

Schedule of Pro Forma Income Statement
Eagle and Pinnacle Medical Complex--LLC Interest
Stockbridge (Atlanta, Henry County), GA

For the Years Ending	Year 1 Dec-2006	Year 2 Dec-2007	Year 3 Dec-2008	Year 4 Dec-2009	Year 5 Dec-2010	Year 6 Dec-2011
POTENTIAL GROSS REVENUE						
1 Base Rental Revenue	\$1,861,636	\$1,917,909	\$1,988,264	\$2,041,351	\$2,104,732	\$2,171,323
4 Storage Revenue	-	-	-	-	-	-
2 Economic Vacancy	(11,020)	(3,865)	(42,627)	(55,139)	(14,752)	(35,843)
Base Rent Abatements	-	-	-	-	-	-
Scheduled Base Rental Revenue	\$1,850,617	\$1,914,044	\$1,945,638	\$1,986,212	\$2,089,981	\$2,135,481
3 Base Rental Step Revenue	-	-	-	-	-	-
3 Expense Reimbursement Revenue	1,680	1,747	1,799	1,853	1,909	1,966
4 Telecom Revenue	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-
TOTAL POTENTIAL GROSS REVENUE	\$1,852,297	\$1,915,791	\$1,947,437	\$1,988,065	\$2,091,890	\$2,137,447
6 General Vacancy/Credit Loss	-	-	-	-	-	-
	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
EFFECTIVE GROSS REVENUE	\$1,852,297	\$1,915,791	\$1,947,437	\$1,988,065	\$2,091,890	\$2,137,447
7 OPERATING EXPENSES						
7 G&A/Security & Monitoring	16,740	17,075	17,417	17,765	18,120	18,483
7 Wages and Compensation	-	-	-	-	-	-
7 Advertising/Marketing	3,000	3,060	3,121	3,184	3,247	3,312
7 R&M/Engineering/Contracts	65,207	66,511	67,841	69,198	70,582	71,993
7 Grounds Maint./Snow Removal/Waste Disposal	16,229	16,553	16,885	17,222	17,567	17,918
9 Property Management Fee	92,615	95,790	58,423	59,642	104,594	64,123
7 Utilities	177,727	183,059	188,551	194,208	200,034	206,035
7 Real Estate Tax	159,754	164,547	169,483	174,568	179,805	185,199
7 Insurance	31,757	32,392	33,040	33,701	34,375	35,062
9 Asset Management Fee	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	\$565,483	\$581,514	\$557,364	\$572,168	\$631,085	\$604,970
NET OPERATING INCOME	\$1,286,814	\$1,334,276	\$1,390,073	\$1,415,897	\$1,460,804	\$1,532,477
LEASING AND CAPITAL COSTS						
10 Deferred Maintenance	-	-	-	-	-	-
11 Replacement Reserves	9,128	9,128	13,692	13,692	18,256	
12 Leasing Commissions and Tenant Improvements	-	-	18,259	18,259	18,259	
TOTAL LEASING & CAPITAL COSTS	\$9,128	\$9,128	\$31,951	\$31,951	\$36,515	
CASH FLOW BEFORE DEBT SERVICE	\$1,277,685	\$1,325,148	\$1,358,122	\$1,383,946	\$1,424,289	
13 DEBT SERVICE						
Interest Payments	690,809	681,160	670,953	660,153	648,728	
Principal Payments	166,387	176,035	186,242	197,042	208,468	
Additional Fixed Amortization	-	-	-	-	-	
Loan Extension/Refinance Fees	-	-	-	-	-	
TOTAL DEBT SERVICE	\$857,195	\$857,195	\$857,195	\$857,195	\$857,195	
NET CASH FLOW	\$420,490	\$467,953	\$500,927	\$526,751	\$567,094	
Annualized Cash on Cash Return as a % of Equity	7.50%	8.34%	8.93%	9.39%	10.11%	
Cumulative CF Returns to Investors	\$ 2,483,215					

Notes continued on the following page . . .

Notes:

1. Base Rental Revenue as per tenant leases.
2. Economic Vacancy: Based on in-place leases plus Seller's guarantees. See Lease Expiration Schedule.
3. Base Rental Step Revenue & Expense Reimbursement Revenue as per existing agreements and historical experience.
4. Storage & Telecom Revenue: N/A.
5. General Vacancy based on Potential Gross Revenue less Absorption and Turnover Vacancy. Calculation includes Credit/Major Tenants. Occupancy with Seller-guarantees on leaseback space is 100%. Occupancy without Guarantees is 98.4%. Cumulative Expirations equals market rate of 12%. See Lease Expiration Schedule. Credit/Major Tenants occupy 65% of the total space and contribute Base Rent and Reimbursement Income, as follows:
6. General Vacancy/Credit Loss: N/A.

Credit/Major Tenants	SF	12 Months					
		Dec-2006	Dec-2007	Dec-2008	Dec-2009	Dec-2010	Dec-2011
Jeffrey S. Coleman, DDS, PC	2,680	\$71,010	\$73,851	\$76,805	\$79,877	\$83,072	\$84,320
Southern Heart Specialists	6,188	162,336	168,829	175,583	182,606	164,786	170,248
Southern Primary Care	3,581	88,443	83,609	86,953	90,431	94,048	97,810
Clayton Orthopedic Clinic	3,908	75,229	78,238	81,368	84,622	104,070	107,519
Windham Law Firm	5,969	145,221	151,030	154,740	157,666	163,972	170,531
***Vacant-Seller-Leaseback	2,017	33,617	40,340	45,251	47,389	48,811	50,275
Talla P. Shankar	1,534	38,323	38,663	39,812	41,404	43,061	44,783
South Atlanta Hematology	2,570	66,996	69,676	72,463	75,361	75,260	77,101
Dr Kolanu MD/Neurology	2,499	64,929	67,526	70,227	73,036	73,025	74,841
Eric Fier MD	1,186	26,836	27,965	29,083	30,247	31,456	32,715
***Vacant-Seller-Guarantee	1,280	21,333	25,600	28,717	30,073	30,976	31,905
***Davis Development/Guarantee	11,608	302,573	314,676	327,263	323,378	332,918	346,235
Women's Health Specialist	5,818	150,623	156,648	160,569	161,080	167,523	174,224
Tri-County Pediatrics	5,555	116,378	121,033	125,874	133,648	141,732	147,401
**Heritage Bank	3,703	81,000	81,000	81,000	85,630	90,259	90,259
South Atlanta Neurology	3,277	66,015	68,656	71,402	74,258	77,228	80,318
**Nanston, Inc.	14,548	295,943	304,821	313,966	323,385	333,086	343,079
***Vacant-Seller-Leaseback	1,466	29,320	35,184	1,977,482	2,031,660	2,093,981	2,163,422
Total Credit/Major Tenant Revenue	79,387	\$1,836,126	\$1,907,344	\$3,918,557	\$4,025,751	\$4,149,266	\$4,286,987
Percentage of Net Rentable Space/EGI	100.00%						

Notes:

- Operating Expenses based on an analysis of actual operating history. G&A, Advertising, R&M, Grounds & Insurance escalation rate of 2%.
- Reserved.
- Management Fees total 5.00% with 0.00% reimbursable. Year-6, assumes a 3.00% management fee. Asset Management Fee not taken.
- Deferred Maintenance Lender Escrow at 125% of estimated costs. Non-interest bearing.

	<u>Summary of Leasing Assumptions</u>	<u>Gen. Market</u>	<u>Vacant</u>	<u>Storage</u>
	Renewal Probability	80%	80%	50%
	Initial Market Rent (FS)	\$21.00	\$21.00	\$0.00
2	Downtime--Months	2 months	6 months	8 months
12	Tenant Improvements: New Lease	\$30.00	\$30.00	\$0.00
12	Tenant Improvements: Renewal	\$10.00	\$10.00	\$0.00
12	Commissions: New Lease	4%	4%	0%
12	Commissions: Renewal	3%	3%	0%
3	Rent Abatements: Months	1 Month	1 Month	None
	Reimbursements	FS	FS/Stops	None
	Lease Term	5 Years	5 Years	5 Years

Notes:

- Replacement Reserve (Capital Improvement Reserve) monthly using the following schedule:

	<u>0-12</u>	<u>13-24</u>	<u>25-36</u>	<u>37-48</u>	<u>49-120</u>
	\$0.10	\$0.10	\$0.15	\$0.15	\$0.20

- TI/LC Monthly Reserve/Escrow capped at \$220,000. See monthly schedule below:

	<u>0-12</u>	<u>13-24</u>	<u>25-36</u>	<u>37-48</u>	<u>49-60</u>	<u>61-120</u>
	\$0.00	\$0.00	\$0.23	\$0.23	\$0.23	\$1.20

- TI/LC expenses to be paid from TI/LC Reserve under Offering Proceeds.
- Lender TI/LC Reserves to be \$2.77 PSF, estimated.
- Loan based on a \$12.375 M funding or 75.0% LTV of purchase price
The loan will have a fixed contract rate or spread of 125 bp above the current index (On-the-run 10-Year United States Treasury), approximating 5.65%, 30 year amortization, 10 year term.

	<u>Summary of Inflation Rates</u>					
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>
	<u>Dec-2006</u>	<u>Dec-2007</u>	<u>Dec-2008</u>	<u>Dec-2009</u>	<u>Dec-2010</u>	<u>Dec-2011</u>
General Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Market Rental Rate Inflation	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

	<u>Projected Future Market Rental Rates</u>					
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>
	<u>Dec-2006</u>	<u>Dec-2007</u>	<u>Dec-2008</u>	<u>Dec-2009</u>	<u>Dec-2010</u>	<u>Dec-2011</u>
General Market (FS) \$	\$ 21.00	\$ 21.63	\$ 22.28	\$ 22.95	\$ 23.64	\$ 24.34
Vacant \$	\$ 21.00	\$ 21.84	\$ 22.71	\$ 23.62	\$ 24.57	\$ 25.55
Storage \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -