69,649	69,649	69,649
Dietary/Food Service	26,599	26,599	26,599	26,599	26,599	26,599	26,599
Housekeeping & Laundry	18,693	18,693	18,693	18,693	18,693	18,693	18,693
Marketing	9,589	9,589	9,589	9,589	9,589	9,589	9,589
Maintenance & Grounds	13,325	13,325	13,325	13,325	13,325	13,325	13,325
Transportation	6,367	6,367	6,367	6,367	6,367	6,367	6,367
Fixed Operating Expense	9,674	9,674	9,674	9,674	9,674	9,674	9,674
<b>Total Operating Expense</b>	<b>\$ 210,022</b>	<b>\$ 210,022</b>	<b>\$ 210,022</b>	<b>\$ 210,022</b>	<b>\$ 210,022</b>	<b>\$ 210,022</b>	<b>\$ 210,022</b>
<b>Operating Income (EBITDA)</b>	<b>\$ 73,689</b>	<b>\$ 73,689</b>	<b>\$ 73,689</b>	<b>\$ 73,689</b>	<b>\$ 73,689</b>	<b>\$ 73,689</b>	<b>\$ 73,689</b>
<b>Non-Operating Expense</b>							
Rent	-	-	-	-	-	-	-
Interest	44,140	44,110	44,079	44,049	44,019	43,988	43,958
Depreciation	11,815	11,815	11,815	11,815	11,815	11,815	11,815
Amortization	12,082	12,082	12,082	12,082	12,082	12,082	12,082
<b>Total Non-Operating Expense</b>	<b>\$ 68,036</b>	<b>\$ 68,006</b>	<b>\$ 67,976</b>	<b>\$ 67,946</b>	<b>\$ 67,915</b>	<b>\$ 67,885</b>	<b>\$ 67,855</b>
<b>Pre-Tax Profit (Loss)</b>	<b>\$ 5,653</b>	<b>\$ 5,683</b>	<b>\$ 5,713</b>	<b>\$ 5,743</b>	<b>\$ 5,774</b>	<b>\$ 5,805</b>	<b>\$ 5,835</b>
Allowance for Income Taxes	-	-	-	-	-	-	-
<b>Net Income (Loss)</b>	<b>\$ 5,653</b>	<b>\$ 5,683</b>	<b>\$ 5,713</b>	<b>\$ 5,743</b>	<b>\$ 5,774</b>	<b>\$ 5,805</b>	<b>\$ 5,835</b>

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## PRO FORMA STATEMENT OF OPERATING INCOME & EXPENSE

Pro Forma Statement of Operating Income & Expense								
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	
<b>Income</b>								
Routine Rental Revenue (Senior Housing)	\$ 252,251	\$ 252,251	\$ 252,251	\$ 252,251	\$ 252,251	\$ 252,251	\$ 3,027,009	
Routine Rental Revenue (Commercial)	-	-	-	-	-	-	-	
Other Housing Programs & Ancillary Revenue	31,460	31,460	31,460	31,460	31,460	31,460	377,522	
<b>Total Income</b>	<b>\$ 283,711</b>	<b>\$ 283,711</b>	<b>\$ 283,711</b>	<b>\$ 283,711</b>	<b>\$ 283,711</b>	<b>\$ 283,711</b>	<b>\$ 3,404,531</b>	
<b>Less Operating Expense</b>								
General & Administrative	41,750	41,750	41,750	41,750	41,750	41,750	500,994	
Activities	14,376	14,376	14,376	14,376	14,376	14,376	172,512	
Assisted Living/Health Care	69,649	69,649	69,649	69,649	69,649	69,649	835,792	
Dietary/Food Service	26,599	26,599	26,599	26,599	26,599	26,599	319,186	
Housekeeping & Laundry	18,693	18,693	18,693	18,693	18,693	18,693	224,318	
Marketing	9,589	9,589	9,589	9,589	9,589	9,589	115,072	
Maintenance & Grounds	13,325	13,325	13,325	13,325	13,325	13,325	159,896	
Transportation	6,367	6,367	6,367	6,367	6,367	6,367	76,403	
Fixed Operating Expense	9,674	9,674	9,674	9,674	9,674	9,674	116,088	
<b>Total Operating Expense</b>	<b>\$ 210,022</b>	<b>\$ 210,022</b>	<b>\$ 210,022</b>	<b>\$ 210,022</b>	<b>\$ 210,022</b>	<b>\$ 210,022</b>	<b>\$ 2,520,261</b>	
<b>Operating Income (EBITDA)</b>	<b>\$ 73,689</b>	<b>\$ 73,689</b>	<b>\$ 73,689</b>	<b>\$ 73,689</b>	<b>\$ 73,689</b>	<b>\$ 73,689</b>	<b>\$ 884,270</b>	
<b>Non-Operating Expense</b>								
Rent	-	-	-	-	-	-	-	
Interest	43,957	43,926	43,894	43,863	43,831	33,799	517,654	
Depreciation	11,815	11,815	11,815	11,815	11,815	11,815	141,783	
Amortization	12,082	12,082	12,082	12,082	12,082	12,082	144,979	
<b>Total Non-Operating Expense</b>	<b>\$ 67,854</b>	<b>\$ 67,822</b>	<b>\$ 67,791</b>	<b>\$ 67,760</b>	<b>\$ 67,728</b>	<b>\$ 57,696</b>	<b>\$ 804,416</b>	
<b>Pre-Tax Profit (Loss)</b>	<b>\$ 5,836</b>	<b>\$ 5,867</b>	<b>\$ 5,898</b>	<b>\$ 5,930</b>	<b>\$ 5,961</b>	<b>\$ 15,993</b>	<b>\$ 79,854</b>	
Allowance for Income Taxes	-	-	-	-	-	-	-	
<b>Net Income (Loss)</b>	<b>\$ 5,836</b>	<b>\$ 5,867</b>	<b>\$ 5,898</b>	<b>\$ 5,930</b>	<b>\$ 5,961</b>	<b>\$ 15,993</b>	<b>\$ 79,854</b>	
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## PRO FORMA STATEMENT OF OPERATING INCOME & EXPENSE

Pro Forma Statement of Operating Income & Expense							
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	
<b>Income</b>							
Routine Rental Revenue (Senior Housing)	\$ 262,341	\$ 262,341	\$ 262,341	\$ 262,341	\$ 262,341	\$ 262,341	\$ 262,341
Routine Rental Revenue (Commercial)	-	-	-	-	-	-	-
Other Housing Programs & Ancillary Revenue	32,719	32,719	32,719	32,719	32,719	32,719	32,719
<b>Total Income</b>	<b>\$ 295,059</b>	<b>\$ 295,059</b>	<b>\$ 295,059</b>	<b>\$ 295,059</b>	<b>\$ 295,059</b>	<b>\$ 295,059</b>	<b>\$ 295,059</b>
<b>Less Operating Expense</b>							
General & Administrative	43,091	43,091	43,091	43,091	43,091	43,091	43,091
Activities	14,735	14,735	14,735	14,735	14,735	14,735	14,735
Assisted Living/Health Care	71,391	71,391	71,391	71,391	71,391	71,391	71,391
Dietary/Food Service	27,264	27,264	27,264	27,264	27,264	27,264	27,264
Housekeeping & Laundry	19,160	19,160	19,160	19,160	19,160	19,160	19,160
Marketing	9,829	9,829	9,829	9,829	9,829	9,829	9,829
Maintenance & Grounds	13,658	13,658	13,658	13,658	13,658	13,658	13,658
Transportation	6,526	6,526	6,526	6,526	6,526	6,526	6,526
Fixed Operating Expense	9,916	9,916	9,916	9,916	9,916	9,916	9,916
<b>Total Operating Expense</b>	<b>\$ 215,570</b>	<b>\$ 215,570</b>	<b>\$ 215,570</b>	<b>\$ 215,570</b>	<b>\$ 215,570</b>	<b>\$ 215,570</b>	<b>\$ 215,570</b>
<b>Operating Income (EBITDA)</b>	<b>\$ 79,489</b>	<b>\$ 79,489</b>	<b>\$ 79,489</b>	<b>\$ 79,489</b>	<b>\$ 79,489</b>	<b>\$ 79,489</b>	<b>\$ 79,489</b>
<b>Non-Operating Expense</b>							
Rent	-	-	-	-	-	-	-
Interest	38,767	38,735	38,702	38,669	38,636	38,603	38,603
Depreciation	11,815	11,815	11,815	11,815	11,815	11,815	11,815
Amortization	12,082	12,082	12,082	12,082	12,082	12,082	12,082
<b>Total Non-Operating Expense</b>	<b>\$ 62,664</b>	<b>\$ 62,632</b>	<b>\$ 62,599</b>	<b>\$ 62,566</b>	<b>\$ 62,533</b>	<b>\$ 62,500</b>	<b>\$ 62,500</b>
<b>Pre-Tax Profit (Loss)</b>	<b>\$ 16,825</b>	<b>\$ 16,858</b>	<b>\$ 16,890</b>	<b>\$ 16,923</b>	<b>\$ 16,956</b>	<b>\$ 16,989</b>	<b>\$ 16,989</b>
Allowance for Income Taxes	-	-	-	-	-	-	-
<b>Net Income (Loss)</b>	<b>\$ 16,825</b>	<b>\$ 16,858</b>	<b>\$ 16,890</b>	<b>\$ 16,923</b>	<b>\$ 16,956</b>	<b>\$ 16,989</b>	<b>\$ 16,989</b>

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

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## PRO FORMA STATEMENT OF OPERATING INCOME & EXPENSE

Pro Forma Statement of Operating Income & Expense								
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
<b>Income</b>								
Routine Rental Revenue (Senior Housing)	\$ 262,341	\$ 262,341	\$ 262,341	\$ 262,341	\$ 262,341	\$ 262,341	\$ 3,148,089	
Routine Rental Revenue (Commercial)	-	-	-	-	-	-	-	
Other Housing Programs & Ancillary Revenue	32,719	32,719	32,719	32,719	32,719	32,719	392,623	
<b>Total Income</b>	<b>\$ 295,059</b>	<b>\$ 295,059</b>	<b>\$ 295,059</b>	<b>\$ 295,059</b>	<b>\$ 295,059</b>	<b>\$ 295,059</b>	<b>\$ 3,540,713</b>	
<b>Less Operating Expense</b>								
General & Administrative	43,091	43,091	43,091	43,091	43,091	43,091	517,094	
Activities	14,735	14,735	14,735	14,735	14,735	14,735	176,825	
Assisted Living/Health Care	71,391	71,391	71,391	71,391	71,391	71,391	856,687	
Dietary/Food Service	27,264	27,264	27,264	27,264	27,264	27,264	327,166	
Housekeeping & Laundry	19,160	19,160	19,160	19,160	19,160	19,160	229,925	
Marketing	9,829	9,829	9,829	9,829	9,829	9,829	117,949	
Maintenance & Grounds	13,658	13,658	13,658	13,658	13,658	13,658	163,893	
Transportation	6,526	6,526	6,526	6,526	6,526	6,526	78,313	
Fixed Operating Expense	9,916	9,916	9,916	9,916	9,916	9,916	118,990	
<b>Total Operating Expense</b>	<b>\$ 215,570</b>	<b>\$ 215,570</b>	<b>\$ 215,570</b>	<b>\$ 215,570</b>	<b>\$ 215,570</b>	<b>\$ 215,570</b>	<b>\$ 2,586,843</b>	
<b>Operating Income (EBITDA)</b>	<b>\$ 79,489</b>	<b>\$ 79,489</b>	<b>\$ 79,489</b>	<b>\$ 79,489</b>	<b>\$ 79,489</b>	<b>\$ 79,489</b>	<b>\$ 953,870</b>	
<b>Non-Operating Expense</b>								
Rent	-	-	-	-	-	-	-	
Interest	38,570	38,536	38,503	38,469	38,435	33,400	458,026	
Depreciation	11,815	11,815	11,815	11,815	11,815	11,815	141,783	
Amortization	12,082	12,082	12,082	12,082	12,082	12,082	144,979	
<b>Total Non-Operating Expense</b>	<b>\$ 62,467</b>	<b>\$ 62,433</b>	<b>\$ 62,400</b>	<b>\$ 62,366</b>	<b>\$ 62,331</b>	<b>\$ 57,297</b>	<b>\$ 744,788</b>	
<b>Pre-Tax Profit (Loss)</b>	<b>\$ 17,022</b>	<b>\$ 17,056</b>	<b>\$ 17,090</b>	<b>\$ 17,124</b>	<b>\$ 17,158</b>	<b>\$ 22,192</b>	<b>\$ 209,082</b>	
Allowance for Income Taxes	-	-	-	-	-	-	-	
<b>Net Income (Loss)</b>	<b>\$ 17,022</b>	<b>\$ 17,056</b>	<b>\$ 17,090</b>	<b>\$ 17,124</b>	<b>\$ 17,158</b>	<b>\$ 22,192</b>	<b>\$ 209,082</b>	
The accompanying notes and assumptions are an integral part of this pro forma financial presentation.								