

424 MELROSE

A Co-operative Plan of Purchase



KIRKHAM-BOHNEN-KRAFT · INC.

612 NORTH MICHIGAN AVE.

SUPERIOR 2069

Management-Sale



Schedule of Co-operative Prices

| Apt. | Rooms | Normal Monthly Rental | Purchase Price of Equity | Average Annual Increase of Owner's Equity | Total Value of Equity After 11¼ Years | Estimated Annual Cash Dividend After Maturity of Loan |
|-------|-------|-----------------------------|--------------------------------|---|---|--|
| A 2 | 7 | \$340.00 | \$29,500.00 | \$1,287.27 | \$43,981.70 | \$2,489.80 |
| 3 | 7 | 345.00 | 30,000.00 | 1,309.09 | 44,726.50 | 2,532.00 |
| 4 | 7 | 350.00 | 30,500.00 | 1,330.90 | 45,471.90 | 2,574.20 |
| 5 | 7 | 355.00 | 31,000.00 | 1,352.72 | 46,217.45 | 2,616.40 |
| 6 | 7 | 360.00 | 31,500.00 | 1,374.55 | 46,962.90 | 2,658.60 |
| 7 | 7 | 380.00 | 32,500.00 | 1,418.19 | 48,453.90 | 2,743.00 |
| 8 | 7 | 390.00 | 33,000.00 | 1,440.00 | 49,219.30 | 2,785.20 |
| 9 | 7 | 400.00 | 33,500.00 | 1,461.82 | 49,944.70 | 2,827.40 |
| 10 | 7 | 405.00 | 33,500.00 | 1,461.82 | 49,944.70 | 2,827.40 |
| 11 | 7 | 410.00 | 34,000.00 | 1,483.65 | 50,690.30 | 2,869.60 |
| 12 | 7 | 410.00 | 34,000.00 | 1,483.65 | 50,690.30 | 2,869.60 |
| 13 | 7 | 415.00 | 34,000.00 | 1,483.65 | 50,690.30 | 2,869.60 |
| 14 | 7 | 415.00 | 34,500.00 | 1,505.45 | 51,435.60 | 2,911.80 |
| 15 | 7 | 415.00 | 35,000.00 | 1,527.28 | 52,181.20 | 2,954.00 |
| B 2 | 6 | 285.00 | 22,200.00 | 968.72 | 33,097.40 | 1,873.68 |
| 3 | 6 | 290.00 | 22,700.00 | 990.55 | 33,842.90 | 1,915.88 |
| 4 | 6 | 295.00 | 23,600.00 | 1,029.82 | 35,184.70 | 1,991.84 |
| 5 | 6 | 300.00 | 24,500.00 | 1,069.09 | 36,526.50 | 2,067.80 |
| 6 | 6 | 305.00 | 25,500.00 | 1,112.73 | 38,017.50 | 2,152.20 |
| 7 | 6 | 325.00 | 26,500.00 | 1,156.37 | 39,508.40 | 2,236.60 |
| 8 | 6 | 335.00 | 27,000.00 | 1,176.19 | 40,253.90 | 2,278.80 |
| 9 | 6 | 345.00 | 27,500.00 | 1,200.00 | 40,999.30 | 2,320.00 |
| 10 | 6 | 350.00 | 27,500.00 | 1,200.00 | 40,999.30 | 2,320.00 |
| 11 | 6 | 355.00 | 28,000.00 | 1,221.80 | 41,744.50 | 2,362.20 |
| 12 | 6 | 355.00 | 28,000.00 | 1,221.80 | 41,744.50 | 2,362.20 |
| 13 | 6 | 360.00 | 28,000.00 | 1,221.80 | 41,744.50 | 2,362.20 |
| 14 | 6 | 360.00 | 28,500.00 | 1,243.64 | 42,490.25 | 2,405.40 |
| 15 | 6 | 360.00 | 29,000.00 | 1,265.45 | 43,235.60 | 2,447.60 |
| TOTAL | | \$10,010.00 | \$825,000.00 | \$36,000.00 | \$1,230,000.00 | \$69,626.00 |

Typical Floor Plan - 424 Melrose Street

Annual Requirements—Operating Expenses

| | |
|---|--------------|
| TAXES | \$12,000.00 |
| LABOR | 18,220.00 |
| Janitor and Helpers | |
| Elevator Operators | |
| Night Man | |
| Telephone Operator | |
| Receiving Clerk | |
| COAL | 7,500.00 |
| ELECTRICITY to all Apartments | 7,200.00 |
| GAS to all Apartments | 2,500.00 |
| INSURANCE | |
| Fire, Boiler and Liability | 2,000.00 |
| MAINTENANCE and Supplies | 1,800.00 |
| DECORATING Rented Apartments | 7,000.00 |
| WATER | 1,200.00 |
| ASH REMOVAL | 480.00 |
| FEDERAL TAX | 700.00 |
| MANAGEMENT | 8,000.00 |
| | \$ 68,600.00 |

Prepayments and Interest

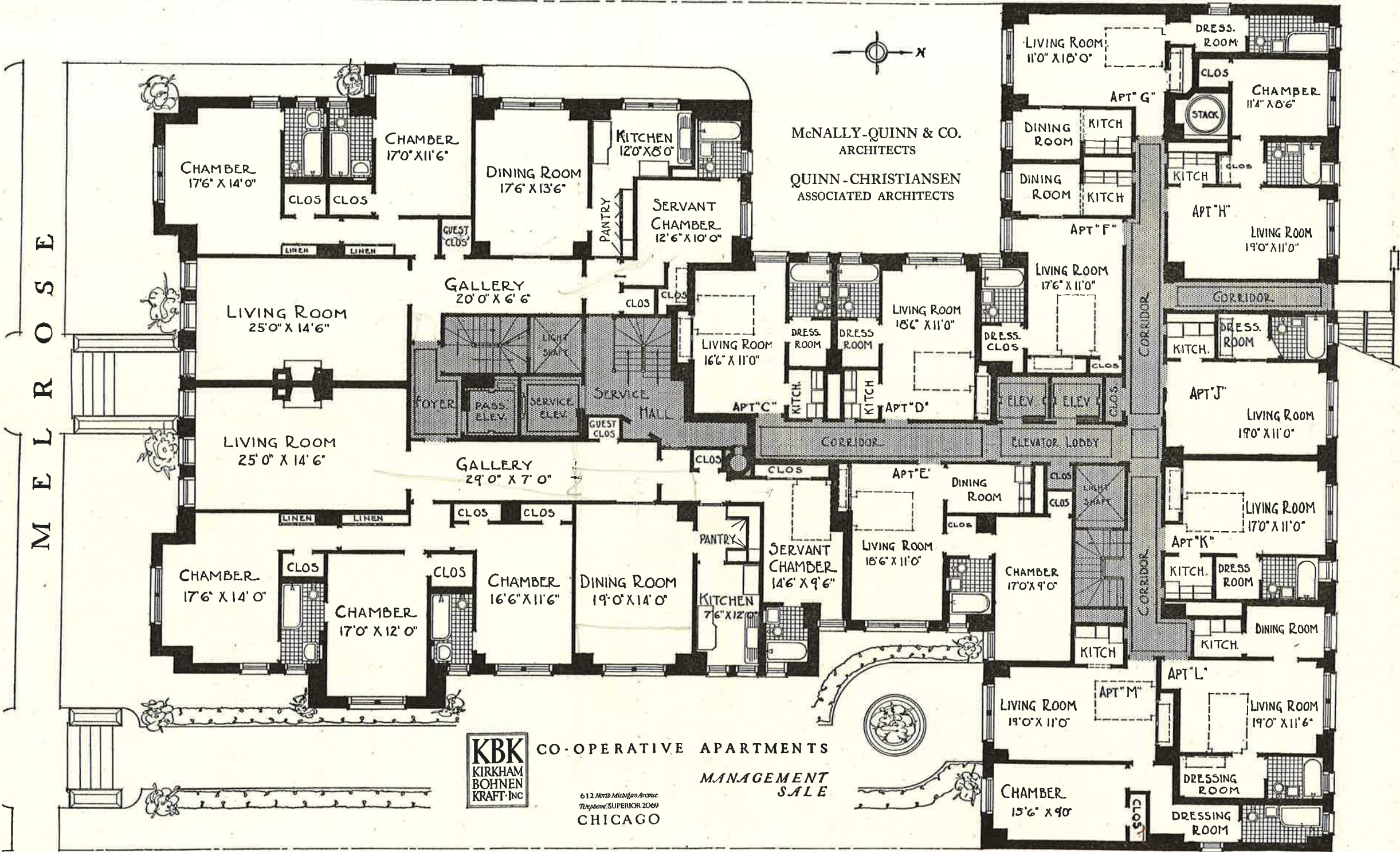
| | |
|------------------------------------|--------------|
| Average Loan Prepayment | \$36,000.00 |
| Average Interest Payment | 69,840.20 |
| | \$105,840.20 |
| Total Requirements | \$174,440.20 |

Total Annual Requirements for the Period of Loan, 11¼ Years

| | |
|---|--------------|
| Rental Income | \$199,140.00 |
| Operating Expenses | |
| Estimated | \$ 68,600.00 |
| Average Interest of Mortgage | 69,840.20 |
| Average Loan Prepayment | 36,000.00 |
| Allowance of 10% for Vacancies on Rented Apartments | 19,914.00 |
| | 194,354.20 |
| Estimated Average Net Surplus | \$ 4,785.80 |

Condition After Maturity

| | |
|---|--------------|
| Rental Income | \$199,140.00 |
| Operating Expenses | |
| Estimated | \$ 68,600.00 |
| Interest on \$820,000.00 @ 5% | 41,000.00 |
| Allowance of 10% for Vacancies on Rented Apartments | 19,914.00 |
| | \$129,514.00 |
| Net Annual Surplus Estimated to be distributed to tenant owners | \$69,626.00 |
| This is 8.44% on Apartment Investment or \$8.44 per share with Free Rental, Light, Gas and Refrigeration. | |



Balance Sheet

| ASSETS | |
|---|----------------|
| Land, Building and Equipment, estimated value at completion | \$2,050,000.00 |
| LIABILITIES | |
| Mortgage Bonds | \$1,225,000.00 |
| NET WORTH | |
| Capital stock, 8250 shares representing an equity of | \$ 825,000.00 |
| Total liabilities and net worth | \$2,050,000.00 |

Loan Amortization and Interest

| | Principal | Amortization | Interest | Total Int. and Prepayments |
|---------------|----------------|--------------|--------------|----------------------------|
| July 15, 1927 | \$1,225,000.00 | ..... | \$ 59,718.75 | \$ 59,718.75 |
| Jan. 15, 1928 | 1,225,000.00 | ..... | 39,812.50 | 39,812.50 |
| July 15, 1928 | 1,225,000.00 | ..... | 39,812.50 | 39,812.50 |
| Jan. 15, 1929 | 1,225,000.00 | \$ 15,000.00 | 39,812.50 | 54,812.50 |
| July 15, 1929 | 1,210,000.00 | 15,000.00 | 39,325.00 | 54,325.00 |
| Jan. 15, 1930 | 1,195,000.00 | 15,000.00 | 38,837.50 | 53,837.50 |
| July 15, 1930 | 1,180,000.00 | 15,000.00 | 38,350.00 | 53,350.00 |
| Jan. 15, 1931 | 1,165,000.00 | 19,000.00 | 37,862.50 | 56,862.50 |
| July 15, 1931 | 1,146,000.00 | 19,000.00 | 37,245.00 | 56,245.00 |
| Jan. 15, 1932 | 1,127,000.00 | 21,000.00 | 36,627.50 | 57,627.50 |
| July 15, 1932 | 1,106,000.00 | 21,000.00 | 35,945.00 | 56,945.00 |
| Jan. 15, 1933 | 1,085,000.00 | 23,000.00 | 35,262.50 | 58,262.50 |
| July 15, 1933 | 1,062,000.00 | 23,000.00 | 34,575.00 | 57,575.00 |
| Jan. 15, 1934 | 1,039,000.00 | 25,000.00 | 33,767.50 | 58,767.50 |
| July 15, 1934 | 1,014,000.00 | 25,000.00 | 32,955.00 | 57,955.00 |
| Jan. 15, 1935 | 989,000.00 | 28,000.00 | 32,142.50 | 60,142.50 |
| July 15, 1935 | 961,000.00 | 28,000.00 | 31,332.50 | 59,332.50 |
| Jan. 15, 1936 | 933,000.00 | 28,000.00 | 30,322.50 | 58,322.50 |
| July 15, 1936 | 905,000.00 | 28,000.00 | 29,412.50 | 57,412.50 |
| Jan. 15, 1937 | 877,000.00 | 28,000.00 | 28,502.50 | 56,502.50 |
| July 15, 1937 | 849,000.00 | 29,000.00 | 27,592.50 | 56,592.50 |
| Jan. 15, 1938 | 820,000.00 | ..... | 26,650.00 | 26,650.00 |
| TOTALS | | \$405,000.00 | \$785,803.75 | \$1,190,803.75 |

*Figures for 9 months, Oct. 1, 1926, to July 1, 1927.
a Rental Income less 10% allowance for vacancies.

Semi-Annual Income and Requirements

| Estimated Semi-Annual Operating Exp. | Semi-Annual Total Requirements | Semi-Annual Rental Income a (less 10%) | Surplus | Deficit |
|--------------------------------------|--------------------------------|--|----------------|-------------|
| *\$ 54,450.00 | *\$ 114,168.75 | *\$ 134,420.00 | \$20,251.25 | ..... |
| 34,300.00 | 74,112.50 | 89,613.00 | 15,500.50 | ..... |
| 34,300.00 | 74,112.50 | 89,613.00 | 15,500.50 | ..... |
| 34,300.00 | 89,112.50 | 89,613.00 | 500.50 | ..... |
| 34,300.00 | 88,625.00 | 89,613.00 | 988.00 | ..... |
| 34,300.00 | 88,113.50 | 89,613.00 | 1,499.50 | ..... |
| 34,300.00 | 87,650.00 | 89,613.00 | 1,963.00 | ..... |
| 34,300.00 | 91,162.50 | 89,613.00 | ..... | \$1,549.50 |
| 34,300.00 | 90,545.00 | 89,613.00 | ..... | 932.000 |
| 34,300.00 | 91,927.50 | 89,613.00 | ..... | 2,314.50 |
| 34,300.00 | 91,245.00 | 89,613.00 | ..... | 1,632.00 |
| 34,300.00 | 92,562.50 | 89,613.00 | ..... | 2,949.50 |
| 34,300.00 | 91,815.00 | 89,613.00 | ..... | 2,202.00 |
| 34,300.00 | 93,067.50 | 89,613.00 | ..... | 3,454.50 |
| 34,300.00 | 92,255.00 | 89,613.00 | ..... | 2,642.00 |
| 34,300.00 | 94,442.50 | 89,613.00 | ..... | 4,829.50 |
| 34,300.00 | 93,632.50 | 89,613.00 | ..... | 4,019.50 |
| 34,300.00 | 92,622.50 | 89,613.00 | ..... | 3,009.50 |
| 34,300.00 | 91,712.50 | 89,613.00 | ..... | 2,099.50 |
| 34,300.00 | 90,802.50 | 89,613.00 | ..... | 1,189.50 |
| 34,300.00 | 90,892.50 | 89,613.00 | ..... | 1,279.50 |
| 34,300.00 | 60,950.00 | 89,613.00 | 28,663.00 | ..... |
| TOTALS | \$774,750.00 | \$1,965,529.75 | \$2,016,293.00 | \$84,866.25 |
| | | | \$34,103.00 | \$34,103.00 |

TOTAL SURPLUS FOR 11 1/4 YEARS \$50,763.25

Securities in Class D under Illinois Securities Law. These are speculative securities.

The statements herein contained and all information given have been obtained from thoroughly investigated sources which we believe to be absolutely reliable and authentic and, while not guaranteed, have been accepted by us.