



## **The Georgia**

79 Unit Apartment Building

32456 West Kaywood Street

Austin, Texas 73402  
USA

Mar 03, 2008



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**Income & Expense Statement**

The Georgia

79 Unit Apartment Building

March 03, 2008  
 Analyzer Pro  
 Rental Apartment Building

**2007 from Owner (12 months)**

	Quantity		% of EGI	\$ per Sq. Ft	\$ per Unit or Sq. Ft
<b>Income</b>					
Studios	4	\$ 31,200	3.96%	-	\$ 650 /mo
One Bedrooms	58	563,760	71.61%	-	810 /mo
Two bedrooms	11	128,700	16.35%	-	975 /mo
Three Bedrooms	4	50,400	6.40%	-	1,050 /mo
Laundry	79	11,376	1.44%	-	12 /mo
Parking	81	29,160	3.70%	-	30 /mo
<b>Potential Gross Income</b>		<b>814,596</b>	<b>103.47%</b>	<b>1.17 /mo</b>	<b>859 /mo</b>
Less: Vacancy and Credit Loss Allow.		27,297	3.47%	0.04 /mo	29 /mo
<b>Effective Gross Income</b>		<b>787,299</b>	<b>100.00%</b>	<b>1.13 /mo</b>	<b>830 /mo</b>
<b>Operating Expenses.</b>					
Accounting and Legal		2,000	0.25%	0.03 /yr	25 /yr
Advertising		2,500	0.32%	0.04 /yr	32 /yr
Licenses and Permits		2,100	0.27%	0.04 /yr	27 /yr
Insurance		9,000	1.14%	0.16 /yr	114 /yr
Prop. Management		31,492	4.00%	0.54 /yr	399 /yr
Salary, Res. Caretaker		21,000	2.67%	0.36 /yr	266 /yr
Property Taxes		21,000	2.67%	0.36 /yr	266 /yr
Maintenance & Repairs		16,590	2.11%	0.29 /yr	210 /yr
Elevator Service		4,800	0.61%	0.08 /yr	61 /yr
Utilities		27,650	3.51%	0.48 /yr	350 /yr
Supplies		2,400	0.30%	0.04 /yr	30 /yr
Garbage Collection		4,740	0.60%	0.08 /yr	60 /yr
Other Expenses		28,440	3.61%	0.49 /yr	360 /yr
<b>Operating Expenses</b>		<b>173,712</b>	<b>22.06%</b>	<b>3.00 /yr</b>	<b>2,199 /yr</b>
<b>Net Operating Income (NOI)</b>		<b>613,587</b>	<b>77.94%</b>	<b>10.58 /yr</b>	<b>7,767 /yr</b>
Less: Debt Service		313,810	39.86%	5.41 /yr	0.45 /mo
<b>CASH FLOW BEFORE TAX</b>		<b>299,777</b>	<b>38.08%</b>	<b>5.17 /yr</b>	<b>0.43 /mo</b>



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	Quantity	<u>2007 from Owner</u> <u>(12 months)</u>
<b>Income</b>		
Studios	4	\$ 31,200
One Bedrooms	58	563,760
Two bedrooms	11	128,700
Three Bedrooms	4	50,400
Laundry	79	11,376
Parking	81	<u>29,160</u>
<b>Potential Gross Income</b>		<b>814,596</b>
Less: Vacancy and Credit Loss Allow.		<u>27,297</u>
<b>Effective Gross Income</b>		<b>787,299</b>
<b>Operating Expenses.</b>		
Accounting and Legal		2,000
Advertising		2,500
Licenses and Permits		2,100
Insurance		9,000
Prop. Management		31,492
Salary, Res. Caretaker		21,000
Property Taxes		21,000
Maintenance & Repairs		16,590
Elevator Service		4,800
Utilities		27,650
Supplies		2,400
Garbage Collection		4,740
Other Expenses		<u>28,440</u>
<b>Operating Expenses</b>		<b>173,712</b>
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**2008 Forecasted (12 months)**

	Quantity		% of EGI	\$ per Sq. Ft	\$ per Unit or Sq. Ft
<b>Income</b>					
Studios	4	\$ 32,160	4.01%	-	\$ 670 /mo
One Bedrooms	58	570,720	71.17%	-	820 /mo
Two bedrooms	11	135,300	16.87%	-	1,025 /mo
Three Bedrooms	4	52,800	6.58%	-	1,100 /mo
Laundry	79	12,324	1.54%	-	13 /mo
Parking	81	32,076	4.00%	-	33 /mo
<b>Potential Gross Income</b>		<b>835,380</b>	<b>104.17%</b>	<b>1.20 /mo</b>	<b>881 /mo</b>
Less: Vacancy and Credit Loss Allow.		33,415	4.17%	0.05 /mo	35 /mo
<b>Effective Gross Income</b>		<b>801,965</b>	<b>100.00%</b>	<b>1.15 /mo</b>	<b>846 /mo</b>
<b>Operating Expenses.</b>					
Accounting and Legal		6,000	0.75%	0.10 /yr	76 /yr
Advertising		7,000	0.87%	0.12 /yr	89 /yr
Licenses and Permits		2,500	0.31%	0.04 /yr	32 /yr
Insurance		14,000	1.75%	0.24 /yr	177 /yr
Prop. Management		40,098	5.00%	0.69 /yr	508 /yr
Salary, Res. Caretaker		31,200	3.89%	0.54 /yr	395 /yr
Property Taxes		29,000	3.62%	0.50 /yr	367 /yr
Maintenance & Repairs		39,500	4.93%	0.68 /yr	500 /yr
Elevator Service		8,400	1.05%	0.14 /yr	106 /yr
Utilities		33,575	4.19%	0.58 /yr	425 /yr
Supplies		3,000	0.37%	0.05 /yr	38 /yr
Garbage Collection		7,110	0.89%	0.12 /yr	90 /yr
Other Expenses		113,760	14.19%	1.96 /yr	1,440 /yr
<b>Operating Expenses</b>		<b>335,143</b>	<b>41.79%</b>	<b>5.78 /yr</b>	<b>4,242 /yr</b>
<b>Net Operating Income (NOI)</b>		<b>466,822</b>	<b>58.21%</b>	<b>8.05 /yr</b>	<b>5,909 /yr</b>
Less: Debt Service		313,810	39.13%	5.41 /yr	0.45 /yr
<b>CASH FLOW BEFORE TAX</b>		<b>153,012</b>	<b>19.08%</b>	<b>2.64 /yr</b>	<b>0.22 /mo</b>



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Advertising		7,000
Licenses and Permits		2,500
Insurance		14,000
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Laundry	79	11,376	1.44%	-	12 /mo	12,324	1.54%	-	13 /mo
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<b>Potential Gross Income</b>		<b>814,596</b>	<b>103.47%</b>	<b>1.17 /mo</b>	<b>859 /mo</b>	<b>835,380</b>	<b>104.17%</b>	<b>1.20 /mo</b>	<b>881 /mo</b>
Less: Vacancy and Credit Loss Allow.		27,297	3.47%	0.04 /mo	29 /mo	33,415	4.17%	0.05 /mo	35 /mo
<b>Effective Gross Income</b>		<b>787,299</b>	<b>100.00%</b>	<b>1.13 /mo</b>	<b>830 /mo</b>	<b>801,965</b>	<b>100.00%</b>	<b>1.15 /mo</b>	<b>846 /mo</b>
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Accounting and Legal		2,000	0.25%	0.03 /yr	25 /yr	6,000	0.75%	0.10 /yr	76 /yr
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Utilities		27,650	3.51%	0.48 /yr	350 /yr	33,575	4.19%	0.58 /yr	425 /yr
Supplies		2,400	0.30%	0.04 /yr	30 /yr	3,000	0.37%	0.05 /yr	38 /yr
Garbage Collection		4,740	0.60%	0.08 /yr	60 /yr	7,110	0.89%	0.12 /yr	90 /yr
Other Expenses		28,440	3.61%	0.49 /yr	360 /yr	113,760	14.19%	1.96 /yr	1,440 /yr
<b>Operating Expenses</b>		<b>173,712</b>	<b>22.06%</b>	<b>3.00 /yr</b>	<b>2,199 /yr</b>	<b>335,143</b>	<b>41.79%</b>	<b>5.78 /yr</b>	<b>4,242 /yr</b>
<b>Net Operating Income (NOI)</b>		<b>613,587</b>	<b>77.94%</b>	<b>10.58 /yr</b>	<b>7,767 /yr</b>	<b>466,822</b>	<b>58.21%</b>	<b>8.05 /yr</b>	<b>5,909 /yr</b>
Less: Debt Service		313,810	39.86%	5.41 /yr	0.45 /mo	313,810	39.13%	5.41 /yr	0.45 /yr
<b>CASH FLOW BEFORE TAX</b>		<b>299,777</b>	<b>38.08%</b>	<b>5.17 /yr</b>	<b>0.43 /mo</b>	<b>153,012</b>	<b>19.08%</b>	<b>2.64 /yr</b>	<b>0.22 /mo</b>



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Advertising		2,500	7,000
Licenses and Permits		2,100	2,500
Insurance		9,000	14,000
Prop. Management		31,492	40,098
Salary, Res. Caretaker		21,000	31,200
Property Taxes		21,000	29,000
Maintenance & Repairs		16,590	39,500
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**Income & Expense Summary**

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**2007 from Owner (12 months)**

		<b>% of</b>	<b>\$</b>	<b>\$</b>
		<b>EGL</b>	<b>per</b>	<b>per Unit or</b>
			<b>Sq. Ft</b>	<b>Sq. Ft</b>
<b>Potential Gross Income</b>	<b>814,596</b>	<b>103.47%</b>	<b>14.04 /yr</b>	<b>1.17 /mo</b>
Less: Vacancy and Credit Loss	27,297	3.47%	0.47 /yr	0.04 /mo
<b>Effective Gross Income</b>	<b>787,299</b>	<b>100.00%</b>	<b>13.57 /yr</b>	<b>1.13 /mo</b>
Operating Expenses	173,712	22.06%	3.00 /yr	0.25 /mo
<b>Net Operating Income</b>	<b>613,587</b>	<b>77.94%</b>	<b>10.58 /yr</b>	<b>0.88 /mo</b>
Less: Debt Service	313,810	39.86%	5.41 /yr	0.45 /mo
<b>Cash Flow Before Tax</b>	<b>299,777</b>	<b>38.08%</b>	<b>5.17 /yr</b>	<b>0.43 /mo</b>



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**2007 from Owner**  
**(12 months)**

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**2008 Forecasted (12 months)**

		<u>% of</u>	<u>\$</u>	<u>\$</u>
		<u>EGL</u>	<u>per</u>	<u>per Unit or</u>
			<u>Sq. Ft</u>	<u>Sq. Ft</u>
<b>Potential Gross Income</b>	<b>835,380</b>	<b>104.17%</b>	<b>14.40 /yr</b>	<b>1.20 /mo</b>
Less: Vacancy and Credit Loss	33,415	4.17%	0.58 /yr	0.05 /mo
<b>Effective Gross Income</b>	<b>801,965</b>	<b>100.00%</b>	<b>13.83 /yr</b>	<b>1.15 /mo</b>
Operating Expenses	335,143	41.79%	5.78 /yr	0.48 /mo
<b>Net Operating Income</b>	<b>466,822</b>	<b>58.21%</b>	<b>8.05 /yr</b>	<b>0.67 /mo</b>
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		<b>% of EGI</b>	<b>\$ per Sq. Ft</b>	<b>\$ per Unit or Sq. Ft</b>		<b>% of EGI</b>	<b>\$ per Sq. Ft</b>	<b>\$ per Unit or Sq. Ft</b>
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**Financial Measures**  
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Purchase Price	\$ 8,000,000
*Acquisition Costs	\$ 160,000
*Total Purchase Price	\$ 8,160,000
Financing	\$ 3,700,000
Equity (Based on the Purchase Price)	\$ 4,300,000
Loan to Value Ratio	46.25%
Units. Rentable Area (Sq. Ft)	58,000
Number of Units	79
Price per Sq. Ft	\$ 138
Price per Unit	\$ 101,266

**2007 from Owner**

Capitalization Rate (Using Purchase Price)	7.67%
Potential Gross Income Multiplier (PGIM)	9.82
Effective Gross Income Multiplier (EGIM)	10.16
Net Income Multiplier (NIM)	13.04
Return on Equity (ROE)	6.97%
Default Ratio or Break-even (Using PGI)	59.85%
Default Ratio or Break-even (Using EGI)	61.92%
Debt Service Ratio	1.96

Income per Unit per Year (Using PGI)	\$ 10,311
Income per Unit per Month (Using PGI)	\$ 859
Income per Sq. Ft per Year (Using PGI)	\$ 14.04
Income per Sq. Ft per Month (Using PGI)	\$ 1.17

Operating Expense Ratio (Using PGI)	21.32%
Operating Expense Ratio (Using EGI)	22.06%
Operating Cost per Unit per Year	\$ 2,199
Operating Cost per Unit per Month	\$ 183
Operating Cost per Sq. Ft per Year	\$ 3.00
Operating Cost per Sq. Ft per Month	\$ 0.25

\* The Financial Measure calculations:

- a) Uses the Purchase Price not the Total Purchase Price which includes the Acquisition costs
- b) Excludes Income and Expenses not included in the Net Operating Income



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Units. Rentable Area (Sq. Ft)	58,000.00
Number of Units	79.00
Price per Sq. Ft	\$ 138
Price per Unit	\$ 101,266

**2008 Forecasted**

Capitalization Rate (Using Purchase Price)	5.84%
Potential Gross Income Multiplier (PGIM)	9.58
Effective Gross Income Multiplier (EGIM)	9.98
Net Income Multiplier (NIM)	17.14
Return on Equity (ROE)	3.56%
Default Ratio or Break-even (Using PGI)	77.68%
Default Ratio or Break-even (Using EGI)	80.92%
Debt Service Ratio	1.49
Income per Unit per Year (Using PGI)	\$ 10,574
Income per Unit per Month (Using PGI)	\$ 881
Income per Sq. Ft per Year (Using PGI)	\$ 14.40
Income per Sq. Ft per Month (Using PGI)	\$ 1.20
Operating Expense Ratio (Using PGI)	40.12%
Operating Expense Ratio (Using EGI)	41.79%
Operating Cost per Unit per Year	\$ 4,242
Operating Cost per Unit per Month	\$ 354
Operating Cost per Sq. Ft per Year	\$ 5.78
Operating Cost per Sq. Ft per Month	\$ 0.48

\* The Financial Measure calculations:

- a) Uses the Purchase Price not the Total Purchase Price which includes the Acquisition costs
- b) Excludes Income and Expenses not included in the Net Operating Income



**2007 from Owner**

**Financial Measures**

Cap Rate	7.00 %
Return on Equity	10.00 %
Potential Gross Income Multiplier	6.00
Effective Gross Income Multiplier	6.40
Net Income Multiplier	11.50

**Purchase Price**

\$ 8,765,529
\$ 6,697,770
\$ 4,887,576
\$ 5,038,714
\$ 7,056,251

**Purchase Price \$ 8,000,000**

Cap Rate	7.67 %
Return on Equity	6.97 %
Potential Gross Income Multiplier	9.82
Effective Gross Income Multiplier	10.16
Net Income Multiplier	13.04

**Financial Measures**

7.67 %
6.97 %
9.82
10.16
13.04

**Notes:**

- The Goal Seeking calculations;
- a) Exclude the Acquisition Costs when calculating the Purchase Price
  - b) Exclude Income and Expenses not included in the Net Operating Income



**2008 Forecasted**

<b>Financial Measures</b>		<b>Purchase Price</b>
Cap Rate	7.00 %	\$ 6,668,886
Return on Equity	10.00 %	\$ 5,230,120
Potential Gross Income Multiplier	6.00	\$ 5,012,280
Effective Gross Income Multiplier	6.40	\$ 5,132,576
Net Income Multiplier	11.50	\$ 5,368,453

<b>Purchase Price</b>	<b>\$ 8,000,000</b>	<b>Financial Measures</b>
Cap Rate		5.84 %
Return on Equity		3.56 %
Potential Gross Income Multiplier		9.58
Effective Gross Income Multiplier		9.98
Net Income Multiplier		17.14

**Notes:**

- The Goal Seeking calculations;
- a) Exclude the Acquisition Costs when calculating the Purchase Price
  - b) Exclude Income and Expenses not included in the Net Operating Income



**Vacancy and Credit Loss Allowances**  
The Georgia  
79 Unit Apartment Building

March 03, 2008  
Analyzer Pro  
Rental Apartment Building

	<b>2007 from Owner</b>	
	<b>(12 months)</b>	
Studios	\$ 624	2.00%
One Bedrooms	19,732	3.50%
Two bedrooms	4,505	3.50%
Three Bedrooms	2,016	4.00%
Laundry	421	3.70%
Parking	-	-
	<b>27,297</b>	<b>3.35%</b>



**Vacancy and Credit Loss Allowances**  
The Georgia  
79 Unit Apartment Building

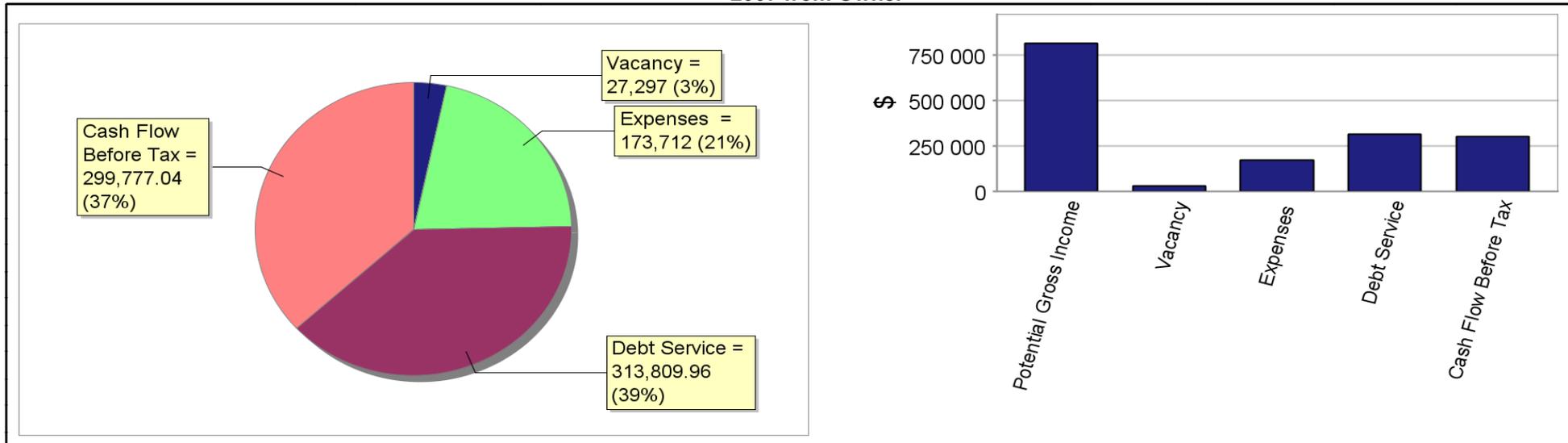
March 03, 2008  
Analyzer Pro  
Rental Apartment Building

	<b>2008 Forecasted (12 months)</b>	
Studios	\$ 1,286	4.00%
One Bedrooms	22,829	4.00%
Two bedrooms	5,412	4.00%
Three Bedrooms	2,112	4.00%
Laundry	493	4.00%
Parking	1,283	4.00%
	<b>33,415</b>	<b>4.00%</b>

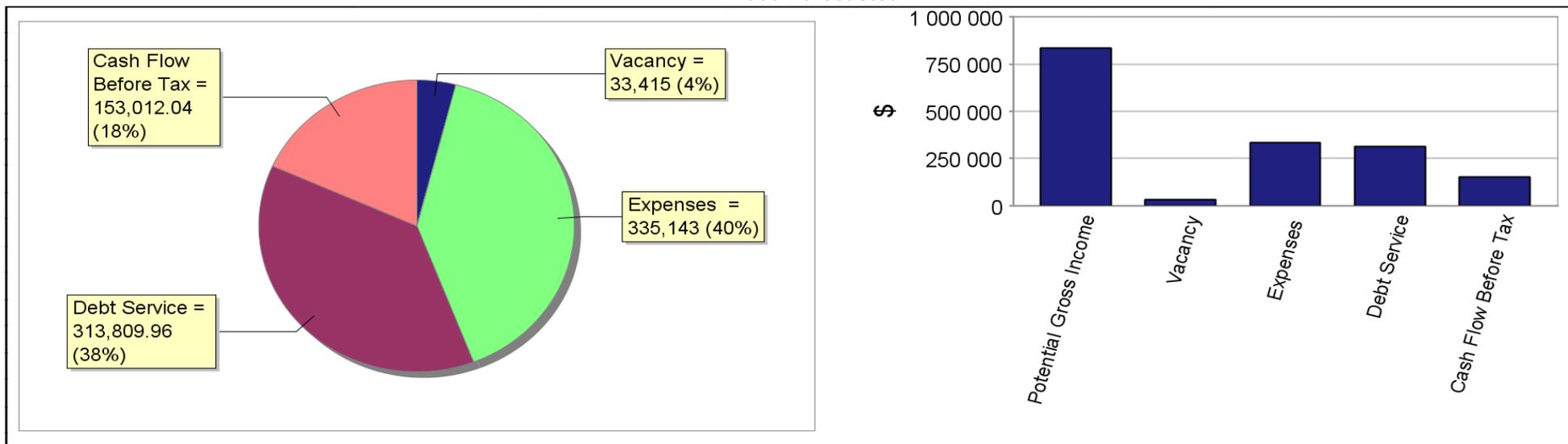


Currency: \$

**2007 from Owner**



**2008 Forecasted**





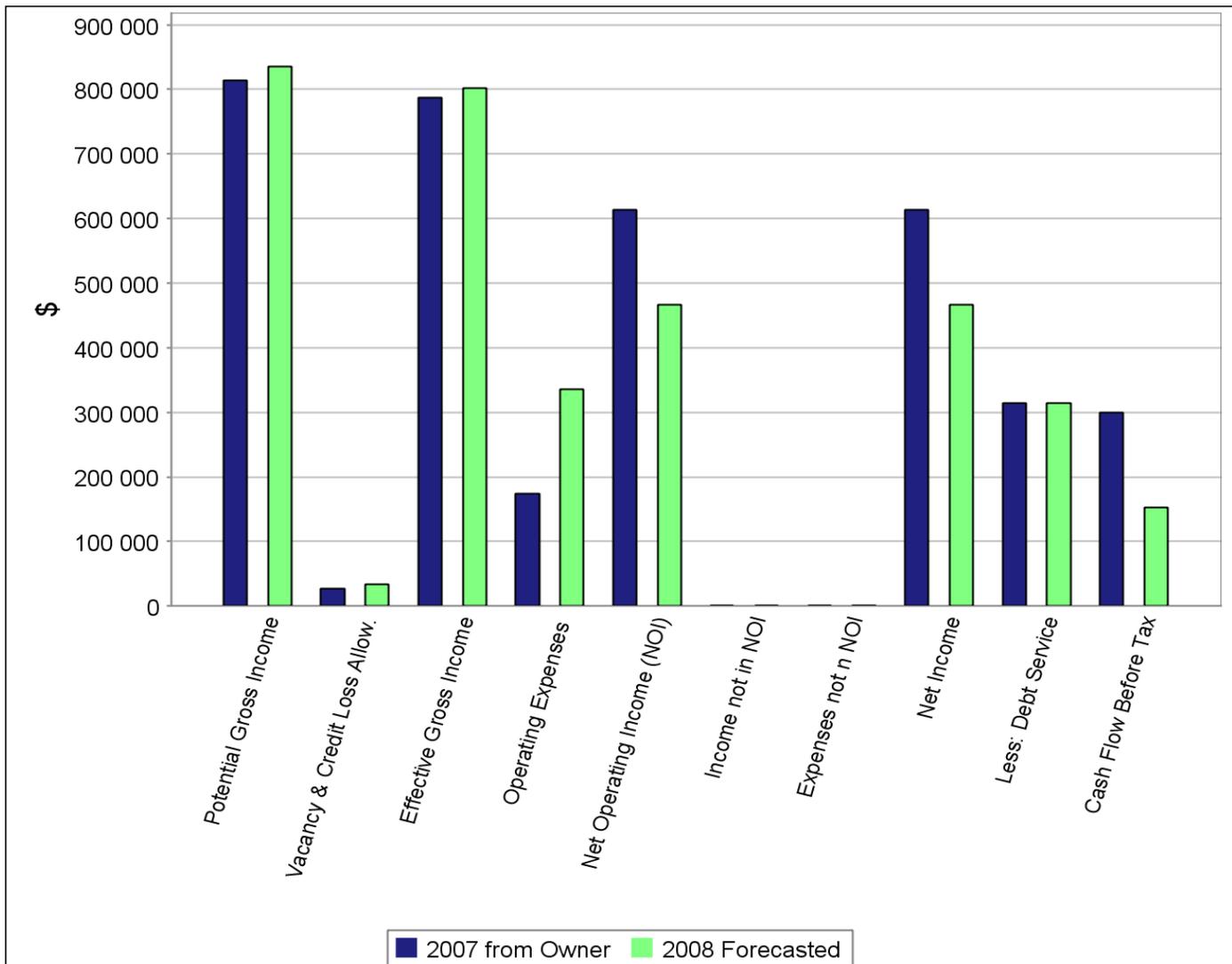
**Cash Flow Comparison Report**

The Georgia  
79 Unit Apartment Building

March 03, 2008

Analyzer Pro  
Rental Apartment Building

	<u>2007 from Owner</u>		<u>2008 Forecasted</u>	
		<u>% of EGI</u>		<u>% of EGI</u>
<b>Potential Gross Income</b>	<b>814,596</b>	<b>103.47%</b>	<b>835,380</b>	<b>104.17%</b>
Less: Vacancy & Credit Loss Allow.	27,297	3.47%	33,415	4.17%
<b>Effective Gross Income</b>	<b>787,299</b>	<b>100.00%</b>	<b>801,965</b>	<b>100.00%</b>
Operating Expenses	173,712	22.06%	335,143	41.79%
<b>Net Operating Income (NOI)</b>	<b>613,587</b>	<b>77.94%</b>	<b>466,822</b>	<b>58.21%</b>
Less: Debt Service	313,810	39.86%	313,810	39.13%
<b>Cash Flow Before Tax</b>	<b>299,777</b>	<b>38.08%</b>	<b>153,012</b>	<b>19.08%</b>





**Input Summary Report**  
 The Georgia  
 79 Unit Apartment Building

March 03, 2008  
 Analyzer Pro  
 Rental Apartment Building

**Purchase Price**

Purchase Price	8,000,000
Acquisition Cost	<u>160,000</u> 2.00%
Total Purchase Price	<b>\$ 8,160,000</b>

**Land**

Frontage	160 Ft
Land Area	23,000 Sq. Ft

**Building Area**

66,700 Sq. Ft

Rentable area	<u>58,000</u>
---------------	---------------

No of Units	79
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**Financing**

Mortgage	Lender	Amount	Interest Rate	Amortization Years	Monthly Payment	Term Expiry
First Mortgage	USA Bank	<u>3,700,000</u>	%7.00	25	<u>26,151</u>	
		<b>\$ 3,700,000</b>			<b>\$ 26,151</b>	
				Annual Payment	<b>\$ 313,810</b>	



**Input Summary Report**  
The Georgia  
79 Unit Apartment Building

March 03, 2008  
Analyzer Pro  
Rental Apartment Building

**Revenue & Expenses.**

Entry Choice	Quantity	2007 from Owner		2008 Forecasted		
		Income	Vacancy & Credit Loss	Income	Vacancy & Credit Loss	
<b>Income</b>						
Studios	\$ per Unit per Mo	4	\$ 650	2.00%	\$ 670	4.00%
One Bedrooms	\$ per Unit per Mo	58	\$ 810	3.50%	\$ 820	4.00%
Two bedrooms	\$ per Unit per Mo	11	\$ 975	3.50%	\$ 1,025	4.00%
Three Bedrooms	\$ per Unit per Mo	4	\$ 1,050	4.00%	\$ 1,100	4.00%
Laundry	\$ per Unit per Mo	79	\$ 12	3.70%	\$ 13	4.00%
Parking	\$ per Parking Space per Mo	81	\$ 30.00	0%	\$ 33.00	4.00%

Entry Choice	Quantity	2007 from Owner		2008 Forecasted	
		Expense	Expense	Expense	Expense
<b>Expenses</b>					
Accounting and Legal	\$ per Yr	-	\$ 2,000		\$ 6,000
Advertising	\$ per Yr	-	\$ 2,500		\$ 7,000
Licenses and Permits	\$ per Yr	-	\$ 2,100		\$ 2,500
Insurance	\$ per Yr	-	\$ 9,000		\$ 14,000
Prop. Management	% of Effective Gross Income	-	4.00%		5.00%
Salary, Res. Caretaker	\$ per Mo	-	\$ 1,750		\$ 2,600
Property Taxes	\$ per Yr	-	\$ 21,000		\$ 29,000
Maintenance & Repairs	\$ per Unit x Total No.of Units per Yr	79	\$ 210		\$ 500
Elevator Service	\$ per Mo	-	\$ 400		\$ 700
Utilities	\$ per Unit x Total No.of Units per Yr	79	\$ 350		\$ 425
Supplies	\$ per Mo	-	\$ 200		\$ 250
Garbage Collection	\$ per Unit x Total No.of Units per Yr	79	\$ 60		\$ 90
Other Expenses	\$ per Unit x Total No.of Units per Mo	79	\$ 30		\$ 120



**Property Description**

Well maintained 35 year old apartment building with secured underground parking

**Address**

32456 West Kaywood Street  
 Austin, Texas 73402  
 USA

**No of Years Owned**

4 Years

**Location Description**

Well located in middle class neighbourhood. Five minutes to bus stop

**Purchase Price**

Purchase Price	8,000,000	
Acquisition Costs	160,000	2.00%
Total Purchase Price	\$ 8,160,000	

**Financing**

	Lender	Amount	Interest Rate	Monthly Payment	Amort. Period (Yrs)	Term Expiry Date
First Mortgage	USA Bank	3,700,000	7.00%	26,151	25	
		\$ 3,700,000		\$ 26,151		

**Legal**

**Legal**

026-598-190-97-000

**Zoning**

Multi Family

**Encumbrances**

Freehold subject to mortgsge in favor of City Bank



**Property Taxes Information**

Assessment Date June 2007  
 Property Taxes \$ 21,000  
 Roll or Identification Number 026-598-190-97-000

**Assessed Value**

Land	3,125,000
Improvements	4,125,000
	<hr/> 7,250,000

**Land**

Dimensions 160 Feet x 144 feet  
 Frontage 160 Ft  
 Land Area 23,000 Sq. Ft

**Building**

Age 22 Years  
 No of Floors 3

Building Area 66,700 Sq. Ft  
 Rentable Area 58,000 Sq. Ft  
 Units. Rentable Area 58,000 Sq. Ft  
 Total No. of Units 79

**Parking**

Uncovered	15
Covered	91
Other	-
Total Parking	<hr/> 106

Secured underground parking

**Utilities. Tenant pays for:**

Air Conditioning  
 Electricity

**Heating System**

Air Conditioning  
 Electricity

**Cooling System**

Electricity

**Construction**

Brick

**Building Equipment & Systems**

**Elevators**

No. of Elevators 2  
 Four stop hydraulic elevators. Reconditioned 2003



**Property Information**  
The Georgia  
79 Unit Apartment Building

March 03, 2008  
Analyzer Pro  
Rental Apartment Building

**Mechanical Equipment**

Central hot water gas system

**Other**

Power Smart engy saving system installed 2006



**Client Information**  
The Georgia  
79 Unit Apartment Building

March 03, 2008  
Analyzer Pro  
Rental Apartment Building

**Peter Jones**  
Axiom Estates  
14256 James Way

Austin, Texas 263748  
USA

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