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Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

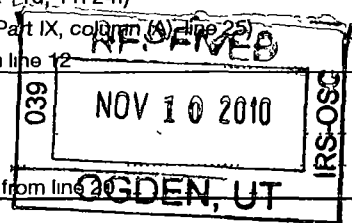
The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2009 calendar year, or tax year beginning JUL 1, 2009 and ending JUN 30, 2010

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization KORNER HOMES, INC. D/B/A KOERNER PLACE Doing Business As	D Employer identification number 58-1394455
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 750 BETHESDA RD.	E Telephone number (336) 765-3906
		City or town, state or country, and ZIP + 4 WINSTON-SALEM, NC 27103	G Gross receipts \$ 615,919.
F Name and address of principal officer GARRY MERRITT SAME AS C ABOVE		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number	
J Website: NCHSM.ORG		L Year of formation: 1980 M State of legal domicile: NC	
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other			

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities	LOW INCOME HOUSING SERVICES	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	8
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	8
	5	Total number of employees (Part V, line 2a)	5	0
	6	Total number of volunteers (estimate if necessary)	6	0
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	611,220.	615,500.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	847.	419.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	612,067.	615,919.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	128,544.	124,522.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	16b	Total fundraising expenses (Part IX, column (D), line 25)		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	580,976.	577,238.
	18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	709,520.	701,760.
	19	Revenue less expenses Subtract line 18 from line 12	<97,453.>	<85,841.>
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	2,092,616.	1,971,559.
	22	Net assets or fund balances Subtract line 21 from line 20	2,940,352.	2,905,136.
			<847,736.>	<933,577.>



Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature of officer: *John Nichols*
 Date: **11-5-2010**
 Type or print name and title: **JOHN NICHOLS ASST. VP.**

Paid Preparer's Use Only
 Preparer's signature: *Charles Strode* CAA
 Date: **10-25-10**
 Check if self-employed:
 Preparer's identifying number (see instructions):
 Firm's name (or yours if self-employed), address, and ZIP + 4: **SAUNDERS, STRODE & TRAWICK, PA**
1100-C S. STRATFORD ROAD, #180
WINSTON-SALEM, NC 27103
 Phone no.: **(336) 765-2700**

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

SCANNED DEC 01 2010

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Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

DEVELOP AND OPERATE HUD SECTION 202 HOUSING FOR THE ELDERLY AND HANDICAPPED.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code) (Expenses \$ 701,760. including grants of \$) (Revenue \$ 615,500.)

OPERATING AN 80 UNIT APARTMENT COMPLEX FOR THE LOW INCOME ELDERLY AND HANDICAPPED INDIVIDUALS UNDER SECTION 202 OF THE U.S. HOUSING ACT OF 1959.

4b (Code) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 701,760.

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>		
	• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		
	• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		
	• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>	X	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?		
Note. All Form 990 filers are required to complete Schedule O	X	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O See instructions

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?		X
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13		X
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done		
13	Does the organization have a written whistleblower policy?		X
14	Does the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	Other officers or key employees of the organization	X	
If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed **NONE**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization **NC HOUSING AND MANAGEMENT CORPORATI - (336) 765-3906**
750 BETHESDA RD., WINSTON SALEM, NC 27103

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f \$						
	h	Total. Add lines 1a-1f						
Program Service Revenue	2 a	ELDERLY HOUSING	Business Code 531110	615,500.	615,500.			
	b							
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			615,500.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		419.	419.			
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a		(i) Real	(ii) Personal				
	7 a		(i) Securities	(ii) Other				
	8 a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18					
			a					
			b	Less direct expenses				
	c	Net income or (loss) from fundraising events						
9 a		Gross income from gaming activities See Part IV, line 19						
		a						
		b	Less direct expenses					
c	Net income or (loss) from gaming activities							
10 a		Gross sales of inventory, less returns and allowances						
		a						
		b	Less cost of goods sold					
c	Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code					
11 a								
		All other revenue						
		Total. Add lines 11a-11d						
12	Total revenue See instructions.			615,919.	615,919.	0.	0.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	105,976.	105,976.		
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,106.	2,106.		
9 Other employee benefits	8,219.	8,219.		
10 Payroll taxes	8,221.	8,221.		
11 Fees for services (non-employees)				
a Management	40,385.	40,385.		
b Legal				
c Accounting	4,350.	4,350.		
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion	309.	309.		
13 Office expenses	17,583.	17,583.		
14 Information technology				
15 Royalties				
16 Occupancy	101,887.	101,887.		
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	1,434.	1,434.		
20 Interest	175,659.	175,659.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	142,735.	142,735.		
23 Insurance	16,281.	16,281.		
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a SERVICE COORDINATOR	58,188.	58,188.		
b MORTGAGE INSURANCE	12,853.	12,853.		
c OTHER ADMINISTRATIVE EXPENSES	5,507.	5,507.		
d FINANCIAL FEES	67.	67.		
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	701,760.	701,760.	0.	0.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

KORNER HOMES, INC.
D/B/A KOERNER PLACE

Form 990 (2009)

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Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	9,140.	1	11,103.
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	3,294.	4	5,539.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	19,316.	9	19,420.
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 3,208,965.		
	b	Less accumulated depreciation	10b 1,614,271.	10c	1,594,694.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related See Part IV, line 11		13	
	14	Intangible assets	145,707.	14	141,201.
	15	Other assets See Part IV, line 11	183,730.	15	199,602.
16	Total assets. Add lines 1 through 15 (must equal line 34)	2,092,616.	16	1,971,559.	
Liabilities	17	Accounts payable and accrued expenses	50,637.	17	43,478.
	18	Grants payable		18	
	19	Deferred revenue	196.	19	440.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	2,867,008.	23	2,838,299.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities Complete Part X of Schedule D	22,511.	25	22,919.
	26	Total liabilities. Add lines 17 through 25	2,940,352.	26	2,905,136.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	<847,736.>	27	<933,577.>
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	Total net assets or fund balances	<847,736.>	33	<933,577.>	
34	Total liabilities and net assets/fund balances	2,092,616.	34	1,971,559.	

Form 990 (2009)

Part XI Financial Statements and Reporting

- 1** Accounting method used to prepare the Form 990 Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
- b** Were the organization's financial statements audited by an independent accountant?
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O
- d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both
 Separate basis Consolidated basis Both consolidated and separate basis
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c		X
3a	X	
3b	X	

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support. Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) 14 %

15 Public support percentage from 2008 Schedule A, Part II, line 14 15 %

16a **33 1/3% support test - 2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b **33 1/3% support test - 2008.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a **10% -facts-and-circumstances test - 2009.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization

b **10% -facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	564,520.	580,982.	575,882.	611,220.	615,500.	2948104.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	564,520.	580,982.	575,882.	611,220.	615,500.	2948104.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year	117,280.	114,880.	118,948.	122,160.	130,964.	604,232.
c Add lines 7a and 7b	117,280.	114,880.	118,948.	122,160.	130,964.	604,232.
8 Public support (Subtract line 7c from line 6)						2343872.

Section B. Total Support

Calendar year (or fiscal year beginning in)▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6	564,520.	580,982.	575,882.	611,220.	615,500.	2948104.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	7,050.	6,598.	3,215.	847.	419.	18,129.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	7,050.	6,598.	3,215.	847.	419.	18,129.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11, and 12)	571,570.	587,580.	579,097.	612,067.	615,919.	2966233.
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	79.02 %
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	79.57 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	.61 %
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	.73 %

19a 33 1/3% support tests - 2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Schedule D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization **KORNER HOMES, INC.**
D/B/A KOERNER PLACE

Employer identification number
58-1394455

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIV and complete the following table
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the year end balance held as
- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Term endowment _____ %
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- | | Yes | No |
|---|--------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		170,562.		170,562.
b Buildings		2,671,592.	1,388,329.	1,283,263.
c Leasehold improvements				
d Equipment		366,811.	225,942.	140,869.
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				1,594,694.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	615,919.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	701,760.
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	<85,841.>
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 through 8	9	0.
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	<85,841.>

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	615,919.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	615,919.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	615,919.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	701,760.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	701,760.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	701,760.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization	KORNER HOMES, INC. D/B/A KOERNER PLACE	Employer identification number	58-1394455
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FORM 990, PART VI, SECTION B, LINE 11: THE TAX RETURN IS REVIEWED BY THE DIRECTOR OF FINANCE OF THE MANAGEMENT COMPANY AND SIGNED BY THE ASSISTANT VICE PRESIDENT OF THE OWNER. BOTH INDIVIDUALS REPORT TO THE BOARD OF DIRECTORS (GOVERNING BODY).

FORM 990, PART VI, SECTION B, LINE 15: COMPENSATION, INCLUDING POTENTIAL ANNUAL INCREASES FOR ALL OFFICERS AND KEY EMPLOYEES ARE DISCUSSED AND APPROVED BY AN EXECUTIVE COMMITTEE OF THE BOARD MEMBERS AND THE ORGANIZATION'S CEO

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION HAS NO WRITTEN CONFLICT OF INTEREST POLICY. GOVERNING DOCUMENTS, FINANACIAL STATEMENTS AND OTHER PERTINENT INFORMATION ARE PROVIDED TO THE PUBLIC UPON REQUEST.

KORNER HOMES, INC.
D/B/A KOERNER PLACE

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

b Gift, grant, or capital contribution to other organization(s)

c Gift, grant, or capital contribution from other organization(s)

d Loans or loan guarantees to or for other organization(s)

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

i Lease of facilities, equipment, or other assets to other organization(s)

j Lease of facilities, equipment, or other assets from other organization(s)

k Performance of services or membership or fundraising solicitations for other organization(s)

l Performance of services or membership or fundraising solicitations by other organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of other organization(s)	(b) Transaction type (a-r)	(c) Amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Value	Book Method	Book Period
Group: BUILDING EQUIP- PORTABLE											
83	A/C UNITS	7/31/07	139,501.88	0.00	0.00	81,376.10	27,900.38	109,276.48	30,225.40	S/L	5.0
84	A/C UNITS	8/31/07	51,458.84	0.00	0.00	29,160.01	10,291.77	39,451.78	12,007.06	S/L	5.0
85	A/C UNITS	9/30/07	25,729.42	0.00	0.00	14,151.17	5,145.88	19,297.05	6,432.37	S/L	5.0
86	A/C UNITS	10/30/07	25,729.42	0.00	0.00	13,722.35	5,145.88	18,868.23	6,861.19	S/L	5.0
87	H2O HEATERS	1/31/08	7,125.00	0.00	0.00	3,443.75	1,425.00	4,868.75	2,256.25	S/L	5.0
88	H2O HEATERS	2/28/08	23,141.76	0.00	0.00	10,799.48	4,628.35	15,427.83	7,713.93	S/L	5.0
89	H2O HEATERS	3/31/08	2,323.32	0.00	0.00	1,045.49	464.66	1,510.15	813.17	S/L	5.0
90	H2O HEATERS	4/30/08	10,718.25	0.00	0.00	4,644.58	2,143.65	6,788.23	3,930.02	S/L	5.0
91	H2O HEATERS	5/31/08	2,729.00	0.00	0.00	1,137.08	545.80	1,682.88	1,046.12	S/L	5.0
92	REFRIGERATORS	10/31/07	1,161.00	0.00	0.00	619.20	232.20	851.40	309.60	S/L	5.0
93	REFRIGERATORS	11/30/07	387.00	0.00	0.00	199.95	77.40	277.35	109.65	S/L	5.0
94	REFRIGERATORS	12/31/07	16,087.83	0.00	0.00	8,043.92	3,217.57	11,261.49	4,826.34	S/L	5.0
95	REFRIGERATORS	1/31/08	200.00	0.00	0.00	96.67	40.00	136.67	63.33	S/L	5.0
			306,292.72	0.00	0.00	168,439.75	61,258.54	229,698.29	76,594.43		

Group: BUILDINGS											
1	FURNACE	12/03/93	1,050.00	0.00	0.00	1,050.00	0.00	1,050.00	0.00	S/L	7.0
2	ROOFING	5/13/94	32,925.00	0.00	0.00	19,355.87	1,197.27	20,553.14	12,371.86	S/L	27.5
3	OFFICE ADDITION	1/19/96	7,500.00	0.00	0.00	2,703.13	187.50	2,890.63	4,609.37	S/L	40.0
4	A/C 15D	5/31/96	884.00	0.00	0.00	884.00	0.00	884.00	0.00	S/L	5.0
5	GUTTERS 3, 6, 9, 15	11/29/96	1,166.00	0.00	0.00	1,166.00	0.00	1,166.00	0.00	S/L	10.0
6	A/C UNIT 5A	6/30/97	1,044.88	0.00	0.00	1,044.88	0.00	1,044.88	0.00	S/L	5.0
7	CABINET'S COMMUNITY ROOM BUILDINGS	9/19/97	3,809.57	0.00	0.00	3,809.57	0.00	3,809.57	0.00	S/L	10.0
8	CONDENSER 11-F	11/01/82	1,725,206.00	0.00	0.00	1,190,746.52	43,130.15	1,233,876.67	491,329.33	S/L	40.0
9	CARPET 17-A, 9-C	7/01/91	2,175.00	0.00	0.00	1,092.00	0.00	1,092.00	0.00	S/L	7.0
10	CARPET 16-H	8/01/91	901.00	0.00	0.00	2,175.00	0.00	2,175.00	0.00	S/L	7.0
11	CARPET 6-A	10/01/91	899.00	0.00	0.00	901.00	0.00	901.00	0.00	S/L	7.0
12	CARPET 2-B	11/01/91	895.00	0.00	0.00	899.00	0.00	899.00	0.00	S/L	7.0
13	CARPET 16-D	2/01/92	890.00	0.00	0.00	895.00	0.00	895.00	0.00	S/L	7.0
14	ROOF-BUILDING 11	4/01/92	2,600.00	0.00	0.00	890.00	0.00	890.00	0.00	S/L	7.0
15	CARPET 16-F	7/01/92	614.00	0.00	0.00	1,698.35	94.55	1,792.90	807.10	S/L	27.5
16	CARPET 7-D	8/01/92	613.00	0.00	0.00	614.00	0.00	614.00	0.00	S/L	7.0
17	CARPET 12-D, 4-E, 7-B	9/01/92	1,762.00	0.00	0.00	613.00	0.00	613.00	0.00	S/L	7.0
18	CARPET 7-C, 15-B	10/01/92	1,017.00	0.00	0.00	1,762.00	0.00	1,762.00	0.00	S/L	7.0
19	KITCHEN COUNTER 1-A, 3-B	3/01/93	980.00	0.00	0.00	1,017.00	0.00	1,017.00	0.00	S/L	7.0
20	CONDENSER 11-II	3/01/93	800.00	0.00	0.00	980.00	0.00	980.00	0.00	S/L	5.0
21	CARPET #5A	3/01/93	1,015.00	0.00	0.00	800.00	0.00	800.00	0.00	S/L	5.0
22	HVAC COMPUTER ROOM	11/24/99	5,869.00	0.00	0.00	1,015.00	0.00	1,015.00	0.00	S/L	5.0
23	COMPUTER ROOM ADDITION	11/15/00	15,761.80	0.00	0.00	5,869.00	0.00	5,869.00	0.00	S/L	5.0
24	HVAC #16B	12/19/00	1,700.00	0.00	0.00	3,743.47	394.05	4,137.52	11,624.28	S/L	40.0
25	CARPET #4D	8/09/00	1,060.00	0.00	0.00	1,700.00	0.00	1,700.00	0.00	S/L	5.0
26	MATERIALS - CRITICAL NEEDS	10/10/01	7,240.00	0.00	0.00	1,060.00	0.00	1,060.00	0.00	S/L	5.0
60	LABOR - CRITICAL NEEDS	10/24/06	2,600.00	0.00	0.00	663.67	181.00	844.67	6,395.33	S/L	40.0
61	BUILDING IMPROVEMENTS	10/24/06	69,909.70	0.00	0.00	238.33	65.00	303.33	2,296.67	S/L	40.0
75	BUILDING IMPROVEMENTS	7/31/07	85,364.60	0.00	0.00	7,414.66	2,542.17	9,956.83	59,952.87	S/L	27.5
76	BUILDING IMPROVEMENTS	8/31/07	71,958.20	0.00	0.00	8,795.15	3,104.17	11,899.32	73,465.28	S/L	27.5
77	BUILDING IMPROVEMENTS	9/30/07		0.00	0.00	7,195.82	2,616.66	9,812.48	62,145.72	S/L	27.5

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: BUILDINGS (continued)											
78	BUILDING IMPROVEMENTS	10/30/07	77,573.20	0.00	0.00	7,522.24	2,820.84	10,343.08	67,230.12	S/L	27.5
79	BUILDING IMPROVEMENTS	11/30/07	5,158.40	0.00	0.00	484.58	187.58	672.16	4,486.24	S/L	27.5
80	BUILDING IMPROVEMENTS	2/28/08	30,595.00	0.00	0.00	2,595.95	1,112.55	3,708.50	26,886.50	S/L	27.5
81	BUILDING IMPROVEMENTS	4/30/08	36,383.20	0.00	0.00	2,866.56	1,323.03	4,189.59	32,193.61	S/L	27.5
82	BUILDING IMPROVEMENTS	6/30/08	27,330.70	0.00	0.00	1,987.68	993.84	2,981.52	24,349.18	S/L	27.5
96	BUILDING IMPROVEMENTS	12/31/07	62,438.00	0.00	0.00	5,676.18	2,270.47	7,946.65	54,491.35	S/L	27.5
	BUILDINGS		2,290,780.25	0.00	0.00	1,293,924.61	62,220.83	1,356,145.44	934,634.81		
Group: FURNITURE AND EQUIPMENT											
28	FURNITURE AND EQUIPMENT	11/01/82	35,083.27	0.00	0.00	35,083.27	0.00	35,083.27	0.00	S/L	15.0
30	VALANCES	11/01/83	470.00	0.00	0.00	470.00	0.00	470.00	0.00	S/L	15.0
31	REFRIGERATOR 13-A	10/01/92	443.00	0.00	0.00	443.00	0.00	443.00	0.00	S/L	5.0
32	COMPUTER HARDWARE	4/01/93	2,875.00	0.00	0.00	2,875.00	0.00	2,875.00	0.00	S/L	5.0
33	COMPUTER SOFTWARE	5/01/93	2,486.00	0.00	0.00	2,486.00	0.00	2,486.00	0.00	S/L	5.0
34	REFRIGERATOR 13-D	5/01/93	509.00	0.00	0.00	509.00	0.00	509.00	0.00	S/L	5.0
35	COPIER	1/05/96	2,374.14	0.00	0.00	2,374.14	0.00	2,374.14	0.00	S/L	5.0
36	COMPUTER SERVICE COORDIN	7/18/95	1,605.38	0.00	0.00	1,605.38	0.00	1,605.38	0.00	S/L	5.0
37	TABLE & CHAIRS	10/10/97	1,350.00	0.00	0.00	1,147.50	90.00	1,237.50	112.50	S/L	15.0
38	CHAIRS	2/13/98	1,152.00	0.00	0.00	953.60	76.80	1,030.40	121.60	S/L	15.0
39	FURNITURE	9/19/97	1,386.49	0.00	0.00	1,178.48	92.43	1,270.91	115.58	S/L	15.0
40	GOLF CART	9/25/97	1,200.00	0.00	0.00	1,200.00	0.00	1,200.00	0.00	S/L	10.0
41	DESK/WORKSTATION	2/01/00	1,379.91	0.00	0.00	1,379.91	0.00	1,379.91	0.00	S/L	7.0
42	FURNITURE AND EQUIPMENT	11/01/82	1,028.73	0.00	0.00	1,028.73	0.00	1,028.73	0.00	S/L	15.0
43	COMPUTER	6/06/02	1,323.94	0.00	0.00	1,323.94	0.00	1,323.94	0.00	S/L	5.0
44	SERVICE COORDINATOR COMI	8/30/01	1,383.00	0.00	0.00	1,383.00	0.00	1,383.00	0.00	S/L	5.0
59	BTS NETWORKS, INC - THINKC	1/20/06	1,531.25	0.00	0.00	1,352.60	178.65	1,531.25	0.00	S/L	5.0
98	HOME THEATER	7/15/09	1,494.00	0.00	0.00	298.80	298.80	597.60	896.40	S/L	5.0
	FURNITURE AND EQUIPMENT		59,075.11	0.00	0.00	57,092.35	736.68	57,829.03	1,246.08		
Group: INTANGIBLE ASSETS											
62	REFINANCING COSTS	10/24/06	7,141.00	0.00	0.00	748.11	204.03	952.14	6,188.86	S/L	35.0
63	REFINANCING COSTS	10/24/06	150,583.27	0.00	0.00	15,775.39	4,302.38	20,077.77	130,505.50	S/L	35.0
	INTANGIBLE ASSETS		157,724.27	0.00	0.00	16,523.50	4,506.41	21,029.91	136,694.36		
Group: LAND											
45	LAND	11/01/82	170,562.15	0.00	0.00	0.00	0.00	0.00	170,562.15	Land	0.0
	LAND		170,562.15	0.00	0.00	0.00	0.00	0.00	170,562.15		
Group: LAND IMPROVEMENTS											
46	FENCE	11/01/86	895.00	0.00	0.00	895.00	0.00	895.00	0.00	S/L	10.0
47	FENCE	4/01/89	666.00	0.00	0.00	666.00	0.00	666.00	0.00	S/L	10.0
48	LANDSCAPING	9/01/89	14,373.00	0.00	0.00	14,373.00	0.00	14,373.00	0.00	S/L	10.0

Book Future Depreciation

FYE: 6/30/11

Asset	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: LAND IMPROVEMENTS (continued)											
49	PARKING SPACES	1/01/91	18,790 00	0 00	0 00	18,790 00	0 00	18,790 00	0 00	S/L	10 0
50	SPEED BUMP, PATCH PARKING	6/01/91	6,795 00	0 00	0 00	6,795 00	0 00	6,795 00	0 00	S/L	10 0
51	FENCE	1/01/93	300 00	0 00	0 00	300 00	0 00	300 00	0 00	S/L	10 0
52	EROSION ROCK	3/21/97	9,936.30	0 00	0 00	8,777 07	662 42	9,439 49	496 81	S/L	15 0
53	SIDEWALKS & CURBING	5/23/01	15,600 00	0 00	0 00	9,446 67	1,040 00	10,486 67	5,113 33	S/L	15 0
54	FENCE	10/21/04	1,600 00	0 00	0 00	604 46	106 67	711 13	888 87	S/L	15 0
55	STREAM RESTORATION	6/30/06	76,933 47	0 00	0 00	0 00	0 00	0 00	76,933 47	Land	0 0
58	SIDEWALKS & CURBING	2/16/06	6,808 00	0 00	0 00	1,966 77	453 87	2,420 64	4,387 36	S/L	15 0
66	SIDEWALKS	6/11/07	15,570 00	0 00	0 00	3,200 50	1,038 00	4,238 50	11,331 50	S/L	15 0
67	STREAM RESTORATION	6/28/07	2,404 00	0 00	0 00	0 00	0 00	0 00	2,404 00	Land	0 0
68	STREAM RESTORATION	6/30/07	53,268 84	0 00	0 00	0 00	0 00	0 00	53,268 84	Land	0 0
69	STREAM RESTORATION	6/30/07	5,920 85	0 00	0 00	0 00	0 00	0 00	5,920 85	Land	0 0
70	LAND IMPROVEMENTS	7/31/07	37,665 49	0 00	0 00	7,323 84	2,511 03	9,834 87	27,830 62	S/L	15 0
71	LAND IMPROVEMENTS	8/31/07	87,013 38	0 00	0 00	16,435 86	5,800 89	22,236 75	64,776 63	S/L	15 0
72	LAND IMPROVEMENTS	10/30/07	19,273 15	0 00	0 00	3,426 34	1,284 88	4,711 22	14,561 93	S/L	15 0
73	FENCE	5/31/08	566 60	0 00	0 00	118 04	56 66	174 70	391 90	S/L	10 0
74	FENCE	6/30/08	6,432.42	0 00	0 00	1,286 48	643.24	1,929 72	4,502 70	S/L	10 0
	LAND IMPROVEMENTS		380,811 50	0 00	0 00	94,405 03	13,597 66	108,002 69	272,808 81		
Group: OFFICE FURN/EQUIPMENT											
97	COMPUTER EQUIP FOR RESIDF	1/20/09	1,443 06	0 00	0 00	408 87	288 61	697 48	745 58	S/L	5 0
	OFFICE FURN/EQUIPMENT		1,443 06	0 00	0 00	408 87	288 61	697 48	745 58		
	Grand Total		3,366,689 06	0 00	0 00	1,630,794 11	142,608 73	1,773,402 84	1,593,286 22		

KORNER HOMES, INC.
#58-1394455
FORM 990, SCHEDULE A, PART III
JUNE 30, 2010

Line 7b

Gross revenue			
76 apartments	591,614		
4 apartments		32,098	
Revenue per apartment	7,784	8,025	
Greater of 1% line 13 or \$5,000	<u>6,159</u>	<u>6,159</u>	
	1,625	1,866	
	<u>x 76</u>	<u>x 4</u>	
	123,500	7,464	<u><u>130,964</u></u>