Florida Housing Finance Corporation

Credit Underwriting Report

St. Luke's Life Center

2005 - 044C

Section A: Report Summary

Section B: Housing Credit Allocation Recommendation & Contingencies

Section C: Supporting Information and Schedules

Prepared by

First Housing Development Corporation of Florida

Final Report

January 15, 2008

EXHIBIT

Exhibit AFC - 7

St. Luke's Life Center

TABLE OF CONTENTS

Section A

Report Summary

Recommendation

First Housing recommends a Housing Credit allocation in the annual amount of **$1,511,082** for the construction of St. Luke's Life Center.

DEVELOPMENT & SET-ASIDES	
Location	915 Quincy Street, Lakeland, Polk County, Florida 33815
Number of Units/Unit Mix	

	Baths	No. of Units	Net Unit Size (SF)
1	1	76	556
2	2	74	820
Totals		150	

Demographic Commitment	Elderly
Set Asides	18% of units (27 units) at or below 30% AMI (HC's) 82% of units (remaining) at or below 60% AMI (HC's)
Set Aside Term	50 Years
County Size	Large
Development Category	New Construction
Development Type	Mid-Rise Apartments
Occupancy Rate	New
Parking	92 on-site spaces including 4 handicap parking spaces, which is equal to 0.6 spaces per unit and exceeds current city of Lakeland parking ordinance which requires a 0.5 space per unit ratio for elderly multifamily developments. There are an additional 9 off-site spaces directly outside the property.
Improvements	A Mid Rise style apartment complex consisting of three (3) four story residential structures. Construction includes brick, stucco, and cementious siding on exterior walls.
Site Acre	2.70 +/- acres per the Survey
Density	56 units per acre
Zoning	PUD which allows multifamily maximum of 150 units
Flood Zone Designation	Flood Zone "X". Flood Insurance is not required according to Map # 12105C0315 F, Polk County, Fl
DEVELOPMENT TEAM	
Applicant	St. Luke's Life Center, Ltd.
General Partners	TCG St. Luke's, LLC (.0049%) St. Luke's Life Center, Inc. (.0051%)
Limited Partner/Syndicator	The Richman Group Affordable Housing Corporation
Guarantors	N/A
Developers	St. Luke's Development, LLC and St. Luke's Life Center, Inc.

General Contractor	Rodda Construction Multi-Family, LLC
Management Company	Carlisle Property Management, Inc.
1st Mortgage Lender	Neighborhood Lending Partners, Inc.
FINANCING INFORMATION	
FHFC Programs	Housing Credits
Total 1st Mtg. Loan Amount (NLP)	$938,228
"All in" Underwritten Interest Rate	6.870%
Term/Amortization	18/30
2nd Loan Amount (HHRP Polk County)	$752,763
Underwritten Interest Rate	3.25%
Term/Amortization	30 /30
3rd Loan Amount (HHRP Polk County)	$750,000
Underwritten Interest Rate	0.25%
Term/Amortization	40/0
Favorable Rent-Restricted Stabilized Value	$3,300,000
Market Rent Value	$8,500,000
Restricted Loan To Value – All Loans Combined	74.0%
Market Loan To Value – All Loans Combined	28.7%
Projected Net Operating Income	$189,925
Debt Service First Mortgage Only	1.70
Debt Service 1st and 2nd Mortgages	1.11
Debt Service Coverage – All Mortgages Combined	1.09
Syndication Price	$0.98
FHFC Assistance Per Unit	$100,739
Annual Tax Credit Allocation per unit	$10,074

Construction/Permanent Sources

Source	Lender	Construction	Permanent	Permanent Loan/Unit
First Mortgage	Neighborhood Lending Partners	$3,500,000	$938,228	$6,255
Second Mortgage	HHRP Polk County	$752,763	$752,763	$5,018
Third Mortgage	HHRP Polk County	$750,000	$750,000	$5,000
Housing Credits	Richman Group AHC	$12,585,000	$14,807,000	$98,713
Deferred Developer Fee	St. Lukes Development, LLC	$395,450	$735,222	$4,901
Developer's Equity	St. Lukes Development, LLC	$0	$0	$0
Total		$17,983,213	$17,983,213	$114,987

Changes from the Application

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?		1
Are all funding sources the same as shown in the Application?	X	
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?	2	
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?		3
Is the Development feasible using the set-asides committed to in the Application?	4	
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	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?	X	

(Revised 8/14/03)

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

1. The Applicant received prior approval on 3/31/2006 from Florida Housing Finance Corporation to change the Developer entity from Carlisle Development Group, LLC to St. Luke's, Development, LLC.

2. The Applicant received prior approval on 11/16/2006 from Florida Housing Finance Corporation to replace the committed tenant program "Swimming Lessons" (2 Pts) with "Health and Nutrition Classes" (2 Pts). In addition, the Developer has a change from "all windows single pane with minimum solar heat gain coefficient of .58 or better" (2 pts.) for "all windows double-pane with minimum solar heat gain coefficient of less than or equal to .50 and minimum of .75 U value" (2 pts.) This changed was approved on 2/13/2007 by FHFC.

3. Total development Cost is approximately 15% higher than originally estimated mainly due to increased construction cost of $2,658,613.

4. In addition to the HC set-asides, the first mortgage lender is requiring 20% at 50% set-aside.

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

According to the FHFC October 10, 2007, Non-compliance Report, The Carlisle Group and/or its affiliates has the following non-compliance item(s) that are not now in the correction period:

- Golfview Gardens for failure to maintain unit feature commitments in the regulatory agreement.
- Carlisle Lakes II for failure to document tenant eligibility.
- Douglas Pointe for failure to document tenant eligibility.

The Past Due report dated November 27, 2007 indicates that there are no Past Due items reflected under The Carlisle Group and/or its affiliates:

- None.

This recommendation is subject to satisfactory resolution (as determined by FHFC) of any outstanding past due or non-compliance issues stated above. Failure to correct such deficiencies could reflect poorly on the Development teams past performance which may cause the recommended housing credits to be in jeopardy.

First Housing is unaware of any historical problems with The Carlisle group and/or its affiliates.

Strengths:

1. The Applicant and Its Principals, as well as the Limited Partner/Syndicator, have sufficient experience and substantial financial resources to develop, construct and operate the proposed development.

2. The market study prepared in September 2006 indicates that the subjects 150 units represents only 0.8% of the total qualified renter households in Polk County and 2.0% of those in the Lakeland Market Area. They also believe that the mix of units planned at St. Luke's Life Center is excellent for a seniors restricted development.

Other Considerations:
- NONE

Mitigating Factors:
- NONE

Waiver Requests/Special Conditions:
- NONE

Additional Information:

- NONE

Recommendation:

1. First Housing recommends that an annual Housing Credit allocation of **$1,511,082** be awarded to St. Luke's Life Center, Ltd. for the acquisition and construction of this development.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A), and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the Housing Credit Contingencies (Section B).

The reader is cautioned to refer to these sections for complete information.

Prepared by:

William J. Metler
Senior Credit Underwriter

Reviewed by:

Ed Busansky
Senior Vice President

Overview

Construction Financing:

Source	Lender	Application	Revised Applicant	Underwriter	Interest Rate	Term Years	Amort Years	Construction Debt Service
First Mortgage	Neighborhood Lending Partners, Inc.	$2,500,000	$1,344,533	$3,500,000	6.870%	2	0	$240,450
Second Mortgage	HHRP Polk County	$0	$752,763	$752,763	3.25%	2	0	$24,468
Third Mortgage	HHRP Polk County	$0	$750,000	$750,000	0.25%	0	0	$1,875
Housing Credits	Richman Group AHC	$10,788,200	$12,585,000	$12,585,000	N/A	N/A	N/A	N/A
Deferred Developer Fee	St. Lukes Development, LLC	$1,965,028	$2,464,946	$395,450	N/A	N/A	N/A	N/A
Developer's Equity	St. Lukes Development, LLC	$0	$194,001	$0	N/A	N/A	N/A	N/A
Total		$15,253,228	$18,091,245	$17,983,213	N/A	N/A	N/A	$266,799

Construction Financing Sources

The Underwriter has reviewed an executed Note, dated November 30, 2006 from Neighborhood Lending Partners, Inc. which is written for up to $3,500,000 during the construction period and for up to $2,000,000 during the permanent period. The mortgage is written at a 1-month LIBOR rate plus a spread of 175 basis points. The current LIBOR rate plus spread equates to an "all-in" rate of 6.87% For the construction period of up to 24 months, the payment is interest only.

The Second Mortgage is provided by Polk County's Low Income Hurricane Housing Recovery Loan Program and is written for $752,763 at a base rate of 3.00% plus a lender servicing fee of 25 basis points for an "all-in" rate of 3.25%. The Servicer for Polk County (Neighborhood Lending Partners, Inc.) also requires a $200 annual compliance monitoring fee. The mortgage is written for an initial interest-only construction term of up to 24 months followed by a 30 year amortization period whose maturity date will be 30 years from "Loan Conversion". The borrower on the second mortgage will be St. Luke's Life Center, Ltd.

The Third Mortgage is provided by Polk County's Extremely Low Income Hurricane Housing recovery Loan Program and is written for $750,000 and will be provided as an unsecured loan at a zero interest rate and will not have to be repaid by the borrower as long as the development meets affordability guidelines for fifteen years. The Servicer for Polk County (Neighborhood Lending Partners, Inc.) requires a 25bp annual servicing fee plus a $200 annual compliance fee. The borrower on the third mortgage will be TCG St. Luke's LLC. Interest shall not accrue on the Principal amount outstanding under this note.

HC Equity

The Syndicator (The Richman Group Affordable Housing Corporation) has provided a Limited Partnership Agreement dated December 1, 2006. Based on this document, during the construction period, four installments will become available totaling $12,585,000 of total equity investment. Furthermore, 35% of total equity investment or $5,182,000 was disbursed upon the admission of the Investor to Owner (the "Closing"), which is consistent with FHFC's 2005 Application requirements. The Total Capital Contribution available to the Development is $14,807,000

Deferred Developer Fee

During the construction period, the developer must defer $395,450 or 16% of available developer fees as well as providing St. Luke's Development, LLC in Applicant's Equity in order to balance the Sources & Uses of Funds after receipt of all Loan proceeds and HC Equity contributions available during construction.

Permanent Financing Sources:

Permanent Sources

Source	Lender	Application	Revised Applicant	Underwriter	Interest Rate	Term Years	Amort. Years	Annual Debt Service
First Mortgage	Neighborhood Lending Partners, Inc.	$2,000,000	$1,344,533	$938,228	6.87%	18	30	$73,924
Second Mortgage	HHRP Polk County	$0	$752,763	$752,763	3.25%	30	30	$39,513
Third Mortgage	HHRP Polk County	$0	$750,000	$750,000	0.25%	40	0	$1,875
Housing Credits	Richman Group AHC	$12,692,000	$14,807,000	$14,807,000	N/A	N/A	N/A	N/A
Deferred Developer Fee	St. Lukes Development, LLC	$561,228	$436,949	$735,222	N/A	N/A	N/A	N/A
Deferred GC Fee	St. Lukes Development, LLC	$0	$0	$0	N/A	N/A	N/A	N/A
Total		$15,253,228	$18,091,245	$17,983,213	N/A	N/A	N/A	$115,312

The Underwriter has reviewed an executed note, dated November 30, 2006 from Neighborhood Lending Partners, Inc. which is written for up to $3,500,000 during the construction period and for up to $2,000,000 during the permanent period. The term of this mortgage is written for 18 years while amortized over a 30 year period. The mortgage is written at a 1-month LIBOR rate plus a spread of 175 basis points. The current LIBOR rate plus spread equates to an "all-in" rate of 6.87%.

The Second Mortgage is provided by Polk County's Low Income Hurricane Housing Recovery Loan Program and is written for $752,763 at a base rate of 3.00% plus a lender servicing fee of 25 basis points for an "all-in" rate of 3.25%. The Servicer for Polk County (Neighborhood Lending Partners, Inc.) also requires a $200 annual compliance monitoring fee. The mortgage is written for an initial interest-only construction term of up to 24 months followed by a 30 year amortization period whose maturity date will be 30 years from "Loan Conversion". The borrower on the second mortgage will be St. Luke's Life Center, Ltd.

The Third Mortgage is provided by Polk County's Extremely Low Income Hurricane Housing recovery Loan Program and is written for $750,000 and will be provided as an unsecured loan at a zero interest rate and will not have to be repaid by the borrower as long as the development meets affordability guidelines for fifteen years. The Servicer for Polk County (Neighborhood Lending Partners, Inc.) requires a 25bp annual servicing fee plus a $200 annual compliance fee. The borrower on the third mortgage will be TCG St. Luke's LLC. . Interest shall not accrue on the Principal amount outstanding under this note.

HC Equity

St. Luke's Life Center, Ltd received an executed Limited Partnership Agreement dated December 1, 2006 from The Richman Group Affordable Housing Corporation to provide a net capital contribution of $14,807,000. The firm commitment is summarized as follows:

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	$5,182,000	35%	at partnership closing and prior to or simultaneous with construction closing.
2nd Installment	$2,961,000	20%	50% construction completion
3rd Installment	$2,221,000	15%	75% construction completion
4th Installment	$2,221,000	15%	98% construction completion
5th Installment	$2,222,000	15%	Receipt of Form 8609, 95% occupancy, and achievment of "break-even operations"
Total	$14,807,000	100%	

Annual Credit Per Syndication Agreement: $1,511,069

Calculated HC Exchange Rate: $0.98

Syndication Percentage: 99.99%

Proceeds Available During Construction $12,585,000

$12,585,000 85%

Deferred Developer Fee

The current budget indicates that during the permanent stage, the developer will most likely be required to defer $735,222 (or 30%) of total developer's fees after all available syndication proceeds have been disbursed.

Uses of Funds

	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Actual Construction Cost				
New Rental Units	$8,776,080	$11,336,160	$11,336,160	
Accessory Buildings	$175,000	$0	$0	
General Contractor Fees (max 14%)	$1,281,151	$1,483,131	$1,483,131	
Total Construction Contract	**$10,232,231**	**$12,819,291**	$12,819,291	
Hard Cost Contingency	$268,532	$340,085	$340,085	
Recreational Amenities	$200,000	$200,000	$200,000	
Total Actual Construction Cost	**$10,700,763**	**$13,359,376**	$13,359,376	$0

Notes to the Actual Construction Costs:

1. An executed cost plus fee with a guaranteed maximum price contract of $12,819,291 dated November 22, 2006 between Rodda Construction Multi-family, LLC and St. Luke's Life Center, Ltd. was reviewed by the Underwriter. This contract states that it is for a guaranteed maximum lump sum price for the satisfactory completion of all work incorporated within the scope of the contract. CASI has reviewed the contract and states the General Contract appears to be thorough and is executed properly.

2. Based on the Construction Cost Breakdown, the GC fee is $1,483,131; which is less than the maximum of 14% allowed by the Rule.

3. The applicant included for Hard Cost Contingency which is equivalent to 3% of the hard cost of construction. The Credit Underwriter finds this reasonable considering that at the time of this report construction is exceeding 85% completion.

	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs	HC Ineligible Costs
General Development Costs				
Accounting Fees	$25,000	$25,000	$25,000	
Appraisal	$9,000	$9,000	$7,500	
Architect's Fee - Design	$150,000	$230,000	$230,000	
Architect's Fee - Supervision	$30,000	$40,000	$40,000	
Builder's Risk Insurance (GC Contract)		$1,758	$1,758	
Building Permits		$70,500	$70,500	
Engineering Fee	$50,000	$0	$0	
Environmental Report	$7,500	$7,500	$7,500	
FHFC Administrative Fee	$75,554	$75,554	$75,554	$75,554
FHFC Application Fee	$1,000	$5,500	$1,000	$1,000
FHFC Compliance Fee	$82,353	$81,059	$81,541	$81,541
FHFC Credit Underwriting Fee	$9,345	$21,545	$9,625	
Impact Fees	$361,350	$0	$0	
Inspection Fees/Construction Admin.	$75,000	$45,000	$45,000	
Insurance - Liability	$30,000	$20,000	$20,000	
Legal Fees Partnership	$130,000	$120,000	$120,000	$8,250
Legal Fees - Other		$55,000	$55,000	
Market Study	$10,000	$9,000	$9,000	$9,000
Marketing and Advertising	$275,000	$137,500	$68,750	$68,750
Pre-Construction Analysis	$0	$0	$1,750	
Property Taxes	$50,000	$25,000	$25,000	
Soil Test	$5,000	$9,000	$9,000	
Survey	$15,000	$18,000	$18,000	
Title Insurance and Recording Fees	$111,841	$94,330	$84,814	$21,204
Utility Connection Fees	$243,750	$242,700	$242,700	
Other - Application Fees	$5,870	$8,000	$8,000	
Other - Lease up Reserve		$100,000	$100,000	$100,000
Other -Soil Borings		$27,193	$27,193	
Other - Soft Cost Contingency	$60,000	$50,000	$50,000	
Building Permit Expediting	$70,500	$50,000	$50,000	
Total General Development Costs	**$1,883,063**	**$1,578,139**	**$1,484,185**	**$365,299**

Notes to the General Development Costs:

1. General Development Cost are the applicant's updated estimates, which appear reasonable.

2. Underwriter has adjusted the FHFC Housing Credit (HC) compliance monitoring fee based, the FHFC administrative fee, the appraisal fee, and the FHFC credit underwriting fees based upon the actual published fees.

	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Financial Costs				
Construction Loan Origination Fee	$25,000	$35,000	$35,000	
Construction Loan Interest	$247,370	$381,267	$381,267	$190,634
Construction Loan Closing Cost	$5,000	$650	$650	
Other Loan Closing Cost		$33,455	$33,455	
Permanent Loan Origination Fee	$30,000	$20,000	$20,000	$20,000
Permanent Loan Closing Cost	$6,000	$4,000	$4,000	$4,000
Total Financial Costs	**$313,370**	**$474,372**	**$474,372**	**$214,634**

Notes to the Financial Costs:

1. Financial costs are the applicant's updated estimates, which appear reasonable.

	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Development Cost Before Developer Fee and Land	**$12,897,196**	**$15,411,887**	**$15,317,933**	**$579,933**
Other Development Costs				
Developer Fee on Acquisition of Building	$0	$0	$0	$0
Developer Fee	$2,063,422	$2,464,948	$2,450,870	
Total Other Development Costs	**$2,063,422**	**$2,464,948**	**$2,450,870**	**$0**

Notes to the Other Development Costs:

1. The recommended Developer's fee is equal to 16% of total Development Cost before Land, Building Acquisition, and Developer Fees.

	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Acquisition Costs				
Land	$292,610	$214,410	$214,410	$214,410
Other - Extend Contract				
Other - Land Purchase Carrying Costs				
Total Acquisition Costs	**$292,610**	**$214,410**	**$214,410**	**$214,410**

Notes to Acquisition Costs:

1. This property was acquired from multiple parties at a combined cost of $214,341 by Carlisle Holdings, Inc before being transferred to the applicant entity. The appraiser has indicated an "as is" market land value of $900,000 which supports the purchase price.

	Applicant Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Total Development Costs	**$15,253,228**	**$18,091,245**	**$17,983,213**	**$794,343**

Notes to Total Development Cost:

1. Applicant's current cost estimate is 15% higher than originally estimated mainly due to increased construction cost of $2,658,613.

Operating Proforma
Development Name: St. Luke's Life Center

DESCRIPTION		Annual	Per Unit
Revenue			
Gross Potential Rental Revenue		$775,284	$5,169
Other Income			
Washer/Dryer Rentals		$10,575	$71
Cable TV		$19,740	$132
Miscellaneous		$14,100	$94
Gross Potential Income		$819,699	$5,465
Less:			
Vacancy Loss @	4.00%	$32,788	$273
Collection Loss @	1.00%	$8,197	$55
Total Effective Gross Revenue		**$778,714**	$5,191
Expenses			
Fixed:			
Real Estate Taxes		$107,000	$713
Insurance		$105,000	$700
Variable:			
Management @	5.00%	$38,936	$260
General and Administrative		$60,000	$400
Payroll Expenses		$138,750	$925
Utilities		$75,000	$500
Marketing and Advertising		$4,500	$30
Maintenance and Repairs		$71,250	$475
Grounds Maintenance and Landscaping		$15,000	$100
Reserve for Replacements		$37,500	$250
Total Expenses		**$652,936**	**$4,353**
Net Operating Income		**$125,778**	**$839**
Debt Service Payments			
First Mortgage		$73,924	$1,312
Second Mortgage		$39,313	$262
Third Mortgage (Servicing Fees)		$1,875	$13
Total Debt Service Payments		**$115,112**	$767
Operating Income After Debt Service - Before Tax Cash Flow		$10,666	$71

Debt Service Coverage Ratios	
Debt Service Coverage - First Mortgage	1.70
Debt Service Coverage - First and Second only	1.11
Debt Service Coverage - All Mortgages	1.09

Financial Ratios	
Operating Expense Ratio	84%
Break-even Ratio	94%

Notes to the Operating Proforma and Ratios:

1. Replacement Reserves of $250 per unit/ per year meets the appraiser's recommendation and exceeds FHFC's minimum requirement per the rule of no less than $200 per unit/ per year.

2. The Underwriter has utilized the maximum 2006 HC rents and the Appraiser has confirmed these rents are achievable. Below is the rent roll for the subject property:

Lakeland MSA (Polk County)

Bed-rooms	Baths	No. of Units	Net Unit Size (SF)	Median Income %	Gross HC Rents	Utility Allow-ance	Net HC Rents	Underwriter Rents	Annual Rents
1	1	14	556	30%	$278	$97	$181	$181	$30,408
1	1	15	556	50%	$464	$97	$367	$367	$66,060
1	1	47	556	60%	$557	$97	$460	$460	$259,440
2	2	13	820	30%	$333	$115	$218	$218	$34,008
2	2	15	820	50%	$557	$115	$442	$442	$79,560
2	2	46	820	60%	$669	$115	$554	$554	$305,808
Totals		150	102,936						$775,284

3. In addition to the HC Program set-asides, the Applicant has committed to 18% of the units (27 units) at or below 30% AMI for the HHRP and NLP Loans; 20% of the units (30 units) at or below 50% AMI for the HHRP and NLP Loans, and 62% of the units (remaining units) at or below 60% AMI for the HHRP and NLP Loans. In the case of the HHRP funds the set-aside period is for 15 years and for the NLP Loan the set asides are for the outstanding life of the loan.

4. The 5% vacancy and collection loss rate is based on the appraiser's estimate of sustainable economic occupancy; which is supported by the comparable properties.

5. Miscellaneous Income is comprised of late charges and interest income which is calculated at $94.00 per unit per year. The appraisal supports these other income estimates.

6. Based upon operating data from comparable properties, third party reports (primarily the preliminary data provided by the appraiser and market study), and the credit underwriter's independent due diligence; in our professional opinion, estimates for rental income, vacancy and loss allowances, other income, and operating expenses fall within a band of reasonableness.

7. The Applicant has submitted a Management Agreement which reflects an industry-standard management fee of 5% of actual receipts or a minimum of $3,335, whichever is greater, and contains the appropriate verbiage regarding compliance with tenant income and (if applicable, rent restrictions).

8. Refer to Exhibit 1, Page 1 for a 15-Year Proforma, which reflects rental income increasing at an annual rate of 3%, and expenses increasing at an annual rate of 4%.

Section B

HC Allocation Recommendation & Contingencies

Housing Credit Allocation Recommendation

First Housing Development Corporation ("FHDC") recommends a preliminary annual Housing Credit ("HC") allocation of **1,511,082**. 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 First Housing and the Florida Housing Finance Corporation ("FHFC" or "Florida Housing") by the deadline established in the Preliminary HC Allocation. Failure to submit these items within this timeframe may result in forfeiture of the HC Allocation.

1. Purchase of the HC by The Richman Group Affordable Housing Corporation or its assigns, under terms consistent with the assumptions of this report.
2. Receipt and satisfactory resolution of (as determined by FHFC) any outstanding past-due or non-compliance according to the latest FHFC Past Due and Non-compliance reports.
3. Any other reasonable requirements of First Housing or Florida Housing.

Section C

Supporting Information & Schedules

Additional Development & Third Party Supplemental Information

Appraised Value:

Novogradac & Company, LLP prepared an Appraisal report for the proposed development dated September 28, 2006 (Effective Date). This report has indicated an "as is" value of the fee simple interest in the Subject (land value) of $900,000. The appraiser has concluded that the market value of the fee simple interest in the subject property as a market rental property upon completion and stabilization is $8,500,000. Furthermore, the report states the value of the subject property operating under the terms of the of the Housing Credit program with achievable restricted rents "as completed and stabilized" is $3,300,000.

Market Study:

A Market Feasibility Analysis was prepared for the subject project in September of 2006 by Reinhold P. Wolff Economic Research, Inc. The market analyst concluded that the mix of unit types, sizes, features and amenities proposed at St. Luke's Life Center is excellent for a Seniors restricted development. Furthermore, it is forecast that the St. Luke's development, having the development parameters proposed, would experience an average absorption rate of about 13 to 15 units per month after the first units are completed and available for lease.

The overall average rent at St. Luke's Life Center will be about 39.9% less than the average for market rate apartments in the area, 13.3% less than the average in lower-income affordable developments but 3.5% higher than the average found in other seniors restricted lower-income affordable developments examined.

The vacancy rate in apartment developments located throughout Polk County in March, 2006 stood at 1.1%. The vacancy rate found in apartment developments in the greater Lakeland area as of September 2006 was 1.2%. Lower-income affordable apartment developments located throughout Polk County report a vacancy rate of 3.9% as of September, 2006.

Including the St. Luke's Life Center development, there are five developments known to be planned/proposed in Polk County and they are to contain 508 units if and when they are built. The four developments other than St. Luke's Life Center are also affordable developments market rent developments. Based on an analysis of supply and demand for apartments in Polk County and the Lakeland Market Area over the next three years it can be expected that the vacancy rate will be in the 2.0% range or lower over the next three year period.

Apartment rents, which increased by about 9.0% on an overall basis annualized over the past nine months, are expected to increase in the 4.0% range annually over the next three years.

Environmental Report:

A Phase I Environmental Site Assessment for the subject was completed by Hydrological Associates U.S.A., Inc. Environmental Consultants in January 21, 2005 and updated to September 18, 2006. The report was completed in conformance with the scope and limitations of ASTM standards E 1527-00. This report concluded that there is no evidence of Recognized Environmental Conditions (REC's) associated with this sight.

Based upon the results of the Phase I, and its current update, ESA activities and available information, it is their opinion that no further assessment is warranted at this time.

Soils Test Report:

A Geotechnical Soil Exploration by Florida Testing & Environmental, Inc. ("F,T&E") dated June 14, 2006 was submitted for review.

The site was observed to be undeveloped and primarily flat with Florida native plant species and trees.

The subsurface testing included 7 standard penetration tests (SPT) borings to depths ranging from 12.0 feet to 75.0 feet each. SPT borings were collected from within the anticipated "footpad" of the singular proposed building. The results of exploration indicate that, with proper site preparation as recommended in the report, the existing soils are suitable for supporting the proposed building on a conventional shallow concrete consisting of isolated column pad footings and/or continuous strip/wall footings. As an alternative a deep foundation system based on precast pre-stressed concrete, or steel pipe driven piles could be utilized.

Regardless of which foundation system is utilized, this Credit Underwriting Report is contingent upon compliance with all recommendations within this geotechnical report.

Pre-Construction Analysis:

First Housing reviewed a Preliminary Plan and Cost Review (PCA) performed by Construction Analysis Systems, Inc. ("CASI") dated November, 2007. The review of the submitted documents indicates that no significant problems appear to exist with the design of the development .Schedule of Values as submitted by the Developer indicates that the construction of the multifamily apartments can be completed for the guaranteed maximum price of $12,819,291 or approximately $112.70 per square foot ($85,461.94 per unit). This cost does not include recreational amenities. The proposed budget appears adequate to complete the proposed improvements. The Marshall Valuation Service published by Marshall and Swift indicates a range for similar types of projects of 45.76 to $81.88 per square foot adjusted to the Lakeland area. However, CASI notes that sitework costs are a large variable on every project and that there is no realistic way to compare sitework costs between projects. The report indicates

that all Elderly and selected features and amenities are included within the plans and specs. In CASI's opinion, the overall construction schedule appears to be realistic, provided no unforeseen circumstances occur.

Features, Amenities & Resident Programs:

The Applicant committed to provide Features, Amenities and Resident Programs in Part III, Section B & F (Exhibit 2) of the Application.

Site Inspection:

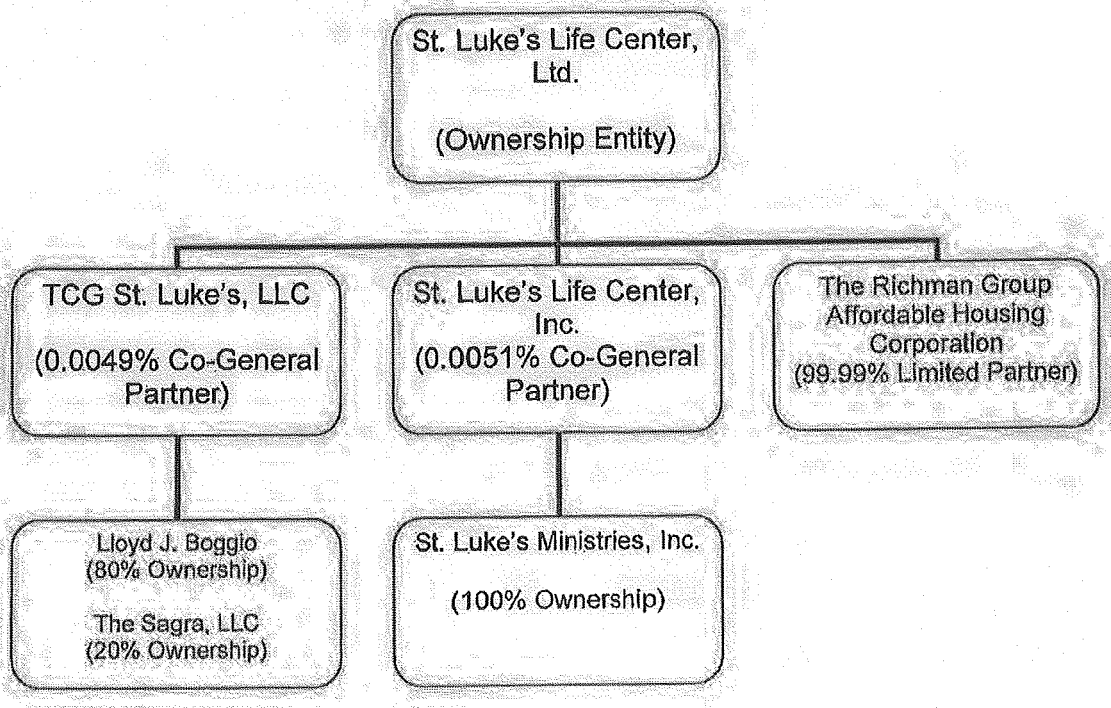
Bill Metler of First Housing visited the site on September 6, 2007. The Underwriter observed the surroundings of the site, which is just off a main thoroughfare (Kathleen Road). The area surrounding the subject consists of single family homes, commercial uses, major transportation corridors such as US 92 and Kathleen Road, and several churches. The site topography of the property is flat and the Development was about 75% completed at the time of the inspection. Retail shopping and grocery stores can be found along US 92 and the Lakeland Mall with 125 tenants within a reasonable distance.

Applicant Information

Applicant Name: St. Luke's Life Center, Ltd.

Applicant Type: Florida Limited Partnership

Ownership Structure: St. Luke's Life Center Ltd., a Florida Limited Partnership ("Partnership") will serve as the owner of St. Luke's Life Center Apartments. The Partnership is a newly formed entity whose General Partners with 0.0049% and .0051% interest, respectively will be TCG St. Luke's LLC and St. Luke's Life Center, Inc. The Limited Partner with a 99.99% interest is The Richman Group Affordable Housing Corporation ("TRGAHC"), and/or and affiliate, which will be the syndicator of this project. The organization chart is depicted as follows:



Copies of the Limited Partnership Agreements and (or) Articles of Incorporation and current Certificates of Status have been provided on each of the ownership structure entities.

Contact Person(s): Elizabeth Wong
The Carlisle Group
2950 SW 27th Avenue, Suite 200
Miami, FL 33133

305-476-8118
305-476-9674 fax
lwong@thecarlislegroup.com

Federal Employer ID: 20-3159268

Experience: Applicant and the General Partners are new entities, created to finance, develop, own and operate the subject development. In and of themselves, they have no development experience so it is necessary to look at the principals and the developer to determine the experience of the applicant. Properties developed by Carlisle Development Group, LLC and Mr. Boggio include over 8,000 units of affordable housing with over 30 years of real estate development experience.

Credit Evaluation: St. Luke's Life Center, Ltd., TCG St. Luke's, LLC, and St. Luke's Life Center, Inc. are newly formed entities with no credit history. A D&B business information report dated July 25, 2007 for The Carlisle Group indicated a D&B rating of DS which indicates that D&B is not permitted to classify the company. The detailed payment history provided shows timely payment on all accounts. A tri-merged MAF Mortgage services personal credit report dated July 25, 2007 was reviewed which revealed prompt payment and no derogatory information on Mr. Boggio.

Banking References: Satisfactory banking references have been received for Lloyd J. Boggio and Carlisle Development Group, LLC.

Financial Statements: First Housing has a signed statement from The Carlisle Group that St. Luke's Life Center, Ltd., TCG St. Luke's, LLC, and St. Luke's Life Center, Inc. are newly formed entities with no financial statements, trade references, loan history, tax returns or credit accounts. The applicant provided financial statements for the following Principals: Carlisle Development Group, LLC and Lloyd J. Boggio.

Carlisle Development Group, LLC

Un-Audited Financial Statements September 30, 2007	
Cash and Cash Equivalents	$4,784,814
Total Assets	$21,464,174
Total Liabilities	$10,806,364
Total Equity	$10,657,810

First Housing has received 2005 & 2006 tax returns for Carlisle Development Group, LLC.

Lloyd J. Boggio

Un-Audited Financial Statements September 2007	
Cash and Cash Equivalents	$2,734,000
Total Assets	$24,479,000
Total Liabilities	$0
Total Equity	$24,479,000

First Housing has received 2005 & 2006 tax returns for Mr. Boggio.

Contingent Liabilities: First Housing reviewed a schedule of Mr. Boggio's contingent liabilities dated September 2007 and concluded that none of the guarantees which comprise the contingent liabilities were an immediate threat to the liquidity position of the applicant. First Housing has reviewed the principals' financial statements and tax returns and has concluded that the guarantors have sufficient liquidity to execute the necessary guarantees.

Summary: The Underwriter has received and reviewed the operating agreements and articles of incorporation on the applicant entity and members. Based on a review of the information provided, the applicant, members and principals appear to possess the financial resources necessary to develop the proposed property.

Syndicator Information

Syndicator Name:	TRGAHC, through an affiliated limited partnership, the U.S.A. Institutional Hurricane Tax Credit Fund LIV L.P. ("the Fund") whose limited partner is Fannie Mae.
Contact Person:	Michael J. Ramires, Executive Vice President (703) 741-9910 (Telephone) (703) 741-9918 (Facsimile)
Address:	1800 North Kent Street, Suite 904 Arlington, VA 22209
Experience:	Richman is one of the nation's leading sponsors of Housing Tax Credit programs. Since the creation of the Housing Tax Credit in 1986, Richman has sponsored both public and institutional Housing Tax Credit programs which have raised nearly $2.7B in equity capital and have invested in over 630 Housing tax Credit properties representing 47,447 units costing approximately $2.97B. Richman closed 97 projects and has raised $583M in equity in 2004 and closed projects totaling $910M in equity in 2005. Richman has worked with all of the major debt providers in the business.
Financial Statements:	Financial statements were requested from the syndicator TRGAHC and the Fund but were not submitted or reviewed. However, TRGAHC has indicated that the financial strength and capacity to perform as the syndicator for the transaction will be borne by the limited partner of the Fund, Fannie Mae.
Summary:	TRGAHC and its limited partner Fannie Mae have demonstrated the experience and financial strength to serve as the Equity Investor for the subject development.

General Contractor Information

General Contractor: Rodda Construction Multi-Family, LLC

Type: A Florida Limited Liability Corporation
(Tax Identification Number 20-4921752)

Contact: John A. Rodda, General Contractor
Florida GC License CGC1506703 Expires August 31, 2008
250 E. Highland Drive
Lakeland, FL 33813
(863) 669-0990 Telephone
(863) 667-3778 Facsimile

Experience: John Rodda established Rodda Construction, Inc. in 1989 and incorporated the business in the State of Florida in 2003, specializing in all types of commercial and industrial construction. Rodda Construction Multi-Family, LLC, was incorporated in May 2006 to manage the company's multifamily business. A Contractor's Qualification Statement, executed August 8, 2007, states that the company has an average annual amount of construction work of $45,000,000.

Credit Evaluation: A D&B Business Information Report for Rodda Construction, Inc., dated November 2, 2007, indicates a D&B Rating of 1R2 which is good. The 12 month D&B Paydex indicates prompt payments.

Trade References: The Underwriter has received satisfactory trade references for Rodda Construction, Inc.

Financial Statements: First Housing has reviewed consolidated financial statements for Rodda Construction, Inc. which contain the results of operations of Rodda Construction Multi-Family, LLC. The results of which are outlined below.

Rodda Construction, Inc.

CPA Compiled Financial Statements June 30, 2007	
Cash and Equivalents	$1,136,883
Total Assets	$16,685,908
Total Liabilities	$14,610,202
Total Equity	$2,075,706

Property Manager Information

Management Company:	Carlisle Property Management, Inc.
Type:	A Florida Corporation
FEI Number:	65-0712618
Contact Person:	Lloyd J. Boggio
	(305) 476-8443 Telephone (305) 476-9674 Facsimile
Address:	2950 SW 27th Avenue, Suite 200 Miami, FL 33133
Experience:	The principals of Carlisle Property Management ("CPM"), Lloyd J. Boggio and Bruce Greer, have over thirty years experience in commercial and residential property management. They have managed over 8,000 residential units in nine states including properties for the Department of HUD and the Resolution Trust Corporation. CPM has many years of experience with affordable and market rate housing projects.
Management Agreement:	The applicant has submitted an Amended Management Agreement, which reflects a management fee of 5% of gross collections. Gross collections includes all amounts collected as rent or other payments, but excluding income from interest or investments, discounts and dividends on insurance and security deposits. Management Agreement contains the appropriate verbiage regarding compliance with tenant income and rent restrictions.
Management Plan:	The applicant has submitted a Management Plan, which outlines the various policies and procedures to be implemented in managing the subject development. The Plan references the appropriate record keeping requirements.
Summary:	The management company has a significant amount of experience in the management of affordable multi-family housing and is currently an approved management company of the Florida Housing Finance Corporation's Compliance Department. Continued approval is subject to ongoing satisfactory performance.

Development Name: St. Luke's Life Center

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
Income															
Gross Potential Rental Revenue	$775,284	$799,343	$822,493	$845,174	$872,589	$896,761	$925,730	$953,502	$982,107	$1,010,570	$1,041,907	$1,073,174	$1,105,379	$1,138,531	$1,172,687
Other Income															
Washer/Dryer Rentals	$10,373	$10,892	$11,218	$11,556	$11,902	$12,259	$12,627	$13,006	$13,396	$13,796	$14,212	$14,638	$15,077	$15,530	$15,996
Cable TV	$19,740	$20,332	$20,942	$21,570	$22,218	$22,884	$23,571	$24,278	$25,006	$25,756	$26,529	$27,325	$28,145	$28,986	$29,859
Miscellaneous	$14,100	$14,523	$14,959	$15,407	$15,870	$16,346	$16,836	$17,341	$17,861	$18,397	$18,949	$19,518	$20,103	$20,706	$21,328
Interest Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Gross Potential Income	$819,699	$844,290	$869,619	$895,707	$922,578	$950,256	$978,765	$1,008,126	$1,038,370	$1,069,521	$1,101,607	$1,134,655	$1,168,695	$1,203,756	$1,239,868
Less:															
Vacancy Loss @ 4%	$32,788	$33,772	$34,785	$35,828	$36,903	$38,010	$39,151	$40,325	$41,535	$42,781	$44,064	$45,386	$46,748	$48,150	$49,595
Collection Loss @ 1%	$8,197	$8,443	$8,696	$8,957	$9,226	$9,503	$9,788	$10,081	$10,384	$10,695	$11,016	$11,347	$11,687	$12,038	$12,399
Total Effective Gross Income	$778,714	$802,075	$826,138	$850,922	$876,450	$902,743	$929,825	$957,720	$986,452	$1,016,045	$1,046,527	$1,077,922	$1,110,260	$1,143,568	$1,177,875
Expenses															
Fixed:															
Real Estate Taxes	$107,000	$111,280	$115,731	$120,360	$125,175	$130,183	$135,389	$140,805	$146,437	$152,294	$158,386	$164,722	$171,310	$178,163	$185,289
Insurance	$105,000	$109,200	$113,568	$118,111	$122,835	$127,749	$132,858	$138,173	$143,700	$149,448	$155,426	$161,643	$168,108	$174,833	$181,826
Variable:															
Management (@ 5.0%)	$38,936	$40,104	$41,307	$42,546	$43,822	$45,137	$46,491	$47,886	$49,323	$50,802	$52,326	$53,896	$55,513	$57,178	$58,894
General and Administrative	$60,200	$62,408	$64,898	$67,493	$70,193	$72,999	$75,919	$78,956	$82,114	$85,399	$88,815	$92,367	$96,062	$99,904	$103,901
Payroll Expense	$138,750	$144,300	$150,072	$156,075	$162,318	$168,811	$175,563	$182,586	$189,889	$197,485	$205,384	$213,599	$222,143	$231,029	$240,270
Utilities	$75,000	$78,000	$81,120	$84,365	$87,739	$91,249	$94,899	$98,695	$102,643	$106,748	$111,018	$115,459	$120,077	$124,884	$129,876
Marketing and Advertising	$4,500	$4,680	$4,867	$5,062	$5,264	$5,475	$5,694	$5,922	$6,159	$6,405	$6,661	$6,928	$7,205	$7,493	$7,793
Maintenance and Repairs	$71,250	$74,100	$77,064	$80,147	$83,352	$86,687	$90,154	$93,760	$97,511	$101,411	$105,467	$109,686	$114,074	$118,636	$123,382
Grounds Maintenance and Landscaping	$15,000	$15,600	$16,224	$16,873	$17,548	$18,250	$18,980	$19,739	$20,529	$21,350	$22,204	$23,092	$24,015	$24,976	$25,975
Reserve for Replacements	$37,500	$37,500	$37,500	$37,500	$37,500	$37,500	$38,625	$39,784	$40,977	$42,207	$43,473	$44,777	$46,120	$47,504	$48,929
Total Expenses	$655,936	$677,368	$702,349	$728,540	$755,946	$784,608	$814,573	$846,304	$879,240	$913,548	$949,169	$986,168	$1,024,578	$1,064,597	$1,106,156
Net Operating Income	$122,778	$124,707	$123,788	$122,382	$120,504	$118,705	$115,253	$111,416	$107,172	$102,497	$97,357	$91,754	$85,682	$78,971	$71,741
Debt Service Payments															
First Mortgage - NLF	$73,924	$73,924	$73,924	$73,924	$73,924	$73,924	$73,924	$73,924	$73,924	$73,924	$73,924	$73,924	$73,924	$73,924	$73,924
Second Mortgage - Polk County	$39,313	$39,313	$39,313	$39,313	$39,313	$39,313	$39,313	$39,313	$39,313	$39,313	$39,313	$39,313	$39,313	$39,313	$39,313
Third Mortgage - Polk County	$1,875	$1,875	$1,875	$1,875	$1,875	$1,875	$1,875	$1,875	$1,875	$1,875	$1,875	$1,875	$1,875	$1,875	$1,875
Total Debt Service Payments	$115,112	$115,112	$115,112	$115,112	$115,112	$115,112	$115,112	$115,112	$115,112	$115,112	$115,112	$115,112	$115,112	$115,112	$115,112
Operating Income After Debt Service - Before Tax Cash Flow	$8,666	$9,600	$8,676	$7,280	$5,393	$3,593	$140	($3,697)	($7,940)	($12,615)	($17,746)	($23,358)	($29,460)	($36,141)	($43,371)
Debt Service Coverage Ratios															
DSC - First Mortgage only	1.70	1.69	1.67	1.66	1.63	1.51	1.36	1.51	1.45	1.32	1.32	1.24	1.16	1.07	0.97
DSC - First and Second Mortgages	1.15	1.16	1.09	1.08	1.07	1.05	1.02	0.98	0.95	0.91	0.88	0.81	0.76	0.70	0.65
DSC - All Mortgages and Fees	1.09	1.09	1.08	1.06	1.05	1.03	1.00	0.97	0.93	0.89	0.85	0.80	0.74	0.69	0.62
Financial Ratios															
Operating Expense Ratio	84%	84%	85%	86%	86%	87%	88%	89%	89%	90%	91%	91%	92%	93%	94%
Breakeven Ratio	94%	94%	94%	96%	94%	95%	95%	95%	96%	96%	97%	97%	98%	98%	98%

St. Luke's Life Center (2005- 044C)
Polk County
Description of Features and Amenities

A. The Development will consist of:

150 Mid-Rise with Elevator apartment units located in 3 residential buildings.

Unit Mix:

Seventy-six (76) one bedroom/one bath units containing a minimum of 556 square feet of heated and cooled living area.

Seventy-four (74) two bedroom/two bath units containing a minimum of 820 square feet of heated and cooled living area.

150 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.

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.
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.

The following will be provided in at least fifteen percent (15%) all new construction units and 10% of all rehabilitation units:

12. Roll-in showers (1/3 of the 15% new construction requirement or 1/2 of the 10% rehabilitation requirement may be met with walk-in type shower stalls with permanently affixed seat).

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

1. Microwave oven in each unit.
2. Marble window sills in all units.
3. At least 1.5 bathrooms (one full bath and one with at least a toilet and sink) in all 2 bedroom new construction units.
4. Double compartment kitchen sink in all units.
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. 30 Year expected life roofing on all buildings.
2. Community center or clubhouse.
3. Swimming pool.
4. Picnic area with hard cover permanent roof of a design compatible with the Development, open on all sides, containing at least three permanent picnic tables with benches and an adjoining permanent outdoor grill.
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 hook-ups and space for full-size washer and dryer inside each unit.
8. 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. Air conditioning with SEER rating of 12 or better.
2. Electric water heater with energy factor of .91 or better.
3. Wall insulation of R-13 or better for frame built construction.
4. Attic insulation of R-30 or better.
5. All windows double-pane with minimum solar heat gain coefficient of < or equal to .50 and minimum of .75 U value.
6. Ceiling fans in all bedrooms and living area in each unit.

G. The Applicant has committed to provide the following Resident Programs:

1. Daily Activities – The Applicant or its Management Agent must provide on-site supervised, structured activities, at no cost to the resident, at least five days per week.
2. Assistance with Light Housekeeping, Grocery Shopping and/or Laundry - The Applicant or its Management Agent will provide residents with a list of qualified service providers for (a) light housekeeping, and/or (b) grocery shopping, and/or (c) laundry and will coordinate, at no cost to the resident, the scheduling and provision of services.

3. 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.

4. 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.

5. 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."

6. Resident Assistance Referral Program - The Applicant or its Management Agent will make available to residents information about services such as crisis intervention, individual and family needs assessment, problem solving and planning, appropriate information and referral to community resources and services based on need, monitoring of ongoing ability to retain self sufficiency, and advocacy to assist clients in securing needed resources. This service must be provided at no cost to the resident.

7. Health and Nutrition Classes – At least 8 hours per year, provided on site at no cost to residents.

DEVELOPMENT NAME: ST. LUKE'S LIFE CENTER
DATE: January 15, 2008

In accordance with the 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 ("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 allowed time frame. Unsatisfactory items, if any, are noted below and in the "Issues and Concerns" section of the Executive Summary.

FINAL REVIEW REQUIRED ITEMS:	STATUS Satis. / Unsatis.	NOTE
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.	
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 the 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 Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.	Satis.	
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.	Satis.	
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.	

FINAL REVIEW REQUIRED ITEMS:	STATUS Satis. / Unsatis.	NOTE
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: 35% 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.	

8/14/03

NOTES AND DEVELOPER RESPONSES: NONE

HC Allocation Calculation

Tax Credit Calculations

Section I - Qualified Basis Calculation

Total Development Cost (including land and ineligible costs)	$17,983,213
Less Land Costs	$214,410
Less Federal Grants	0
Less Other Ineligible Costs	$579,933
Less Disproportionate Standard	0
Total Eligible Basis	$17,188,871
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	$22,345,532
Housing Credit Percentage	8.38%
Annual Housing Credit Allocation	$1,872,556

Notes to the Eligible Basis Calculation:

1. Other ineligible costs include accounting and legal fees attributable to land acquisition and formation of the syndication limited partnership, compliance fees, and permanent loan origination fees.
2. The development has a 100% set-aside; therefore, the applicable fraction is 100%.
3. For purposes of this analysis, the development is located in a Difficult Development Area ("DDA") and/or Qualified Census Tract ("QCT"). Therefore, 130% basis credit applies.
4. Housing Credit Rates were locked in at the time of carryover.

Section II - GAP Calculation

Total Development Cost (including land and ineligible costs)	$17,983,213
Less Mortgages	$2,440,991
Less Grants	$0
Equity Gap	$15,542,222
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	$0.9800
HC Required to meet Equity Gap	$15,860,996
Annual HC Required	$1,586,100

Notes to the Gap Calculation:

1. Mortgages include three (3) separate mortgages provided through National Lending Partners, Inc. The first mortgage is provided by National Lending Partners, Inc whereas the second and third mortgages are provided by Polk County and are serviced by National Lending Partners, Inc.
2. The housing credit syndication price and percentage ownership in the investment partnership are based on the executed syndication agreement.

Section III - Summary

HC Per Applicant's Request	1,511,082
HC Per GAP Calculation	1,586,100
HC Per Qualified Basis	1,872,556
Preliminary Annual HC Recommended	**1,511,082**
Syndication Proceeds based upon Annual HC Recommended	14,807,123

Notes to the Summary:

1. The Annual HC Recommended amount is limited by the Applicant's requested allocation, which equals the annual allocation amount stipulated in the syndication agreement.