

SELTZER MANAGEMENT GROUP, INC.

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September 30, 2003

Ms. Jessie Pitt
Multifamily Loans Manager
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 50000
Tallahassee, FL 32301-1329

Re: ***Willow Creek Apartments, 2000-018CS***

Dear Ms. Pitt:

At your request Seltzer Management Group, Inc. ("SMG" or "Seltzer"), has reviewed the borrower's request for the Florida Housing Finance Corporation ("FHFC or Florida Housing") to approve a land transfer of 6.94 acres of the above-referenced development to the Willow Creek Apartments II (2002-061S) development. Specifically, SMG has been requested to determine if approving the land transfer will have an adverse impact of the underlying collateral for the above referenced SAIL loan.

Seltzer's review of the proposed land transfer indicates the following:

- The development site for Willow Creek Apartments ("Willow Creek") consists of 15.00 acres of improved land. The site to be transferred to Willow Creek Apartments II ("Willow Creek II") consists of 6.94 acres of improved land. The remaining acreage on Willow Creek will be 8.06 acres.
- The development site for Willow Creek has been improved with four multifamily residential buildings containing 120 residential units and one clubhouse. The development site for Willow Creek II has been improved with three multifamily residential buildings containing 104 residential units.
- The lessee has the option to purchase the underlying Phase II fee for an amount equal to \$125,000. The lessee now desires to exercise that option.

In addition, SMG has reviewed the land transfer with the appraiser utilized for the SAIL loan underwriting. This review has considered the value of the remaining collateral on Willow Creek and the current market value of the proposed Phase II parcel. This review indicates the following:

- The market value of the current 15.00 acres of improved land for Willow Creek "as if vacant" is \$940,000. The market value of the 15.00 acres as reported in our final report dated April 25, 2001 was \$391,000.
- The market value of the proposed 6.94 acres of improved land for Willow Creek II "as if vacant" is \$436,000.
- The market value of the proposed 8.06 acres of remaining improved land for Willow Creek "as if vacant" is \$504,000. This value exceeds the value of the original Willow Creek site by \$113,000 as reported in our final report dated April 25, 2001.

Based on these values, SMG concludes the land transfer would not have an adverse affect on the underlying collateral for the above-referenced SAIL loan.

SMG recommends that Florida Housing approve the land transfer subject to the following:

- A prepayment of principal to the first mortgage lender of the Phase I development in the amount of \$125,000. This is the amount the Phase II lessee is paying for the Phase II parcel.
- Review and approval of the final transfer by Florida Housing's legal counsel, and
- Consent and approval of the first mortgage loan and housing credit equity provider.

I hope this correspondence has been helpful and please do not hesitate to contact me if I can be of further assistance.

Sincerely,

SELTZER MANAGEMENT GROUP, INC.



Don Jackson
Credit Underwriter

Cc: Ben Johnson, Seltzer Management Group
Liz Wong, The Carlisle Group