

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2004-08-12** | Period of Report: **2004-06-30**
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FILER

CNL INCOME FUND X LTD

CIK: **863785** | IRS No.: **593004139** | State of Incorporation: **FL** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-20016** | Film No.: **04967955**
SIC: **6500** Real estate

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ORLANDO FL 32801

Business Address
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ORLANDO FL 32801
4075402000

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2004

OR

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number
0-20016

CNL Income Fund X, Ltd.

(Exact name of registrant as specified in its charter)

Florida

59-3004139

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

450 South Orange Avenue
Orlando, Florida

32801

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number
(including area code)

(407) 540-2000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ____

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act): Yes ____ No X

CONTENTS

	Page
Part I.	
Item 1. Financial Statements:	
Condensed Balance Sheets	1
Condensed Statements of Income	2
Condensed Statements of Partners' Capital	3
Condensed Statements of Cash Flows	4
Notes to Condensed Financial Statements	5-6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	7-9
Item 3. Quantitative and Qualitative Disclosures About	

Item 4. Controls and Procedures

9

Part II.

Other Information

10-11

CNL INCOME FUND X, LTD.
(A Florida Limited Partnership)
CONDENSED BALANCE SHEETS

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	June 30, 2004	December 31, 2003
	-----	-----
ASSETS		
Real estate properties with operating leases, net	\$ 13,393,758	\$ 13,544,970
Net investment in direct financing leases	7,477,604	7,666,525
Real estate held for sale	938,167	938,167
Investment in joint ventures	3,900,298	3,960,989
Cash and cash equivalents	1,361,055	1,457,105
Receivables	--	20,513
Due from related parties	--	619
Accrued rental income, less allowance for doubtful accounts of \$4,547 and \$4,841, respectively	1,129,368	1,174,958
Other assets	89,015	86,000
	-----	-----
	\$ 28,289,265	\$ 28,849,846
	=====	=====

LIABILITIES AND PARTNERS' CAPITAL

Accounts payable and accrued expenses	\$ 34,327	\$ 6,802
Real estate taxes payable	17,959	13,589
Distributions payable	900,001	900,001
Due to related parties	25,314	14,269
Rents paid in advance and deposits	168,788	162,548
	-----	-----
Total liabilities	1,146,389	1,097,209
Minority interest	60,138	61,095
Commitment (Note 4)		
Partners' capital	27,082,738	27,691,542
	-----	-----
	\$ 28,289,265	\$ 28,849,846
	=====	=====

</TABLE>

See accompanying notes to condensed financial statements.

1

CNL INCOME FUND X, LTD.
(A Florida Limited Partnership)
CONDENSED STATEMENTS OF INCOME

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	Quarter Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
	-----	-----	-----	-----
Revenues:				
Rental income from operating leases	\$ 479,045	\$ 478,566	\$ 957,248	\$ 949,713
Earned income from direct financing leases	201,679	211,251	405,888	424,710
Contingent rental income	5,314	1,961	13,656	7,182
Interest and other income	363	68	442	280
	-----	-----	-----	-----
	686,401	691,846	1,377,234	1,381,885
	-----	-----	-----	-----

Expenses:				
General operating and administrative	101,976	67,804	201,289	151,253
Property related	10,030	5,478	10,172	8,187
State and other taxes	5,777	6,734	45,247	49,502
Depreciation and amortization	78,483	76,711	155,839	153,421
	-----	-----	-----	-----
	196,266	156,727	412,547	362,363
	-----	-----	-----	-----
Income before minority interest and equity in earnings of unconsolidated joint ventures	490,135	535,119	964,687	1,019,522
Minority interest	(2,010)	(1,986)	(3,937)	(4,067)
Equity in earnings of unconsolidated joint ventures	90,843	79,616	166,933	154,506
	-----	-----	-----	-----
Income from continuing operations	578,968	612,749	1,127,683	1,169,961
	-----	-----	-----	-----
Discontinued operations:				
Income from discontinued operations	31,758	24,451	63,515	49,081
	-----	-----	-----	-----
Net income	\$ 610,726	\$ 637,200	\$ 1,191,198	\$ 1,219,042
	=====	=====	=====	=====
Income per limited partner unit:				
Continuing operations	\$ 0.14	\$ 0.15	\$ 0.28	\$ 0.29
Discontinued operations	0.01	0.01	0.02	0.01
	-----	-----	-----	-----
	\$ 0.15	\$ 0.16	\$ 0.30	\$ 0.30
	=====	=====	=====	=====
Weighted average number of limited partner units outstanding	4,000,000	4,000,000	4,000,000	4,000,000
	=====	=====	=====	=====

</TABLE>

See accompanying notes to condensed financial statements.

2

CNL INCOME FUND X, LTD.
(A Florida Limited Partnership)
CONDENSED STATEMENTS OF PARTNERS' CAPITAL

<TABLE>

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	Six Months Ended June 30, 2004	Year Ended December 31, 2003
	-----	-----
General partners:		
Beginning balance	\$ 252,935	\$ 252,935
Net income	--	--
	-----	-----
	252,935	252,935
	-----	-----
Limited partners:		
Beginning balance	27,438,607	28,194,941
Net income	1,191,198	2,843,670
Distributions (\$0.45 and \$0.90 per limited partner unit, respectively)	(1,800,002)	(3,600,004)
	-----	-----
	26,829,803	27,438,607
	-----	-----
Total partners' capital	\$ 27,082,738	\$ 27,691,542
	=====	=====

</TABLE>

See accompanying notes to condensed financial statements.

3

CNL INCOME FUND X, LTD.
(A Florida Limited Partnership)
CONDENSED STATEMENTS OF CASH FLOWS

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	Six Months Ended June 30,	
	2004	2003
	-----	-----
Net cash provided by operating activities	\$ 1,708,846	\$ 1,686,181
	-----	-----
Cash flows from financing activities:		
Distributions to limited partners	(1,800,002)	(1,800,002)
Distributions to holder of minority interest	(4,894)	(4,984)
	-----	-----
Net cash used in financing activities	(1,804,896)	(1,804,986)
	-----	-----
Net decrease in cash and cash equivalents	(96,050)	(118,805)
Cash and cash equivalents at beginning of period	1,457,105	1,287,619
	-----	-----
Cash and cash equivalents at end of period	\$ 1,361,055	\$ 1,168,814
	=====	=====
Supplemental schedule of non-cash financing activities:		
Distributions declared and unpaid at end of period	\$ 900,001	\$ 900,001
	=====	=====

</TABLE>

See accompanying notes to condensed financial statements.

4

CNL INCOME FUND X, LTD.
(A Florida Limited Partnership)
NOTES TO CONDENSED FINANCIAL STATEMENTS
Quarters and Six Months Ended June 30, 2004 and 2003

1. Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by generally accepted accounting principles. The financial statements reflect all adjustments, consisting of normal recurring adjustments, which are, in the opinion of the general partners, necessary for a fair statement of the results for the interim periods presented. Operating results for the quarter and six months ended June 30, 2004, may not be indicative of the results that may be expected for the year ending December 31, 2004. Amounts as of December 31, 2003, included in the financial statements, have been derived from audited financial statements as of that date.

These unaudited financial statements should be read in conjunction with the financial statements and notes thereto included in Form 10-K of CNL Income Fund X, Ltd. (the "Partnership") for the year ended December 31, 2003.

The Partnership accounts for its 88.26% interest in Allegan Real Estate Joint Venture using the consolidation method. Minority interest represents the minority joint venture partner's proportionate share of the equity in the joint venture. All significant intercompany accounts and transactions have been eliminated.

In December 2003, the Financial Accounting Standards Board issued a revision to FASB Interpretation No. 46 (originally issued in January 2003) ("FIN 46R"), "Consolidation of Variable Interest Entities" requiring existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries. Application of FIN 46R is required in financial statements of public entities that have interests

in variable interest entities for periods ending after March 15, 2004. The Partnership adopted FIN 46R during the quarter ended March 31, 2004. The Partnership was not the primary beneficiary of a variable interest entity at the time of adoption of FIN 46R, therefore the adoption had no effect on the balance sheet, partners' capital or net income.

2. Reclassification

Certain items in the prior year's financial statements have been reclassified to conform to 2004 presentation. These reclassifications had no effect on total partners' capital or net income.

3. Discontinued Operations

During 2003, the Partnership identified for sale one property that is classified as discontinued operations in the accompanying financial statements.

The operating results of this property are reflected as discontinued operations as follows:

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	Quarter Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Rental revenues	\$ 32,008	\$ 24,451	\$ 64,015	\$ 49,0811
Expenses	(250)	--	(500)	--
Income from discontinued operations	\$ 31,758	\$ 24,451	\$ 63,515	\$ 49,0811

</TABLE>

CNL INCOME FUND X, LTD.
(A Florida Limited Partnership)
NOTES TO CONDENSED FINANCIAL STATEMENTS
Quarters and Six Months Ended June 30, 2004 and 2003

4. Commitment

In May 2004, the Partnership entered into an agreement with a third party to sell the property in Romulus, Michigan. In July 2004, the Partnership sold this property.

5. Subsequent Events

In July 2004, the Partnership sold the property in Romulus, Michigan for approximately \$1,497,400 and received net sales proceeds of approximately \$1,461,300 resulting in a gain of approximately \$523,100, which will be recognized in the third quarter of 2004.

On August 9, 2004, the Partnership entered into a definitive Agreement and Plan of Merger pursuant to which the Partnership will be merged with a subsidiary of U.S. Restaurant Properties, Inc. (NYSE: USV). The merger is one of multiple concurrent transactions pursuant to which 17 other affiliated limited partnerships also will be merged with a subsidiary of U.S. Restaurant Properties, Inc. and in which CNL Restaurant Properties, Inc., an affiliate, also will be merged with U.S. Restaurant Properties, Inc. CNL Restaurant Properties, Inc. currently provides property management and other services to the Partnership. The merger of the Partnership (and each of the 17 other affiliated mergers) is subject to certain conditions including approval by a majority of the limited partners, consummation of a minimum number of limited partnership mergers representing at least 75.0% in value (as measured by the value of the merger consideration) of all limited partnerships, consummation of the merger between U. S. Restaurant Properties, Inc. and CNL Restaurant Properties, Inc., approval of the shareholders of U.S. Restaurant Properties, Inc., and availability of financing. The transaction is expected to be consummated in the first quarter of 2005.

Under the terms of the transaction, the limited partners will receive total consideration of approximately \$34.22 million, consisting of approximately \$28.62 million in cash and approximately \$5.60 million in U.S. Restaurant Properties, Inc. Series A Convertible Preferred Stock that is listed on the New York Stock Exchange. The general partners

will receive total consideration of approximately \$205,000 consisting of approximately \$171,000 in cash and approximately \$34,000 in preferred stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CNL Income Fund X, Ltd. (the "Partnership," which may be referred to as "we," "us," or "our") is a Florida limited partnership that was organized on April 16, 1990, to acquire for cash, either directly or through joint venture arrangements, both newly constructed and existing restaurants, as well as land upon which restaurants were to be constructed, which are leased primarily to operators of national and regional fast-food and family-style restaurant chains (collectively, the "Properties"). The leases generally are triple-net leases, with the lessees responsible for all repairs and maintenance, property taxes, insurance and utilities. As of June 30, 2003 and 2004, we owned 34 Properties directly and 13 Properties indirectly through joint venture or tenancy in common arrangements.

Capital Resources

Net cash provided by operating activities was \$1,708,846 and \$1,686,181 for the six months ended June 30, 2004 and 2003, respectively.

At June 30, 2004, we had \$1,361,055 in cash and cash equivalents as compared to \$1,457,105 at December 31, 2003. At June 30, 2004, these funds were held in demand deposit accounts at a commercial bank. The funds remaining at June 30, 2004, after payment of distributions and other liabilities, may be used to invest in additional Properties and to meet our working capital needs.

In May 2004, we entered into an agreement with a third party to sell the Property in Romulus, Michigan. In July 2004, we sold the Property and received net sales proceeds of approximately \$1,461,300 resulting in a gain on disposal of discontinued operations of approximately \$523,100, which will be recognized in the third quarter of 2004. The general partners may reinvest the net sales proceeds in an additional Property and use the sales proceeds to meet our working capital needs.

Short-Term Liquidity

Our investment strategy of acquiring Properties for cash and leasing them under triple-net leases to operators who generally meet specified financial standards minimizes our operating expenses. The general partners believe that the leases will continue to generate cash flows in excess of operating expenses.

Our short-term liquidity requirements consist primarily of our operating expenses.

The general partners have the right, but not the obligation, to make additional capital contributions if they deem it appropriate in connection with our operations.

We generally distribute cash from operations remaining after the payment of operating expenses, to the extent that the general partners determine that such funds are available for distribution. Based on current and anticipated future cash from operations, we declared distributions to limited partners of \$1,800,002 for each of the six months ended June 30, 2004 and 2003 (\$900,001 for each applicable quarter). This represents distributions of \$0.45 per unit for each of the six months ended June 30, 2004 and 2003 (\$0.23 per unit for each applicable quarter). No distributions were made to the general partners for the quarters and six months ended June 30, 2004 and 2003. No amounts distributed to the limited partners for the six months ended June 30, 2004 and 2003 are required to be or have been treated as a return of capital for purposes of calculating the limited partners' return on their adjusted capital contributions. We intend to continue to make distributions of cash to the limited partners on a quarterly basis.

Total liabilities, including distributions payable, were \$1,146,389 at June 30, 2004, as compared to \$1,097,209 at December 31, 2003. The increase in liabilities was primarily due to an increase in accounts payable and accrued expenses and amounts due to related parties. The general partners believe that we have sufficient cash on hand to meet our current working capital needs.

Contractual Obligations, Contingent Liabilities, and Commitments

In May 2004, we entered into an agreement to sell the Property in Romulus, Michigan. In July 2004, we sold the Property, as described above.

Long-Term Liquidity

We have no long-term debt or other long-term liquidity requirements.

Results of Operations

Rental revenues from continuing operations were \$1,363,136 during the six months ended June 30, 2004, as compared to \$1,374,423 during the same period of 2003, \$680,724 and \$689,817 of which were earned during the second quarter of 2004 and 2003, respectively. Rental revenues from continuing operations remained relatively constant, as the leased property portfolio did not change.

We earned \$13,656 of contingent rental income during the six months ended June 30, 2004, as compared to \$7,182 during the same period of 2003, \$5,314 and \$1,961 of which were earned during the second quarters of 2004 and 2003, respectively. The increase in contingent rental income was attributable to an increase in the reported sales of certain restaurant Properties, the leases of which require the payment of contingent rent.

In December 2003, Waving Leaves, Inc., the tenant of the Property in Ravenna, Ohio filed for Chapter 11 bankruptcy protection. In May 2004, the lease was assigned to and assumed by Hardee's Food Systems, Inc. As of August 9, 2004, we have received all rental payments relating to this lease.

We earned \$166,933 attributable to net income earned by unconsolidated joint ventures during the six months ended June 30, 2004, as compared to \$154,506 during the same period of 2003, \$90,843 and \$79,616 of which were earned during the quarters ended June 30, 2004 and 2003, respectively. The increase in net income earned by unconsolidated joint ventures was partially due to the fact that in November 2003, we invested in a Property in Tucker, Georgia with CNL Income Fund XIII, Ltd., CNL Income Fund XIV, Ltd. and CNL Income Fund XV, Ltd. as tenants-in-common. Each of the CNL Income Funds is a Florida limited partnership pursuant to the laws of the state of Florida and an affiliate of the general partners. During the six months ended June 30, 2003, CNL Ocean Shores Joint Venture, in which we owned a 69.06% interest, did not record rental revenues because the tenant of the Property owned by this joint venture executed a termination of the tenant's lease rights and the tenant surrendered the premises. In September 2003, the joint venture sold this Property and in October 2003, the joint venture was liquidated.

Operating expenses, including depreciation and amortization expense, were \$412,547 during the six months ended June 30, 2004, as compared to \$362,363 during the same period of 2003, \$196,266 and \$156,727 of which were incurred during the quarters ended June 30, 2004 and 2003, respectively. The increase in operating expenses during the quarter and six months ended June 30, 2004, was primarily due to incurring additional general operating and administrative expenses, including legal fees.

We recognized income from discontinued operations (rental revenues less property related expenses) of \$63,515 during the six months ended June 30, 2004, as compared to \$49,081 during the same period of 2003, \$31,758 and \$24,451 of which were recognized during the quarters ended June 30, 2004 and 2003, respectively. In July 2004, we sold the Property in Romulus, Michigan, as described above.

In December 2003, the Financial Accounting Standards Board issued a revision to FASB Interpretation No. 46 (originally issued in January 2003) ("FIN 46R"), "Consolidation of Variable Interest Entities" requiring existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries. Application of FIN 46R is required in financial statements of public entities that have interests in variable interest entities for periods ending after March 15, 2004. We adopted FIN 46R during the quarter ended March 31, 2004. We were not the primary beneficiary of a variable interest entity at the time of adoption of FIN 46R, therefore the adoption had no effect on the balance sheet, partners' capital or net income.

The general partners believe their primary objective is to maintain current operations with restaurant operators as successfully as possible, while evaluating strategic alternatives, including alternatives that may provide liquidity to the limited partners. Real estate markets are strong throughout much of the nation, and the performance of restaurants has generally improved after several challenging years. As a result, the general partners believe that this is an attractive period for a strategic event to monetize the interests of the limited partners.

In furtherance of this, on August 9, 2004, we entered into a definitive Agreement and Plan of Merger pursuant to which we will be merged with a subsidiary of U.S. Restaurant Properties, Inc. (NYSE: USV). The merger is one of multiple concurrent transactions pursuant to which 17 other affiliated limited

partnerships also will be merged with a subsidiary of U.S. Restaurant Properties, Inc. and in which CNL Restaurant Properties, Inc., an affiliate, also will be merged with U.S. Restaurant Properties, Inc. Our merger (and each of the 17 other affiliated mergers) is subject to certain conditions including approval by a majority of the limited partners, consummation of a minimum number of limited partnership mergers representing at least 75.0% in value (as measured by the value of the merger consideration) of all limited partnerships, consummation of the merger between U. S. Restaurant Properties, Inc. and CNL Restaurant Properties, Inc., approval of the shareholders of U.S. Restaurant Properties, Inc., and availability of financing. U.S. Restaurant Properties, Inc. is a real estate investment trust (REIT) that focuses primarily on acquiring, owning and leasing restaurant properties. The transaction is expected to be consummated in the first quarter of 2005.

Under the terms of the transaction, our limited partners will receive total consideration of approximately \$34.22 million, consisting of approximately \$28.62 million in cash and approximately \$5.60 million in U.S. Restaurant Properties, Inc. Series A Convertible Preferred Stock that is listed on the New York Stock Exchange. The general partners will receive total consideration of approximately \$205,000 consisting of approximately \$171,000 in cash and approximately \$34,000 in preferred stock.

We received an opinion from Wachovia Capital Markets, LLC that as of August 9, 2004 the merger consideration to be received by the holders of our general and limited partnership interests is fair, from a financial point of view, to such holders.

As reflected above, the contemplated transactions are complex, and contingent upon certain conditions. The restaurant marketplace, the real estate industry, and the equities markets, all individually or taken as a whole, could impact the economics of this transaction. As a result, there is no assurance that we will be successful in completing the contemplated transaction.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

The general partners maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in our filings under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. The principal executive and financial officers of the corporate general partner have evaluated our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q and have determined that such disclosure controls and procedures are effective.

There was no change in internal control over financial reporting that occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

9

PART II. OTHER INFORMATION

Item 1. Legal Proceedings. Inapplicable.

Item 2. Changes in Securities. Inapplicable.

Item 3. Default upon Senior Securities. Inapplicable.

Item 4. Submission of Matters to a Vote of Security Holders. Inapplicable.

Item 5. Other Information. Inapplicable.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

3.1 Affidavit and Certificate of Limited Partnership of CNL

Income Fund X, Ltd. (Included as Exhibit 3.1 to Registration Statement No. 33-35049 on Form S-11 and incorporated herein by reference.)

- 4.1 Affidavit and Certificate of Limited Partnership of CNL Income Fund X, Ltd. (Included as Exhibit 3.1 to Registration Statement No. 33-35049 on Form S-11 and incorporated herein by reference.)
- 4.2 Amended and Restated Agreement of Limited Partnership of CNL Income Fund X, Ltd. (Included as Exhibit 3.3 to Post-Effective Amendment No. 4 to Registration Statement No. 33-35049 on Form S-11 and incorporated herein by reference.)
- 10.1 Management Agreement between CNL Income Fund X, Ltd. and CNL Investment Company. (Included as Exhibit 10.1 to Form 10-K filed with the Securities and Exchange Commission on March 17, 1998, and incorporated herein by reference.)
- 10.2 Assignment of Management Agreement from CNL Investment Company to CNL Income Fund Advisors, Inc. (Included as Exhibit 10.2 to Form 10-K filed with the Securities and Exchange Commission on March 30, 1995, and incorporated herein by reference.)
- 10.3 Assignment of Management Agreement from CNL Income Fund Advisors, Inc. to CNL Fund Advisors, Inc. (Included as Exhibit 10.3 to Form 10-K filed with the Securities and Exchange Commission on April 1, 1996, and incorporated herein by reference.)
- 10.4 Assignment of Management Agreement from CNL Fund Advisors, Inc. to CNL APF Partners, LP (Included as Exhibit 10.4 to Form 10-Q filed with the Securities and Exchange Commission on August 13, 2001, and incorporated herein by reference.)
- 10.5 Assignment of Management Agreement from CNL APF Partners, LP to CNL Restaurants XVIII, Inc. (Included as Exhibit 10.5 to Form 10-Q filed with the Securities and Exchange Commission on August 13, 2002, and incorporated herein by reference.)

10

- 31.1 Certification of Chief Executive Officer of Corporate General Partner Pursuant to Rule 13a-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)
- 31.2 Certification of Chief Financial Officer of Corporate General Partner Pursuant to Rule 13a-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)
- 32.1 Certification of Chief Executive Officer of Corporate General Partner Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)
- 32.2 Certification of Chief Financial Officer of Corporate General Partner Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended June 30, 2004.

11

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DATED this 9th day of August, 2004.

By: CNL REALTY CORPORATION
General Partner

By: /s/ James M. Seneff, Jr.

JAMES M. SENEFF, JR.
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Robert A. Bourne

ROBERT A. BOURNE
President and Treasurer
(Principal Financial and
Accounting Officer)

EXHIBIT INDEX

Exhibit Number

(c) Exhibits

- 3.1 Affidavit and Certificate of Limited Partnership of CNL Income Fund X, Ltd. (Included as Exhibit 3.1 to Registration Statement No. 33-35049 on Form S-11 and incorporated herein by reference.)
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- 31.2 Certification of Chief Financial Officer of Corporate General Partner Pursuant to Rule 13a-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)
- 32.1 Certification of Chief Executive Officer of Corporate General Partner Pursuant to 18 U.S.C. Section 1350 as Adopted

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(Filed herewith.)

32.2 Certification of Chief Financial Officer of Corporate General
Partner Pursuant to 18 U.S.C. Section 1350 as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(Filed herewith.)

EXHIBIT 31.1

EXHIBIT 31.2

EXHIBIT 32.1

EXHIBIT 32.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
OF CORPORATE GENERAL PARTNER

PURSUANT TO RULE 13a-14 AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James M. Seneff, Jr., the Chief Executive Officer of CNL Realty Corporation, the corporate general partner of CNL Income Fund X, Ltd. (the "registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ James M. Seneff, Jr.

James M. Seneff, Jr.
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER
OF CORPORATE GENERAL PARTNER

PURSUANT TO RULE 13a-14 AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert A. Bourne, the President and Treasurer of CNL Realty Corporation, the corporate general partner of CNL Income Fund X, Ltd. (the "registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Robert A. Bourne

Robert A. Bourne
President and Treasurer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
OF CORPORATE GENERAL PARTNER

PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, James M. Seneff, Jr., the Chief Executive Officer of CNL Realty Corporation, the corporate general partner of CNL Income Fund X, Ltd. (the "Partnership"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Partnership's Quarterly Report on Form 10-Q for the period ending June 30, 2004 (the "Report"). The undersigned hereby certifies that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: August 9, 2004

/s/ James M. Seneff, Jr.

Name: James M. Seneff, Jr.
Title: Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to CNL Income Fund X, Ltd. and will be retained by CNL Income Fund X, Ltd. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
OF CORPORATE GENERAL PARTNER

PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Robert A. Bourne, the President and Treasurer of CNL Realty Corporation, the corporate general partner of CNL Income Fund X, Ltd. (the "Partnership"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Partnership's Quarterly Report on Form 10-Q for the period ending June 30, 2004 (the "Report"). The undersigned hereby certifies that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: August 9, 2004

/s/ Robert A. Bourne

Name: Robert A. Bourne

Title: President and Treasurer

A signed original of this written statement required by Section 906 has been provided to CNL Income Fund X, Ltd. and will be retained by CNL Income Fund X, Ltd. and furnished to the Securities and Exchange Commission or its staff upon request.