

Montrose Place Apartments

PRO FORMA STATEMENT

INCOME	P/Unit	Proforma
GROSS INCOME		
Gross Potential Rent	5,797	417,384
Loss to Lease	-0.5%	(2,087)
Gross Potential Rent	5,768	415,297
Vacancy Loss	-5.6%	(22,945)
Other Losses	-2.3%	(9,454)
TOTAL RENT	5,318	382,898
Other Income	167	12,000
TOTAL INCOME	5,485	394,898
EXPENSES		
Payroll/burden	708	51,000
Administrative	118	8,500
Management Fees	219	15,796
Marketing	42	3,000
Utilities	250	18,000
Repair/Maintenance	375	27,000
Contract Service	69	5,000
Property Insurance	226	16,237
Real Estate Taxes	648	46,677
TOTAL EXPENSES	2,656	191,209
	P/Sq Ft 4.49	
NET OPERATING INCOME	2,829	203,689
Capital Improvements	0	0
Replacement Reserves	300	21,600
NET INCOME	2,529	182,089
TOTAL DEBT SERVICE	1,864	134,232
NET CASH FLOW	665	47,857

<i>Gross Rent Multiplier:</i>	<i>5.51</i>
<i>Capitalization Rate:</i>	<i>7.9%</i>
<i>Cash on Cash:</i>	<i>10.4%</i>
<i>Return on Investment:</i>	<i>15.2%</i>

Notes:

\$2,300,000

2008 Rents and expenses are grown by two percent

Taxes are calculated at 80% of the Offering Price at the 2006 tax rate of 2.536773%

Replacement Reserves are estimated based on condition of property

One Owner Occupied Units - office

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