CHERRY BLOSSOM APARTMENTS

123 BEALE STREET

MEMPHIS, TENNESSEE

**PRO FORMA OPERATING STATEMENT**

Income:

Gross Scheduled Rents (a) $1,876,000

Laundry & Vending Income (b) 4,132

Parking Income (b) 7,902

 Gross Potential Income: $1,888,034

Less 5% Reserve For Vacancy and Collection Losses 94,401

 Effective Gross Income: $1,793,632

Expenses:

Real Estate Taxes (c) $ 56,387

Fire and Liability Insurance 23,876

Repairs and Maintenance 36,877

Gas 4,890

Electric 13,301

Management (d) 89,683

Pool Maintenance 16,588
Cleaning and Painting 4,000

Reserves for Replacement (e) 53,809

 Total Expenses (f): 309,411

 Net Operating Income: $1,488,181

Notes:

1. Current actual rents, including the market rent of the manager’s unit and any vacant units.
2. Last year’s actual income.
3. Because this is a purchase money deal and real estate taxes will be reassessed, we have used 1.25% of the purchase price.
4. 5% of Effective Gross Income.
5. 3% of Effective Gross Income
6. Unless otherwise indicated, all expenses are last year’s actual figures.