

Exhibit III
Targets/Assumptions for Projected Sources and Uses of Revolving Fund
3/16/2016

	<u>Summary of Results over last 15 Years</u>				<u>Summary Adjusted for Properties with Unusual Circumstances (b)</u>				<u>Assumptions Used in Projected Sources & Uses</u>	
Funds Used to Acquire/Stabilize Properties Sold			15,785,622				8,913,475			
Replenishment of Funds From Sold Properties			<u>12,353,820</u>				<u>7,884,868</u>			
Net Loss			(3,431,802)				(1,028,607)			
% Replenishment of Revolving Fund			78.3%				88.5%		88.5%	
Number of Properties Sold (a)			24				16			
Average Months on Market			46				32			
Range of Months on Market			<1 to 151				<1 to 129			
	<u>Number</u>	<u>% Total</u>	<u>\$ Amount</u>	<u>% Total</u>	<u>Number</u>	<u>% Total</u>	<u>\$ Amount</u>	<u>% Total</u>		
Properties Sold in ≤12M	9	38%	3,944,636	32%	9	53%	3,944,636	50%	25%	
Properties Sold in >12M to ≤24 M	2	8%	1,959,448	16%	2	12%	1,959,448	25%	25%	Reduced to account for disproportionate impact of one \$2million transaction.
Properties Sold in >24 M to ≤36 M	0	0%	0	0%	0	0%	0	0%	15%	Assume sales will become more even with pollicy of minimal improvement.
Properties Sold in >36 M to ≤48 M	0	0%	0	0%	0	0%	0	0%	15%	Assume sales will become more even with pollicy of minimal improvement.
Properties Sold in >48 M to ≤60M	5	21%	2,231,789	18%	3	18%	965,917	12%	10%	Assume sales will become more even with purchases made each year.
Properties Sold in >60 M	<u>8</u>	<u>33%</u>	<u>4,198,699</u>	<u>34%</u>	<u>3</u>	18%	<u>1,014,868</u>	<u>13%</u>	<u>10%</u>	Assume sales will become more even with purchases made each year.
	24	100%	12,334,571	100%	17	100%	7,884,868	100%	100%	
Properties Sold at a Loss of > 5%				14				7		
Properties Sold at a Gain or Loss of < 5%				10				10		
Additional Expenditures (Stabilization/Rehab) as % of Purchase Price				66.5%				26.7%	26.7%	

(a) Total number of projects is 20. The Charlotte Cotton Mill is considered as 4 separate projects because it was sold as 4 condominiums over a period of time.

(b) Excluding these four properties from the project list results in substantially different calculations for average % additional expenditures, loss on sale and months to sell. Both the Cotton Mill (including purchase of additional parking spaces) and the Grier Rea House (including purchase of a lot and two relocations) had unusual aspects that justify exclusion for analytical purposes.

Additionally the Grier Rea House and the other two houses had internal improvements that went beyond stabilization. This occurred before the HLC's 2003 adoption of a policy limiting such expenditures.