



2000 BUDGET RATIONALE



PROJECT: Sample Apartment Community

PREPARED BY: BH/CH

BUDGET PERIOD: Jan 1 through Dec 31, 2000

DATE PREPARED: October 27, 1999

UPDATED: December 13, 1999

INCOME

4110 Rent

See Exhibit I for Apartment Rent Calculations. The number of move-ins and move-outs will vary slightly with seasonal market fluctuations.

4170 Garage Rent

We have 96 garages that each rent for \$60 per month. Currently, management is occupying six of the garages with left over construction and maintenance supplies. We are predicting 95% occupancy steadily throughout the year.

4230 Storage Rent

The property has 36 storage units that renting for \$15 each per month. We are predicting 95% monthly occupancy and there are no current management units.

4410 Rental Vacancy

See Exhibit I for Total Vacancy & Loss. There is a slight vacancy loss incurred by allowing up to five days for each turnover. These five days allots time for management to get the unit market-ready, performing whatever maintenance may be necessary.

4420 Management Units

There are currently 2 small two-bedroom management units. Our assistant manager occupies apartment #207 and the other management unit is our model apartment #111. We will be hiring a maintenance technician in April who will ideally live on-site and occupy a small two-bedroom.

4548 Forfeited Security Deposit

We anticipate collecting approximately \$50 from every unit vacated according to the number of move-outs we project. Please see Exhibit I for the projected move-in and move-out schedule.

4650 Laundry/Vending

The property has one community laundry facility located in the clubhouse. The facility consists of four washers and four dryers costing \$1.00 and \$.75 per load respectively. Our equipment rental and service contract is through Jetz Service Company. We anticipate collecting approximately \$360 per month, 50% of the total laundry income collections.

4690 NSF & Late Charges

Rent is due on the 1st of each month with a grace period until the 5th. The late charges under our lease agreement are \$25 on 6th and \$1 each additional day thereafter. There is also a \$25 charge for insufficient funds checks plus the accumulated late charges.

4780 Application Fees

Application fees of \$25 are charged to each new applicant to run credit reports and background checks prior to approval. These figures are calculated based on the number of projected move-ins each month at a 65% acceptance rate of the applications.

4890 Miscellaneous

We predict collecting \$900 in miscellaneous income per month. This includes past tenant collections, washer/dryer rentals and pet fees.