

Florida Housing Finance Corporation

Credit Underwriting Report

Banyan Senior Apartments

Supplemental Loan and Housing Credit Program

2007-190C

Section A Report Summary

**Section B Supplemental Loan Conditions and
HC Allocation Recommendation and Contingencies**

Section C Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

September 11, 2008

Banyan Senior Apartments
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Section A
Report Summary

Recommendation

Seltzer Management Group, Inc. ("SMG" or "Seltzer") recommends a Housing Credit ("HC") allocation in the annual amount of \$1,436,183 and a \$850,000 Supplemental Loan be awarded to this development by the Florida Housing Finance Corporation ("FHFC" or "Florida Housing").

DEVELOPMENT & SET-ASIDES																																																			
Location	Highway 19 at Gordon Drive, Port Richey, Pasco County, Florida 34668																																																		
Number of Units/Unit Mix	<table border="1"> <thead> <tr> <th>Bed-rooms</th> <th>Baths</th> <th>No. of Units</th> <th>Unit Size (SF)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1</td> <td>6</td> <td>717</td> </tr> <tr> <td>1</td> <td>1</td> <td>11</td> <td>717</td> </tr> <tr> <td>1</td> <td>1</td> <td>14</td> <td>717</td> </tr> <tr> <td>1</td> <td>1</td> <td>1</td> <td>800</td> </tr> <tr> <td>1</td> <td>1</td> <td>1</td> <td>800</td> </tr> <tr> <td>1</td> <td>1</td> <td>3</td> <td>749</td> </tr> <tr> <td>1</td> <td>1</td> <td>12</td> <td>749</td> </tr> <tr> <td>2</td> <td>1</td> <td>10</td> <td>912</td> </tr> <tr> <td>2</td> <td>1</td> <td>14</td> <td>912</td> </tr> <tr> <td>2</td> <td>1</td> <td>24</td> <td>912</td> </tr> <tr> <td>Totals</td> <td></td> <td>96</td> <td>78,838</td> </tr> </tbody> </table>	Bed-rooms	Baths	No. of Units	Unit Size (SF)	1	1	6	717	1	1	11	717	1	1	14	717	1	1	1	800	1	1	1	800	1	1	3	749	1	1	12	749	2	1	10	912	2	1	14	912	2	1	24	912	Totals		96	78,838		
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Totals		96	78,838																																																
Demographic Commitment	Elderly																																																		
Set Asides	<u>Supplemental Loans</u> 10% (10 ELI Units) @ 33% AMI <u>HC</u> 20% (20 ELI units) @ 33% AMI 80% (remaining units) @ 60% AMI																																																		
Set Aside Term	<u>Supplemental Loan = 15 Years</u> <u>HC = 50 Years</u> ELI set aside units above the 10% threshold minimum requirement may convert to serve families at or below 60% AMI for the remaining 35 years of the 50 year HC set aside period.																																																		
County Size	Medium																																																		
Development Category	New Construction																																																		
Development Type	3-Story Buildings with Elevator																																																		
Occupancy Rate	N/A																																																		

SUPPLEMENTAL LOAN & HC CREDIT UNDERWRITING REPORT

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Parking	Based on the approved site plan there are 144 parking spaces of which 10 are designated as handicapped reserved. An approval letter from the Pasco County Development Review Committee executed July 22, 2007, reduced the zoning requirements from 192 parking spaces to 144 parking spaces.
Improvements	The development will consist of three 3-story buildings with elevator containing a community center. Construction is wood frame with concrete block fire walls and masonry block with stucco exterior and fiber-cement lap siding and concrete slab on grade foundation.
Site Acreage	8.10 gross acres per survey
Density	11.85 units per gross acre
Zoning	MF-1 (Multifamily Medium Density) which allows up to 12.00 units per acre
Flood Zone Designation	"B and C" do not require Flood Insurance although Flood Insurance is recommended for improvements located in Zone B
DEVELOPMENT TEAM	
Applicant/Borrower	Banyan Senior Limited Partnership is a Florida Limited Partnership formed March 23, 2007.
General Partner	<p>The sole general partner is Beneficial Banyan, LLC ("BB"), a Florida Limited Liability Company with a .01% ownership interest.</p> <p>The sole member of BB is RLI Beneficial Holdings 7, LLC ("RLIBH7"), a Florida Limited Liability Company with a 100% ownership interest.</p> <p>The members of RLIBH7 are Hope Shiverick Lomas, LLC ("HSLomas") an Ohio Limited Liability Company with a 47.5% ownership interest and Beneficial Holdings II, LLC ("BHII"), a Florida Limited Liability Company with a 52.5% ownership interest.</p> <p>HSLomas acts as nominee and agent for AHG-RLI, LLC ("AHG"), a Florida Limited Liability Company and Lomas Holdings, Corp. ("Lomas"), an Ohio corporation. Both AHG and Lomas are owned solely by Robert Lomas.</p> <p>The members of BHII are O'Grady Family Holdings, LLC ("OFH") with a 10% ownership interest and Paxton Family Holdings, LLC ("PFH") with a 90% ownership interest. The sole member of OFH is Kathleen O'Grady and the sole member of PFH is Donald W. Paxton.</p>

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Limited Partner/Syndicator	Donald W. Paxton is the initial limited partner holding a 99.99% ownership interest. Enterprise Community Investment, Inc. ("Enterprise"), its assigns or affiliate, will be the Limited Partner and will purchase a 99.99% limited partnership interest at or prior to supplemental loan closing.
Guarantors	Applicant; BB; RLIBH7; BHII; PFH; RLIBD7 plus Donald W. Paxton, individually.
Developer	RLI Beneficial Development 7, LLC ("RLIBD7") having as its members Beneficial Development II, LLC ("BDII") with a 52.5% ownership interest, AHG with a 46.5% ownership interest and Lomas with a 1.0% ownership interest.
General Contractor	CORE Construction Services, Southeast Inc. ("CORE")
Management Company	American Management Services, LLC d/b/a Pinnacle ("Pinnacle")
First Mortgage Lender	Greystone Servicing Corporation, Inc. "Greystone"
Credit Enhancer on First Mortgage – Construction	N/A
Credit Enhancer on First Mortgage – Permanent	N/A
FINANCING INFORMATION	
FHFC Programs	Housing Credit Program & Supplemental Loan Program
First Mortgage Amount	\$2,000,000
"All in" Underwritten Interest Rate	7.610%
Term/Amortization	15/30
Supplemental Loan Second Mortgage Amount	\$850,000
"All in" Underwritten Interest Rate	0.551%
Term/Amortization	15/0
Restricted Rent-Market Financing Value at Stabilization	\$4,080,000
Market Rent-Market Financing Value at Stabilization	\$5,680,000
Restricted Loan To Value – First Mortgage	49.0%
Market Loan To Value - First Mortgage	35.2%
Projected Net Operating Income	\$216,519
Debt Service Coverage - First & Second Mortgage	1.242
FHFC Assistance (HC and Supplemental Loan) Per Unit	\$158,457

SUPPLEMENTAL LOAN & HC CREDIT UNDERWRITING REPORT

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HC Annual Allocation Per Unit	\$14,960
Syndication Price	\$0.8601 per dollar of HC
Debt Service Reserve	None

Construction / Permanent Sources:

Source	Lender	Construction	Permanent	Permanent Loan per Unit
First Mortgage	Greystone/Fannie Mae	\$9,582,014	\$2,000,000	\$20,833
2nd Mortgage (Supplemental Loan)	FHFC	\$850,000	\$850,000	\$8,854
3rd Mortgage (SHIP Loan)	Pasco County	\$205,000	\$205,000	\$2,135
HC Equity	Enterprise	\$3,705,619	\$12,351,441	\$128,661
Defer. Developer Fee	RLI Beneficial Dev 7, LLC	\$1,916,667	\$852,859	\$8,884
Total		\$16,259,300	\$16,259,300	\$169,367

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?	X	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the applicant have site control at or above the level indicated in the Application?	X	
Does the applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?	X	
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	

SUPPLEMENTAL LOAN & HC CREDIT UNDERWRITING REPORT**SMG**

HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?		2
Is the Development in all other material respects the same as presented in the Application?	X	

The following are explanations of each item checked "No" in the table above:

1. Changes in Funding:

- a. First Mortgage: The 2007 Universal Application anticipated a first mortgage construction loan from Column Financial ("Column") in the amount of \$4,466,740 to be reduced to a maximum amount of \$1,570,317 at the time of conversion to permanent financing. Since the Application, the applicant has received a first mortgage construction loan commitment letter dated August 15, 2008 from Greystone Servicing Corporation, Inc. ("Greystone") for a \$9,582,014 first mortgage construction loan and a permanent loan commitment dated August 15, 2008, for a \$2,000,000 first mortgage permanent loan.
- b. Syndication of the HC: The initial Syndicator per the Universal Application was Column. Applicant has received a Letter of Intent from Enterprise Community Investment, Inc. ("Enterprise") to provide syndication of the HC. The investment Enterprise will make will be \$12,351,441 which is \$1,147,330 less than the \$13,498,771 initial Column commitment.

2. The rate of syndication has decreased from \$0.9400 per dollar of syndicated Housing Credits to \$0.8601 per dollar of syndicated Housing Credits. The syndicator changed from Column to Enterprise.

These changes have no material impact to the Supplement Loan and HC recommendation for this development.

Does the Development Team have any FHFC Financed Developments on the Past Due/Non-Compliance Report?

Florida Housing's Past Due Report dated July 29, 2008, does not reflect past due items for the principals.

The Asset Management Non-Compliance Report dated July 21, 2008, does not reflect any items outside of the correction period for the principals.

Strengths:

1. The appraiser, Value Tech Realty Services, Inc. ("Value Tech"), Lutz, Florida concluded the subject site is physically and legally well suited for multifamily development. The neighborhood provides all necessary support services for successful multifamily development. In 2007, the housing market in the subject's primary market area contained 18,766 units. Of the total, 477 were vacant "for rent" units. This is 2.5% of total housing supply and is considered a low rate.
2. Value Tech concluded that according to its demographic analysis, population within the defined neighborhood has expanded and is expected to remain steady or increase in the future. As the neighborhood grows, overall demand for housing should expand. The bulk of housing in the neighborhood is oriented to low to moderate income seniors and families.

SUPPLEMENTAL LOAN & HC CREDIT UNDERWRITING REPORT**SMG**

There is minimal senior rental housing available that has modern features or is high quality in nature. Thus, the neighborhood would support a quality rental community oriented to seniors. The appraiser projects Banyan Senior Apartments to be absorbed at a rate of approximately 12 units per month and to reach a stabilized occupancy of 95% within eight months of construction completion. See Exhibit 5 for Occupancy Comparables.

3. The appraiser states that the subject's 2008 Housing Credit maximum net rent should be achievable.

Other Considerations: None

Mitigating Factors: None

Waiver Requests/Special Conditions:

1. Applicant submitted a Petition for Waiver of Rule 67-48.0075(7)(a)(1), Fla. Admin. Code to the September 26, 2008, FHFC Board Meeting, requesting a change in terms of the Supplemental Loan. Petitioner requests permission to forgo the automatic forgiveness of the Supplemental Loan's principal balance provided the units for which the Supplemental Loan was awarded were targeted to ELI Households for at least 15 years, and to instead cause the ELI Loan to be repaid at the end of the initial 15-year period, with an automatic extension of the maturity date at the end of the initial 15-year period for an additional 30 years if the units for which the ELI Loan was awarded were targeted to ELI Households during that initial 15-year period.

Additional Information:

1. Seltzer identified two Guaranty Fund Properties located in Pasco County. Landings at Sea Forest is located in New Port Richey and has an average occupancy for the period January through June 2008 of 95.2%. Pasco Woods is located in Wesley Chapel and has an average occupancy for the period January through June 2008 of 91.5%. Neither property is located within the subject's primary 10-mile market area. The subject property's demographic is elderly. The appraiser, Value Tech Realty Services, Inc., has advised that the subject will not have a significant detrimental affect on the other developments within its primary market area.
2. Applicant currently has an outstanding PLP Loan payable to Greystone Servicing Corporation, Inc. ("Greystone"). Repayment of this loan in full to Greystone prior to or at the time of the Supplemental Loan closing is a condition to closing.
3. The Application reflects three residential buildings. The improvements reflect one 3-story elevator accessed building that has three sections separated by firewalls which meets the IRS definition of three separate buildings.

Issues and Concerns:

1. In addition to the standard building permits, as a condition of approval by the Pasco County Development Review Committee of the preliminary site plan approval and parking variance, a Right of Way Use Permit, and Site Development Permit are required prior to loan closing. Seltzer's recommendation is conditioned upon receipt and satisfactory review by FHFC, its legal counsel and servicer of a Right of Way Use Permit and Site Development Permit prior to loan closing.

SUPPLEMENTAL LOAN & HC CREDIT UNDERWRITING REPORT**SMG**Recommendation:

SMG recommends a \$1,436,183 annual allocation of HC and a \$850,000 Supplemental Loan be awarded to this development.

Seltzer's recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, the recommendations are subject to the Loan Conditions and HC Allocation Contingencies detailed in Section B of this credit underwriting report. The reader is cautioned to refer to these sections for complete information.

This recommendation is only valid for six months from the date of the report.

Prepared by:



Wanda Greggo
Credit Underwriter

Reviewed by:



Cindy Highsmith
Supervisor, Credit Underwriting

Overview

Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	Greystone	\$4,466,740	\$9,582,014	\$9,582,014	6.000%	\$546,175
2nd Mortgage (Supplemental Loan)	FHFC	\$850,000	\$850,000	\$850,000	0.551%	\$0
3rd Mortgage (SHIP Loan)	Pasco County	\$205,000	\$705,000	\$205,000	0.000%	\$0
HC Equity	Enterprise	\$9,854,103	\$3,704,982	\$3,705,619	N/A	N/A
Defer. Developer Fee	RLI Beneficial Dev 7, LLC	\$1,093,770	\$1,589,177	\$1,916,667	N/A	N/A
Total		\$16,469,613	\$16,431,173	\$16,259,300		\$546,175

First Mortgage Loan:

The Greystone Servicing Corporation, Inc. ("Greystone") construction loan requires payments of interest only monthly during the construction period. Greystone will charge interest on the daily outstanding principal balance of the construction loan at an annual rate equal to the 1 month LIBOR, plus a margin of 225 basis points with a minimum interest rate of 6.00%. During the term of the construction loan, the interest rate will fluctuate from day to day as the 1 month LIBOR changes. With the indicative rate as of August 13, 2008, at 4.71% (1 month LIBOR of 2.46% plus the margin) the minimum rate of 6.00% has been used for credit underwriting purposes. The loan provides for a maximum 24-month construction period and a 1% construction loan origination fee. Seltzer's calculation is based on a 20-month construction/stabilization period and an average outstanding loan balance of 57% of the total loan amount during construction. It is anticipated that the construction loan will be paid down by equity payments at the time of conversion to permanent financing.

Other Construction Sources of Funds:

Additional sources of funds for this development during construction are a FHFC Supplemental Loan, a Pasco County SHIP loan, housing credit equity and deferred developer fees.

The developer will have to defer \$1,916,667 of developer fees after all available loan proceeds and the HC equity have been received during the construction period.

Construction/Stabilization Period:

Based upon demographic and market analysis, including existing and proposed developments, the appraiser projects the Banyan Senior Apartments to be absorbed at a rate of approximately twelve units per month. The construction phase will last approximately twelve months. Stabilization is anticipated to occur within eight months of construction completion. For purposes of this Credit Underwriting, Seltzer assumes a 20-month construction/ stabilization period.

SUPPLEMENTAL LOAN & HC CREDIT UNDERWRITING REPORT

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Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt Service
First Mortgage	Greystone/Fannie Mae	\$1,570,317	\$2,000,000	\$2,000,000	7.610%	30	15	\$169,623
2nd Mortgage (Supplemental Loan)	FHFC	\$850,000	\$850,000	\$850,000	0.551%	0	15	\$4,683
3rd Mortgage (SHIP Loan)	Pasco County	\$205,000	\$705,000	\$205,000	0.000%	30	30	\$6,833
HC Equity	Enterprise	\$13,498,771	\$12,353,840	\$12,351,441	N/A	N/A	N/A	N/A
Def. Developer Fee	RLI Beneficial Dev 7, LLC	\$345,525	\$522,333	\$852,859	N/A	N/A	N/A	N/A
Total		\$16,469,613	\$16,431,173	\$16,259,300				\$181,139

First Mortgage Loan:

The applicant has submitted a commitment letter from Greystone dated August 15, 2008, for a first mortgage permanent loan. The original principal amount of the permanent loan will be the lesser of (i) a maximum permanent loan amount of \$2,000,000; (ii) the principal amount necessary to maintain minimum debt service coverage of 1.15 to 1.00; or (iii) the principal amount determined by multiplying the underwriting value by the maximum loan-to-value of 90%. A permanent loan of \$2,000,000 has been utilized for credit underwriting purposes. The loan will have a maximum 15-year term from loan conversion with a 30-year amortization schedule. Interest will be a fixed rate and shall be established by Greystone prior to construction ("rate lock") and currently estimated to be 7.610%. A non-refundable origination fee equal to 1% of the permanent loan amount payable upon the earlier of construction loan closing or at rate lock is required. Provided the development has been completed and has achieved 90% occupancy for 90 days, Greystone shall re-underwrite the permanent loan and shall determine the final permanent loan amount.

FHFC Supplemental Loan:

The applicant qualifies for a FHFC Supplemental Loan based on the additional units set aside above the minimum ELI required. The loan will be non-amortizing at 0% base interest rate over the life of the loan with the principal forgivable provided the units are targeted to ELI residents for at least 15 years. On August 25, 2008, Applicant submitted a Petition for Waiver of Rule 67-48.0075(7)(a)(1), Fla. Admin. Code to the September 26, 2008, FHFC Board Meeting, requesting a change in terms of the Supplemental Loan. Petitioner requests permission to forgo the automatic forgiveness of the Supplemental Loan's principal balance provided the units for which the Supplemental Loan was awarded were targeted to ELI Households for at least 15 years, and to instead cause the ELI Loan to be repaid at the end of the initial 15-year period, with an automatic extension of the maturity date at the end of the initial 15-year period for an additional 30 years if the units for which the ELI Loan was awarded were targeted to ELI Households during that initial 15-year period. Annual payments of all applicable fees will be required. This credit underwriting assumes interest payments at 0.551% (the base rate plus applicable fees).

Pasco County SHIP Loan:

Pasco County has committed to provide a SHIP loan in the amount of \$205,000 at 0.000% interest for a term of 30 years. Beginning in year six, payments of \$6,833 based on a 30-year amortization will be payable annually at year end. A final payment of all unpaid principal will be

SUPPLEMENTAL LOAN & HC CREDIT UNDERWRITING REPORT**SMG**

due at maturity. For debt service coverage purposes, Seltzer has included the SHIP loan payment throughout the entire affordability period.

Housing Credits Equity Investment:

The applicant has applied to Florida Housing to receive 9% Housing Credits.

A HC equity investment Letter of Intent dated July 24, 2008, and revised August 29, 2008, from Enterprise is summarized as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$2,470,235	20%	Prior to or at loan closing
2nd Installment	\$617,692	5%	Prior to Jan 1 2009
3rd Installment	\$617,692	5%	Prior to Apr 1 2009
4th Installment	\$5,558,028	45%	Construction completion
5th Installment	\$3,087,794	25%	Later of Form 8609 or conversion to permanent financing
Total	\$12,351,441	100%	

Annual Tax Credits per Syndication Agreement: \$1,436,183

Total HC Syndication: \$14,360,394

Syndication Percentage (limited partner interest): 99.99%

Calculated HC Exchange Rate (per dollar): \$0.8601

Proceeds Available During Construction: \$3,705,619

Per Rule, at least 20% of the total equity will be provided prior to or simultaneously with the closing of the construction financing.

Other Permanent Sources of Funds:

The developer will have to defer \$852,859 of developer fees for payment from development operations after all loan proceeds and capital contributions payable under the syndication agreement have been received.

Uses of Funds

	Applicant Total Costs	Applicant Revised Total Costs	Underwriter Total Costs	HC Ineligible Costs
Actual Construction Costs				
Construction Contract				
Site Work	\$0	\$0	\$0	\$0
Off-Site	\$0	\$0	\$0	\$0
New Rental Units	\$8,442,632	\$7,464,881	\$7,433,404	\$203,168
Rehabilitation of Existing Units	\$0	\$0	\$0	\$0
Recreational Amenities	\$0	\$0	\$0	\$0
Furniture, Fixtures and Equipment	\$0	\$0	\$0	\$0
Washers & Dryers	\$0	\$0	\$0	\$0
Contractor's Fee (Not to Exceed 14%)	\$1,093,531	\$1,030,854	\$1,040,676	\$0
Total Construction Contract	\$9,536,163	\$8,495,735	\$8,474,080	\$0
Other - Hard Cost Contingency	\$0	\$430,000	\$423,704	\$0
Total Actual Construction Costs	\$9,536,163	\$8,925,735	\$8,897,784	\$203,168

Notes to the Actual Construction Costs:

1. The applicant has provided an executed construction contract dated September 5, 2008, between Applicant and CORE Construction Services, Southeast, Inc. where the basis for payment is a stipulated sum. The applicant also provided a Schedule of Values indicating a hard cost budget of \$7,433,404 plus general contractor's fee of \$1,072,026 for a total of \$8,505,430. The general contractor fees are higher than Rule 67-48 permits. SMG has limited the fees to 14% of the hard costs and has included the difference as a subset of developer fee. In no event shall any bonus received hereunder cause the general contractor's fee to exceed the maximum 14% required by Florida Statute under the Supplemental loan program and/or the HC program. Any bonus granted or penalty imposed on the contractor shall be evidence

The contract provides for retainage of 10% to be reduced to 0% when the development reaches 50% completion. Final payment shall be made when the contract has been fully performed except for the correction of nonconforming work and requirements that normally survive final payment, and within 30 days of the issuance of a final certification for payment by the Architect. The contract requires the contractor to achieve substantial completion of the entire work not later than 365 days from the date of commencement.
2. Seltzer reduced the hard cost construction contingency to 5% of construction hard costs as adjusted for excess contractor's fee.
3. SMG received a Pre-Construction Analysis ("PCA") from Consultech & Associates, Inc. dated August 25, 2008, and revised September 5, 2008. Complete results of the PCA are provided in Section C of this report.

SUPPLEMENTAL LOAN & HC CREDIT UNDERWRITING REPORT

SMG

Notes to the General Development
Costs:

	Applicant Total Costs	Applicant Revised Total Costs	Underwriter Total Costs	HC Ineligible Costs
General Development Costs				
Accounting Fees	\$85,000	\$136,000	\$136,000	\$0
Appraisal	\$6,500	\$10,100	\$10,100	\$0
Architect's Fee - Design	\$282,805	\$358,000	\$358,000	\$0
Architect's Fee - Supervision	\$75,000	\$76,000	\$76,000	\$0
Builder's Risk Insurance	\$130,000	\$130,000	\$130,000	\$0
Building Permit	\$52,100	\$84,811	\$84,811	\$0
Brokerage Fees - Land	\$0	\$0	\$0	\$0
Brokerage Fees - Buildings	\$0	\$0	\$0	\$0
Closing Costs - Construction Loan	\$0	\$69,591	\$69,591	\$0
Closing Costs - Permanent Loan	\$0	\$12,000	\$32,000	\$0
Engineering Fee	\$252,000	\$288,108	\$288,108	\$0
Environmental Report	\$5,217	\$18,458	\$18,458	\$0
FHFC Administrative Fee	\$123,294	\$117,415	\$114,895	\$114,895
FHFC Application Fee	\$2,000	\$2,000	\$2,000	\$2,000
FHFC Compliance Fee	\$70,380	\$71,129	\$72,234	\$72,234
FHFC Credit Underwriting Fee	\$13,440	\$13,695	\$13,695	\$0
Impact Fees	\$896,544	\$751,414	\$751,414	\$0
Inspection Fees	\$22,928	\$22,928	\$22,928	\$0
Insurance	\$12,000	\$12,000	\$12,000	\$0
Legal Fees	\$194,940	\$222,631	\$222,631	\$67,000
Market Study	\$5,500	\$8,300	\$8,300	\$0
Marketing and Advertising	\$42,866	\$73,000	\$73,000	\$73,000
Pre-Constr. Analysis / Existing Prop. Eval.	\$0	\$1,800	\$3,900	\$0
Property Taxes	\$15,000	\$15,000	\$15,000	\$0
Soil Test	\$10,000	\$12,335	\$12,335	\$0
Survey	\$22,998	\$39,225	\$39,225	\$0
Title Insurance	\$41,286	\$84,368	\$84,368	\$73,184
Utility Connection Fees	\$20,000	\$0	\$0	\$0
Other: FF&E (Clubhouse/Common Areas/Office)	\$0	\$226,000	\$226,000	\$19,200
Other: Lease Up Reserve	\$0	\$80,000	\$27,258	\$27,258
Contingency	\$0	\$0	\$145,212	\$0
Total General Development Costs	\$2,381,798	\$2,936,308	\$3,049,463	\$448,771

1. There were no brokerage fees paid by the applicant.
2. Closing Costs – Construction Loan include the costs to close the first mortgage construction loan and the second mortgage Supplemental Loan.
3. The FHFC Administrative Fee is based on 8% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the 2007 HC application fee. The FHFC Compliance Fee is based upon the amount published by Florida Housing in 2008 for 96 units set aside for 50 years plus the pre-final allocation compliance monitoring fee paid at

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preliminary allocation. The FHFC Underwriting Fee reflects the \$10,102 HC underwriting fee and the additional program fee of \$3,593 for the Supplemental Loan.

4. Insurance is the cost to purchase owner's liability insurance during construction.
5. The Pre-Construction Analysis line item was increased to reflect the cost of the PCA plus four site inspections as required by the HC program.
6. Property taxes include the costs of the real estate ad valorem taxes during construction.
7. Utility Connection Fees are included in impact fees.
7. Other: FF&E includes the cost for office furniture, common area furniture, and building management systems for the audio and video systems and a controller for the HVAC system. \$19,200 for washers and dryers for 32 of the units at \$600 per unit is also included. Applicant will rent the washers and dryers to the residents so the cost of the washers and dryers is included as ineligible.
8. Other Lease-Up Reserve is the amount required by Enterprise.
9. SMG has increased the Soft Cost Contingency to 5% of the anticipated soft costs.
10. Other General Development Costs are based on Applicant's estimates, which appear reasonable.

	Applicant Total Costs	Applicant Revised Total Costs	Underwriter Total Costs	HC Ineligible Costs
Financial Costs				
Pre-development Loan Interest	\$0	\$67,000	\$67,000	\$0
Construction Loan Interest	\$394,175	\$713,076	\$546,175	\$245,779
Construction Loan Origination Fee	\$55,834	\$83,954	\$95,820	\$0
Supplemental Loan Commitment Fee	\$0	\$8,500	\$8,500	\$0
Bridge Loan Interest	\$0	\$0	\$0	\$0
Permanent Loan Credit Enhancement	\$0	\$0	\$0	\$0
Permanent Loan Origination Fee	\$19,629	\$83,954	\$20,000	\$20,000
Reserves Required By Syndicator	\$0	\$295,000	\$295,000	\$295,000
Total Financial Costs	\$469,638	\$1,251,484	\$1,032,495	\$560,779

Notes to the Financial Costs:

1. Pre-development Loan Interest includes the interest to pay the Greystone pre-development loan.
2. Construction Loan Interest is based on a 20-month construction/stabilization period and an average outstanding loan balance of 57% of the total loan amount during construction.
3. Construction Loan Origination Fee is an amount per the construction lender's commitment letter.
4. Permanent Loan Origination Fee is an amount per the permanent lender's commitment letter.

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5. Reserves Required by Syndicator reflect the Partnership Operating Reserve required by Enterprise that will be available to fund operating deficits after the development has achieved stabilized occupancy. The Partnership Operating Reserve will be established from Enterprise's fourth equity installment. Developer fee has not been earned on the Partnership Operating Reserve

	Applicant Total Costs	Applicant Revised Total Costs	Underwriter Total Costs	HC Ineligible Costs
Non-Land Acquisition Costs				
Building Acquisition Costs	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Total Non-Land Acquisition Costs	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

1. Since this is a new construction development, there are no non-land acquisition costs.

	Applicant Total Costs	Applicant Revised Total Costs	Underwriter Total Costs	HC Ineligible Costs
Development Cost Before Land & Developer Fee	\$12,387,599	\$13,113,527	\$12,979,742	\$1,212,718
Other Development Costs				
Developer Fee on Acquisition of Buildings	\$0	\$0	\$0	\$0
Developer Fee	\$1,982,014	\$2,067,646	\$1,998,208	\$0
Other: Excess GC Fee	\$0	\$0	\$31,350	\$31,350
Total Other Development Costs	\$1,982,014	\$2,067,646	\$2,029,558	\$31,350

Notes to the Other Development Costs:

1. Developer fee is within 16.00% of total development costs exclusive of land and developer fee consistent with Florida Housing's Rule requirements. Developer fee has not been earned on Reserves Required by Syndicator in the amount of \$295,000.
2. Other: Excess GC Fee is the amount of the GC fee in excess of the 14% permitted per FHFC Rule.

	Applicant Total Costs	Applicant Revised Total Costs	Underwriter Total Costs	HC Ineligible Costs
Development Cost Before Land	\$14,369,613	\$15,181,173	\$15,009,300	\$1,244,068
Land Acquisition Costs				
Land	\$2,100,000	\$1,250,000	\$1,250,000	\$1,250,000
Other - Land Closing Costs & Extension Fees	\$0	\$0	\$0	\$0
Total Land Acquisition Costs	\$2,100,000	\$1,250,000	\$1,250,000	\$1,250,000

Notes to the Land Acquisition Costs:

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1. Applicant submitted a Real Estate Sales Agreement dated February 26, 2007, by and between Florida Investment Properties, LLC, Seller, and RLI Beneficial Development 7, LLC, Purchaser, for the subject site. The Agreement reflected a purchase price of \$2,100,000 with a closing not later than October 31, 2007. Applicant also submitted an Assignment and Assumption Agreement dated March 30, 2007, assigning the Real Sales Agreement to Banyan Senior Limited Partnership. An Amendment to Real Estate Sale Agreement dated October 18, 2007, was subsequently provided which reflects an extension of the closing date to March 15, 2008.

Applicant subsequently submitted a Warranty Deed from the Seller dated June 3, 2008, evidencing title in the Applicant, Banyan Senior Limited Partnership. A closing statement of even date therewith evidenced a reduced purchase price of \$1,250,000 for the property.

A small portion of the site having a legal description of Lot 46 was subsequently removed and Endorsement No. 1 issued by First American Title Insurance Company attaching to and forming a part of ALTA Title Insurance Commitment No. FA-CC-2037.1650085 for Banyan Senior Apartments has been received removing the Exception for the Unity of Title.

The "as is" appraised value of the land is \$1,540,000.

	Applicant Total Costs	Applicant Revised Total Costs	Underwriter Total Costs	HC Ineligible Costs
Total Development Cost	\$16,469,613	\$16,431,173	\$16,259,300	\$2,494,068

Operating Pro forma

DESCRIPTION	ANNUAL	PER UNIT
Revenue		
Gross Potential Rental Revenue	\$719,016	\$7,490
Other Income:		
Washer/Dryer Rentals	\$4,710	\$49
Cable/Satellite Television Income	\$2,520	\$26
Miscellaneous Income	\$6,305	\$66
Interest Income	\$0	\$0
Gross Potential Income	\$732,551	\$7,631
Less:		
Vacancy Loss - 4.0%	(\$29,302)	(\$305)
Collection Loss - 1.0%	(\$7,326)	(\$76)
Total Effective Gross Revenue	\$695,923	\$7,249
Expenses		
Fixed:		
Taxes	\$36,000	\$375
Insurance	\$64,800	\$675
Variable:		
Management Fees - 4.0%	\$45,837	\$477
General and Administrative	\$24,000	\$250
Payroll Expenses	\$116,944	\$1,218
Utilities	\$112,624	\$1,173
Marketing and Advertising	\$9,600	\$100
Maintenance and Repairs	\$26,400	\$275
Grounds Maintenance and Landscaping	\$19,200	\$200
Security	\$0	\$0
Replacement Reserve	\$24,000	\$250
Total Expenses	\$479,405	\$4,994
Net Operating Income	\$216,519	\$2,255
Debt Service Payments		
First Mortgage	\$169,623	\$1,767
Second Mortgage	\$4,683	\$49
Third Mortgage	\$6,833	\$71
Total Debt Service Payments	\$181,139	\$1,887
Operating Income After Debt Service - Before Tax Cash Flow	\$35,379	\$369

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Debt Service Coverage Ratios	
Debt Service Coverage - First Only	1.276
Debt Service Coverage - First & Second Mortgages	1.242
Debt Service Coverage - All Mortgages and Fees	1.195

Financial Ratios	
Operating Expense Ratio	68.9%
Break-Even Ratio	90.2%

Notes to the Operating Pro forma and Ratios:

- The rent schedule is based upon the Applicant's projected rents which are below the Year 2008 Maximum Restricted Rents published by Florida Housing, less applicable utility allowances from the Pasco County Housing Authority for 14 of the one bedroom units and 14 of the two bedroom units. Rent for the remaining 68 units is at the 2008 Maximum Restricted Rents published by Florida Housing, less applicable utility allowances. 2008 Maximum Restricted Rents are supported by the appraisal for all of the units. Borrower has elected to reduce the projected rents in anticipation of receiving additional subsidy that may require the reduced rents. Utility allowances reflect the resident paying no utilities and Applicant paying electricity, water and sewer, trash disposal and pest control. No manager/employee units are anticipated. The rent roll is shown below:

Tampa-St. Petersburg-Clearwater MSA (Hernando/Hillsborough/Pasco/Pinellas)

Bed-rooms	Baths	No. of Units	Unit Size (SF)	Median Income %	Max Gross HC Rents	Utility Allowance	Max Net HC Rents	Applicant Rents	Underwriter Rents	Annual Rents
1	1	6	717	33%	\$349	\$0	\$349	\$349	\$349	\$25,128
1	1	11	717	60%	\$636	\$0	\$636	\$636	\$636	\$83,952
1	1	14	717	60%	\$636	\$0	\$636	\$612	\$612	\$102,816
1	1	1	800	33%	\$349	\$0	\$349	\$349	\$349	\$4,188
1	1	1	800	60%	\$636	\$0	\$636	\$636	\$636	\$7,632
1	1	3	749	33%	\$349	\$0	\$349	\$349	\$349	\$12,564
1	1	12	749	60%	\$636	\$0	\$636	\$636	\$636	\$91,584
2	1	10	912	33%	\$419	\$0	\$419	\$419	\$419	\$50,280
2	1	14	912	60%	\$763	\$0	\$763	\$721	\$721	\$121,128
2	1	24	912	60%	\$763	\$0	\$763	\$763	\$763	\$219,744
Totals		96	78,838							\$719,016

- Laundry Income, Cable and Television Income and Miscellaneous Income are based on the Borrower's projections and are more conservative than the Appraiser's projections. Laundry income includes income from the common area laundry located in the clubhouse. Miscellaneous income includes vending income, washer and dryer rentals, late fees, cancellation fees, forfeited deposits, and other miscellaneous sources. The cost to the Applicant for the bulk cable television service is included in the Utilities expense estimate.
- Vacancy Loss and Collection Loss rates are supported by the appraisal.

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4. Management Fees are based upon the executed management agreement dated May 5, 2008, which reflects 4% of gross income plus \$1,500 per month for preparation of the marketing plan and the budget.
5. Replacement reserves are \$250 per unit per year increasing 3% annually as required by the Enterprise and Greystone commitments and are within credit underwriting guidelines.
6. The costs for Resident Programs are included in the Administrative, Payroll and Advertising budgets. These costs primarily reflect the Resident Assurance Check-In Program, Resident Activities, and Health Care and a Manager On-Call 24 Hours per Day as most other resident programs are donated or provided without charge by various local organizations.
7. Based upon operating data from comparable properties, third-party reports (appraisal and market study) and the credit underwriter's independent due diligence, SMG represents that, in its professional opinion, estimates for income and operating expenses fall within a band of reasonableness.
8. A 15-year income and expense projection shows increasing debt service coverage for all mortgages and related fees through year 10. Thereafter, debt service coverage remains the same or decreases annually. This projection is attached to this report as Exhibit 1.

SMG

Section B

**Supplemental Loan Special and General Conditions and
HC Allocation Recommendation and Contingencies**

SEPTEMBER 11, 2008

Special Conditions

This recommendation is contingent upon the review and approval of the following items by SMG and Florida Housing at least two weeks prior to closing. Failure to receive approval of these items within this time frame may result in postponement of the closing date.

1. In addition to the standard building permits, receipt and satisfactory review by FHFC, its legal counsel and SMG of a Right of Way Use Permit, and Site Development Permit are required prior to loan closing.
2. Approval of Applicant's Petition for Waiver of Rule 67-48.0075(7)(a)(1), Fla. Admin. Code requesting a change in terms of the Supplemental Loan. (Refer to Waiver Requests/Special Conditions in Section A of this report for additional information.)
3. Repayment in full of the Greystone Pre-development Loan prior to or at the time of the Supplemental Loan closing is a condition of the loan closing.

General Conditions

This recommendation is contingent upon the review and approval of the following items by SMG and Florida Housing at least two weeks prior to closing. Failure to receive approval of these items within this time frame may result in postponement of the closing date.

1. Borrower to comply with any and all recommendations noted in the pre-construction analysis which has been prepared by Consultech & Associates, Inc.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing and its legal counsel, based upon the particular circumstances of the transaction. The survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage, flood hazard area and any other requirements of Florida Housing.
3. Building permits and any other necessary approvals and permits (e.g., final site plan approval, South Florida Water Management District, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). An acceptable alternative to this requirement is receipt and satisfactory review of a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
4. The final "as permitted" (signed and sealed) site plans, building plans, and specifications showing all features and amenities committed to in the application. The Geotechnical Report must be bound within the final plans and specifications.
5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The final sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.
6. A final construction draw schedule showing itemized sources and uses of funds for each

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monthly draw. Supplemental Program loan proceeds shall be disbursed during the construction phase in an amount per Draw which does not exceed the ratio of the Supplemental loan to the Total Development Cost, net of deferred developer fees, unless approved by the Underwriter. The closing draw must include appropriate backup and ACH wiring instructions.

7. Evidence of general liability, flood (if applicable), builder's risk and replacement cost hazard insurance (as certificates of occupancy are received) reflecting Florida Housing as Loss Payee/Mortgagee, with coverages, deductibles and amounts satisfactory to Florida Housing.
8. If the development is not 100% lien-free completed, a 100% Payment and Performance Bond ("P&P Bond") or a Letter of Credit ("LOC"), in an amount not less than 25% of the construction contract, is required in order to secure the construction contract between the GC and the Borrower. In either case, Florida Housing must be listed as co-obligee. The P&P bonds must be from a company rated at least "A-" by A.M. Best & Co. with a financial size category of at least FSC VI. Florida Housing and/or legal counsel must approve the source, amount(s) and all terms of the P&P Bonds or LOC. If the LOC option is utilized, the LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
9. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act, and Federal Fair Housing Act requirements, as applicable.
10. Resolution to Florida Housing's satisfaction of any outstanding past due or non-compliance items by closing of the loan(s).

This recommendation is contingent upon the review and approval of the following items by Florida Housing and its legal counsel at least two weeks before closing. Failure to receive approval of these items, along with all other items listed on counsels due diligence list, within this time frame may result in postponement of the closing date.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/manager(s) of the applicant, the guarantors, and any limited partners of Applicant.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing and its legal counsel, based upon the particular circumstances of the transaction. The survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage, flood hazard area and any other requirements of Florida Housing.
3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of closing, unless otherwise approved by Florida Housing and legal counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B

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- exceptions in the amount of the Supplemental Loan naming FHFC as the insured. All endorsements required by FHFC shall be provided.
5. Florida Housing and its legal counsel shall review and approve all other lenders' closing documents and the limited partnership or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Supplemental Loan have been satisfied.
 6. Evidence of general liability, flood (if applicable), builder's risk, and replacement cost hazard insurance (as certificates of occupancy are received) reflecting Florida Housing as Loss Payee / Mortgagee, with coverages, deductibles and amounts satisfactory to Florida Housing.
 7. Receipt of a legal opinion from the Borrower's legal counsel acceptable to Florida Housing addressing the following matters:
 - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
 - b. Authorization, execution, and delivery by the Borrower and the Guarantors, of all Supplemental Loan documents;
 - c. The Supplemental Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
 - d. The Borrower's and the Guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership Agreement, and;
 - e. Such other matters as Florida Housing or its legal counsel may require.
 8. Evidence of compliance with local concurrency laws.
 9. Such other assignments, affidavits, certificates, financial statements, closing statements and other documents as may be reasonably requested by Florida Housing or its legal counsel in form and substance acceptable to Florida Housing or its legal counsel, in connection with the Supplemental Loan.
 10. UCC Searches for the Borrower and its partnerships, as requested by counsel.
 11. Any other reasonable conditions established by Florida Housing and its legal counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.5087 Florida Statutes, and Rule Chapter 67-48, F.A.C.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the Supplemental Loan in form and substance satisfactory to Florida Housing, including, but not

limited to, the Promissory Note, the Loan Agreement, the Mortgage and Security Agreement, and the Land Use Restriction Agreement.

3. At all times there will be un-disbursed loan funds (collectively held by Florida Housing, First Lender and any other sources) sufficient to complete the Development. If at any time there are not sufficient funds (held by Florida Housing, First Lender and any other sources) to complete the Development, the Borrower will be required to expend additional equity on development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional Supplemental Loan funds are disbursed. This condition specifically includes escrowing at closing all syndication and other equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
4. A copy of an Amended and Restated Limited Partnership Agreement reflecting purchase of the HC by the Syndicator, Enterprise, or an affiliate, under terms consistent with the assumptions contained within this Credit Underwriting Report.
5. Receipt and satisfactory review of a Joint Funding Agreement between Applicant and Enterprise, or an affiliate, that requires funding of all HC Equity Installments during construction, even if Borrower is in default under the Limited Partnership Agreement. In the event that the Joint Funding Agreement is not executed, the Supplemental Loan will not be funded until after construction completion.
6. If applicable, Guarantors are to provide the standard FHFC Construction Completion Guarantee to be released upon lien-free completion as approved by the Servicer.
7. Guarantors are to provide the standard FHFC Operating Deficit Guarantee. This guarantee will be released upon achievement of 1.10 combined debt service coverage for the first mortgage and the Supplemental Loan for six (6) consecutive months.
8. Guarantors are to provide the standard FHFC Environmental Indemnity.
9. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
10. Consultech is to act as Florida Housing's inspector during the construction period.
11. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the Supplemental Loan is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its legal counsel.
12. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by Florida Housing's loan servicing agent, the release of funds shall be at Florida Housing's sole discretion.
13. Replacement Reserves in the amount of \$250 per unit per year increasing 3% annually as required by Enterprise and Greystone will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per Rule 67-048, F.A.C., in the amount of \$24,360 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the Supplemental Loan Program 1.10:1 DSC requirement. Applicant can waive this election, if at closing of the Supplemental Loan, the required DSC is met without the need to exercise the option. An

inflation factor based upon the Consumer Price Index will be applied to the Replacement Reserve deposit beginning in Year 7, unless waived or reduced in the event Obligor provides a Physical Needs Study prepared by an independent third party acceptable to FHFC that evidences an increase in the deposit is excessive or unnecessary.

14. The General Partner will be required by Enterprise to establish a Partnership Operating Reserve account ("POR") in the amount of \$343,000 to fund operating deficits after the development has achieved three consecutive months of breakeven operations following the achievement of 93% occupancy and actual rental income of at least 93% of projected rental income. The General partner will be permitted to use the POR prior to making Operating Deficit Contributions to the extent the POR has been funded as of the date of the deficit. The POR will be held in an interest-bearing account in a bank approved by the Limited Partner and all withdrawals will be subject to the approval of the Limited Partner. The POR will be established from the Limited Partner's fourth capital contribution.
15. Closing of the first mortgage simultaneous with or prior to closing of the Supplemental loan.
16. A minimum of 10% retainage holdback on all construction draws until the Development is 50% completed, and 0% retainage thereafter is required. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy. The general construction contract indicates a 10% retainage holdback through 50% completion then 0% retainage holdback thereafter, which meets the requirement.
17. During construction, the developer is only allowed to draw a maximum of 50% of the total developer fee but in no case more than the payable developer fee during construction, which is determined to be "developer's overhead." No more than 35% of "developer's overhead" will be funded at closing. The remainder of the "developer's overhead" will be disbursed during construction on a pro rata basis based on the percentage of completion of the development, as approved and reviewed by FHFC and the Servicer. The remaining unpaid developer fee shall be considered attributable to "developer's profit," and may not be funded until the development has achieved 100% lien free completion, and retainage has been released.
18. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or Servicer, if applicable.
19. Any other reasonable requirements of the Servicer, Florida Housing or its legal counsel.

Housing Credit Allocation Recommendation

Seltzer Management Group, Inc. recommends a preliminary annual Housing Credit allocation of \$1,436,183. Please see the HC Allocation Calculation section of this report for further details.

Contingencies

The HC allocation recommendation is contingent upon the receipt and satisfactory review of the following items by SMG and the Florida Housing Finance Corporation by the deadline established in the Preliminary HC Allocation. Failure to submit these items within this time frame may result in forfeiture of the HC Allocation.

1. Purchase of the HC by Enterprise or its assigns consistent with the assumptions utilized in this report.
2. Resolution to Florida Housing's satisfaction of any outstanding past due or non-compliance items by closing of the loan(s).
3. Any reasonable requirements of Florida Housing and/or SMG.

Exhibit 1

**Banyan Senior Apartments
Final Credit Underwriting Report
15 Year Income and Expense Projection**

DESCRIPTION	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue															
Gross Potential Rental Revenue	\$719,016	\$740,586	\$762,804	\$785,688	\$809,259	\$833,537	\$858,543	\$884,299	\$910,828	\$938,153	\$966,297	\$995,286	\$1,025,145	\$1,055,899	\$1,087,576
Other Income:															
Washer/Dryer Rentals	\$4,710	\$4,851	\$4,997	\$5,147	\$5,301	\$5,460	\$5,624	\$5,793	\$5,966	\$6,145	\$6,330	\$6,520	\$6,715	\$6,917	\$7,124
Cable Television Income	\$2,520	\$2,596	\$2,673	\$2,754	\$2,836	\$2,921	\$3,009	\$3,099	\$3,192	\$3,288	\$3,387	\$3,488	\$3,593	\$3,701	\$3,812
Miscellaneous Income	\$6,305	\$6,494	\$6,689	\$6,890	\$7,096	\$7,309	\$7,528	\$7,754	\$7,987	\$8,227	\$8,473	\$8,728	\$8,989	\$9,259	\$9,537
Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Potential Income	\$732,551	\$754,528	\$777,163	\$800,478	\$824,493	\$849,227	\$874,704	\$900,945	\$927,974	\$955,813	\$984,487	\$1,014,022	\$1,044,443	\$1,075,776	\$1,108,049
Less:															
Vacancy Loss - 4.0%	(\$29,302)	(\$30,181)	(\$31,087)	(\$32,019)	(\$32,980)	(\$33,969)	(\$34,988)	(\$36,038)	(\$37,119)	(\$38,233)	(\$39,379)	(\$40,561)	(\$41,778)	(\$43,031)	(\$44,322)
Collection Loss - 1.0%	(\$7,326)	(\$7,545)	(\$7,772)	(\$8,005)	(\$8,245)	(\$8,492)	(\$8,747)	(\$9,009)	(\$9,280)	(\$9,558)	(\$9,845)	(\$10,140)	(\$10,444)	(\$10,758)	(\$11,080)
Total Effective Gross Revenue	\$695,923	\$716,801	\$738,305	\$760,454	\$783,268	\$806,766	\$830,969	\$855,898	\$881,575	\$908,022	\$935,263	\$963,321	\$992,220	\$1,021,987	\$1,052,647
Expenses															
Fixed:															
Taxes	\$36,000	\$37,440	\$38,938	\$40,495	\$42,115	\$43,800	\$45,551	\$47,374	\$49,268	\$51,239	\$53,289	\$55,420	\$57,637	\$59,943	\$62,340
Insurance	\$64,800	\$67,392	\$70,088	\$72,891	\$75,807	\$78,839	\$81,993	\$85,272	\$88,683	\$92,231	\$95,920	\$99,757	\$103,747	\$107,897	\$112,213
Variable:															
Management Fees - 4.0%	\$45,837	\$41,600	\$42,675	\$43,783	\$44,923	\$46,098	\$47,308	\$48,555	\$49,839	\$51,161	\$52,523	\$53,926	\$55,371	\$56,859	\$58,392
General and Administrative	\$24,000	\$24,960	\$25,958	\$26,997	\$28,077	\$29,200	\$30,368	\$31,582	\$32,846	\$34,159	\$35,526	\$36,947	\$38,425	\$39,962	\$41,560
Payroll Expenses	\$116,944	\$121,622	\$126,487	\$131,546	\$136,808	\$142,280	\$147,971	\$153,890	\$160,046	\$166,448	\$173,106	\$180,030	\$187,231	\$194,720	\$202,509
Utilities	\$112,624	\$117,129	\$121,814	\$126,687	\$131,754	\$137,024	\$142,505	\$148,206	\$154,134	\$160,299	\$166,711	\$173,379	\$180,315	\$187,527	\$195,028
Marketing and Advertising	\$9,600	\$9,984	\$10,383	\$10,799	\$11,231	\$11,680	\$12,147	\$12,633	\$13,138	\$13,664	\$14,210	\$14,779	\$15,370	\$15,985	\$16,624
Maintenance and Repairs	\$26,400	\$27,456	\$28,554	\$29,696	\$30,884	\$32,120	\$33,404	\$34,741	\$36,130	\$37,575	\$39,078	\$40,642	\$42,267	\$43,958	\$45,716
Grounds Maintenance and Landscaping	\$19,200	\$19,968	\$20,767	\$21,597	\$22,461	\$23,360	\$24,294	\$25,266	\$26,277	\$27,328	\$28,421	\$29,558	\$30,740	\$31,969	\$33,248
Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replacement Reserve	\$24,000	\$24,720	\$25,462	\$26,225	\$27,012	\$27,823	\$28,657	\$29,517	\$30,402	\$31,315	\$32,254	\$33,222	\$34,218	\$35,245	\$36,302
Other:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$479,405	\$498,581	\$518,524	\$539,265	\$560,836	\$583,269	\$606,600	\$630,864	\$656,099	\$682,343	\$709,636	\$738,022	\$767,543	\$798,244	\$830,174
Net Operating Income	\$216,519	\$218,220	\$219,781	\$221,189	\$222,432	\$223,497	\$224,369	\$225,034	\$225,476	\$225,680	\$225,627	\$225,299	\$224,678	\$223,743	\$222,472
Debt Service Payments															
First Mortgage	\$169,623	\$169,623	\$169,623	\$169,623	\$169,623	\$169,623	\$169,623	\$169,623	\$169,623	\$169,623	\$169,623	\$169,623	\$169,623	\$169,623	\$169,623
Second Mortgage	\$4,683	\$4,683	\$4,683	\$4,683	\$4,683	\$4,683	\$4,683	\$4,683	\$4,683	\$4,683	\$4,683	\$4,683	\$4,683	\$4,683	\$4,683
Third Mortgage	\$6,833	\$6,833	\$6,833	\$6,833	\$6,833	\$6,833	\$6,833	\$6,833	\$6,833	\$6,833	\$6,833	\$6,833	\$6,833	\$6,833	\$6,833
Other Fees - Letter of Credit/Guarantee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Fees - Agency/Trustee/Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments	\$181,139	\$181,139	\$181,139	\$181,139	\$181,139	\$181,139	\$181,139	\$181,139	\$181,139	\$181,139	\$181,139	\$181,139	\$181,139	\$181,139	\$181,139
Operating Income After Debt Service - Before Tax Cash Flow	\$35,379	\$37,081	\$38,642	\$40,050	\$41,293	\$42,357	\$43,230	\$43,895	\$44,337	\$44,540	\$44,487	\$44,160	\$43,538	\$42,603	\$41,333
Debt Service Coverage Ratios															
Debt Service Coverage - First Only	1.276	1.237	1.246	1.254	1.261	1.267	1.272	1.275	1.278	1.279	1.279	1.277	1.273	1.268	1.261
Debt Service Coverage - First & Second Mortgages	1.242	1.205	1.213	1.221	1.228	1.234	1.239	1.242	1.245	1.246	1.246	1.244	1.240	1.235	1.228
Debt Service Coverage - All Mortgages and Fees	1.195	1.205	1.213	1.221	1.228	1.234	1.239	1.242	1.245	1.246	1.246	1.244	1.240	1.235	1.228
Financial Ratios															
Operating Expense Ratio	68.9%	69.6%	70.2%	70.9%	71.6%	72.3%	73.0%	73.7%	74.4%	75.1%	75.9%	76.6%	77.4%	78.1%	78.9%
Break-Even Ratio	90.2%	90.1%	90.0%	90.0%	90.0%	90.0%	90.1%	90.1%	90.2%	90.3%	90.5%	90.6%	90.8%	91.0%	91.3%

(BANYAN SENIOR APARTMENTS / 2007-190C & Supplemental Loan)
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

96 Three-story with elevator apartment units located in 3 residential buildings.

Unit Mix:

Thirty-one (31) one bedroom/one bath units containing a minimum of 717 square feet of heated and cooled living area.

Fifteen (15) one bedroom/one bath units containing a minimum of 749 square feet of heated and cooled living area.

Two (2) one bedroom/one bath units containing a minimum of 800 square feet of heated and cooled living area.

Forty-eight (48) two bedroom/one bath unit containing a minimum of 912 square feet of heated and cooled living area.

96 Total Units

The Development is to be constructed in accordance with the final plans and specifications approved by the appropriate city or county building or planning department or equivalent agency, and approved as reflected in the Pre-Construction Analysis prepared for Florida Housing or its Servicer, unless a change has been approved in writing by Florida Housing or its Servicer. The Development will conform to requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, Federal Fair Housing Act and Americans with Disabilities Act ("ADA"), as applicable.

B. Each unit will be fully equipped with the following:

1. Air conditioning in all units (window units are not allowed; however, through-wall units are permissible for rehabilitation).
2. Window treatments for each window inside each unit.
3. Termite prevention and pest control throughout the entire affordability period.
4. Peephole on all exterior doors.
5. Exterior lighting in open and common areas.
6. Cable or satellite TV hook-up in all units.
7. Range, oven and refrigerator in all units.
8. At least two full bathrooms in all 3 bedroom or larger new construction units

(BANYAN SENIOR APARTMENTS / 2007-190C & Supplemental Loan)
DESCRIPTION OF FEATURES AND AMENITIES

9. Bathtub with shower in at least one bathroom in at least 90% of the new construction, non-Elderly units.

C. Elderly requirements

The following will be provided in all units:

1. Thermostat placed at 48" maximum height
2. Tight-napped Berber-type carpet
3. 36" entrances on all exterior doors
4. All wall electrical outlets placed between 18" and 48" above the floor
5. Scald control valves on all bathtub and shower faucets
6. Peephole at 4' 10" on all exterior doors
7. Toggle type switches for each light and each fan throughout the unit
8. Adjustable shelving in master bedroom closets (style of shelving must be re-adjustable by resident)
9. Lever action handles on all doors in units and public areas
10. Horizontal grab bars around shower per ANSI requirements
11. Horizontal grab bars around toilet per ANSI requirements
12. Roll-in showers will be provided in at least fifteen percent (15%) of all new construction units and at least ten percent (10%) of all Rehabilitation/Substantial Rehabilitation units. 1/3 of the 15% NC requirement or 1/2 of the 10% SR requirement may be met with walk-in type shower stalls with permanently affixed seat which meet or exceed the Universal Federal Accessibility Standards (UFAS)
13. A minimum of one elevator per residential building must be provided for all new construction Developments that consist of more than one story if any of the Elderly set-aside units will be located on a floor higher than the first floor.

D. The Applicant has committed to provide the following features in each new construction unit:

1. 30 Year expected life roofing on all buildings
2. Ceramic tile bathroom floors in all units

(BANYAN SENIOR APARTMENTS / 2007-190C & Supplemental Loan)
DESCRIPTION OF FEATURES AND AMENITIES

3. Double compartment kitchen sink in all units
 4. Pantry in kitchen area in all units – must be no less than 20 cubic feet of storage space. Pantry cannot be just an under- or over-the-counter cabinet
 5. Dishwasher in all new construction units
 6. Garbage disposal in all new construction units
- E. The Applicant has committed to the following amenities in the Development:
1. Emergency call service in all units
 2. Exercise room with appropriate equipment
 3. Community center or clubhouse
 4. Swimming pool
 5. Library consisting of a minimum of 100 books and 5 current magazine subscriptions
 6. Computer lab on-site with minimum one computer per 50 units, with basic word processing, spreadsheets and assorted educational and entertainment software programs and at least one printer
 7. Laundry facilities with full-size washers and dryers available in at least one common area on site
- F. The Applicant has committed to provide the following energy conservation features for all buildings in the Development:
1. Heat pump with a minimum HSPF of 8.2 instead of electric resistance
 2. Air conditioning with a minimum SEER rating of 14
 3. Electric water heater with energy factor of .93 or better
 4. Wall insulation of a minimum of R-13
 5. Attic insulation of R-30 or better
 6. All windows single-pane with shading coefficient of .67 or better
 7. Ceiling fans in all bedrooms and living area in each unit

(BANYAN SENIOR APARTMENTS / 2007-190C & Supplemental Loan)
DESCRIPTION OF FEATURES AND AMENITIES

- G. The Applicant has committed to provide the following Resident Programs:
1. Resident Assurance Check-In Program - The Applicant commits to provide and use an established system for checking in with each resident on a pre-determined basis not less than once per day, at no cost to the resident. Residents may opt out of this program with a written certification that they choose not to participate
 2. Manager On-Call 24 Hours Per Day – Applicant must provide management personnel on the Development’s premises at all times who will be available and accessible to the residents 24 hours per day, seven days per week, at no cost to the resident.
 3. Literacy Training - Applicant or its Management agent must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Electronic media, if used, must be used in conjunction with live instruction.
 4. Health Care – At least quarterly visits by health care professionals such as nurses, doctors, or other licensed care providers. At a minimum, the following services must be provided: health screening, flu shots, vision and hearing tests. Regularly scheduled is defined as not less often than once each quarter. On-site space must be provided. Service must be provided at no cost to the residents, with the exception that the residents may be charged for medications.
 5. Resident Activities – These specified activities are planned, arranged, provided and paid for by the Applicant or its Management Agent. These activities must be an integral part of the management plan. The Applicant must develop and execute a comprehensive plan of varied activities that brings the residents together and encourages community pride. The goal here is to foster a sense of community by bringing residents together on a regularly scheduled basis by providing activities such as holiday and special occasion parties, community picnics, newsletters, children’s special functions, etc.
 6. Health and Nutrition Classes – At least 8 hours per year, provided on site at no cost to the residents. Electronic media, if used, must be used in conjunction with live instruction.
 7. Financial Counseling – This service must be provided by the Applicant or its Management Agent, at no cost to the resident, and must include the following components: must be regularly scheduled at least once each quarter; must include tax preparation assistance by qualified professionals; must include educational workshops on such topics as “Learning to Budget,” “Handling Personal Finances,” “Predatory Lending,” or “Comparison Shopping for the Consumer.” Electronic media, if used, must be used in conjunction with live instruction.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Banyan Senior Apartments

DATE: September 11, 2008

In accordance with applicable Program Rule(s), the applicant is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing Finance Corporation ("Florida Housing" or "FHFC"). The following items must be satisfactorily addressed. "Satisfactorily" means that the Credit Underwriter has received assurances from third parties unrelated to the applicant that the transaction can close within the allotted time frame. Unsatisfactory items, if any, are noted below and in the "Issues and Concerns" section of the Executive Summary.

CREDIT UNDERWRITING	STATUS	NOTE
REQUIRED ITEMS:	Satis. / Unsatis.	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	1
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Applicant, general partner, principals, guarantors and general contractor.	Satis.	

SUPPLEMENTAL LOAN & HC CREDIT UNDERWRITING REPORT

SMG

11. Resumes and experience of Applicant, general contractor and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 20% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	

NOTES AND APPLICANT'S RESPONSES:

1. In addition to the standard building permits, as a condition of approval by the Pasco County Development Review Committee of the preliminary site plan approval and parking variance, a Right of Way Use Permit, and Site Development Permit are required prior to loan closing.

Applicant's Response: Applicant will provide the Right of Way Use Permit and Site Development Permit prior to loan closing.

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$16,259,300
Less Land Cost	(\$1,250,000)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$1,244,068)
Less Disproportionate Standard	\$0
Total Eligible Basis	\$13,765,232
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$17,894,801
Housing Credit Percentage	9.00%
Annual Housing Credit Allocation	\$1,610,532

Notes to the Qualified Basis Calculation:

1. Less Land Cost is the actual purchase price of the land..
2. Other Ineligible Costs are as shown in the HC Ineligible Costs column of the Uses of Funds section of this report.
3. The subject has a 100% set-aside. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
4. This development is located in a Difficult Development Area ("DDA"). Therefore, a 130.00% basis credit has been applied.
5. Applicant has not already locked-in a Housing Credit Percentage. Therefore, a Housing Credit Percentage of 9.00% is based on to the rate indicated in the Housing and Economic Recovery Act of 2008.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$16,259,300
Less Mortgages	(\$3,055,000)
Less Grants	\$0
Equity Gap	\$13,204,300
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.8601
HC Required to Meet Gap	\$15,353,587
Annual HC Required	\$1,535,359

SUPPLEMENTAL LOAN & HC CREDIT UNDERWRITING REPORT**SMG***Notes to the Gap Calculation:*

1. The Less Mortgages line item reflects the first mortgage from Greystone, FHFC Supplemental loan, and the SHIP Loan from Pasco County.
2. HC Syndication Pricing and Percentage to Investment Partnership are based on the July 24, 2008, letter of intent from Enterprise, revised August 29, 2008, and as described in the Permanent Financing Sources segment in Section A of this report.

Section III: Summary	
HC per Applicant Request	\$1,436,183
HC per Qualified Basis	\$1,610,532
HC per Gap Calculation	\$1,535,359
Annual HC Recommended	\$1,436,183

Notes to the Summary:

1. The Annual HC Recommended is limited by the applicant's request.

**EXHIBIT 5
BANYAN SENIOR APARTMENTS**

Occupancy Comparables

Comparable Rentals Per Appraisal by Value Tech Realty Services, Inc. dated April 1, 2008, Revised May 8, 2008

Property:	Palms at Wyndtree	Carlton Arms of Magnolia Valley	Lake Forest 8228 Chasco Wood Blvd	Park Place Luzury Apartments	Average
	7335 Oconto Drive New Port Richey	7212 Carlton Arms Drive New Port Richey	Port Richey	9310 Valley View Lane Port Richey	
County:	Pasco	Pasco	Pasco	Pasco	
Within Primary Market Area*	Yes	Yes	Yes	Yes	
# of Units:	327	750	288	420	
Leasing Commenced:	2002	1987	1987	1985	
FHFC Program:	Market	Market	Market	Market	
Set Asides:	None	None	None	None	
Occupancy:	96%	98%	93%	93%	95%

Occupancy per FHFC Compliance Reporting:

Apr-07	n/a	n/a	n/a	n/a	n/a
May-07	n/a	n/a	n/a	n/a	n/a
Jun-07	n/a	n/a	n/a	n/a	n/a
Jul-07	n/a	n/a	n/a	n/a	n/a
Aug-07	n/a	n/a	n/a	n/a	n/a
Sep-07	n/a	n/a	n/a	n/a	n/a
Oct-07	n/a	n/a	n/a	n/a	n/a
Nov-07	n/a	n/a	n/a	n/a	n/a
Dec-07	n/a	n/a	n/a	n/a	n/a
Jan-08	n/a	n/a	n/a	n/a	n/a
Feb-08	n/a	n/a	n/a	n/a	n/a
Mar-08	n/a	n/a	n/a	n/a	n/a
Apr-08	n/a	n/a	n/a	n/a	n/a
Average	n/a	n/a	n/a	n/a	n/a

Additional Comparables per SMG Database

	Property	City-County	Program	Units	Jan-Jun 2008 Avg Occ	2007 Avg. Occupancy
1	Landings at Sea Forest	New Port Richey-Pasco	MMRB/Guaranty/SAIL/HC	200	95.2%	92.5%
2	Landings at Saint Andrew	New Port Richey-Pasco	SAIL/HC	196	91.5%	91.3%
3	Pasco Woods	Wesley Chapel-Pasco	Guaranty/SAIL/HC	200	91.5%	92.4%
4	Regency Palms ¹	Port Richey-Pasco	SAIL/HC	200	70.8%	77.3%
5	Oakcrest II	Dade City-Pasco	HC	20	100.0%	100.0%
6	Weston Oaks	Holiday-Pasco	HC	200	93.0%	Not Available
7	Countryside Villas II ²	Dade City-Pasco	HC	16	81.3%	100.0%
8	Ivy Chase-Hudson	Hudson-Pasco	HC	61	88.5%	90.2%
AVERAGE:					89.0%	91.9%

OVERALL AVERAGE:	Comparables:	95.0%
	Additional Properties ³	89.0%
	AVERAGE	92.0%

NOTES:

- 1 Regency Palms a/k/a Park Richey commenced operations in June 2002 and has never attained stabilized occupancy and is currently considered a "going concern."
- 2 Countryside Villas II consists of 16 units. The 3 unit vacancy result in occupancy of 81.25%.
- 3 Average Occupancy for the additional properties without Regency Palms is 91.6%