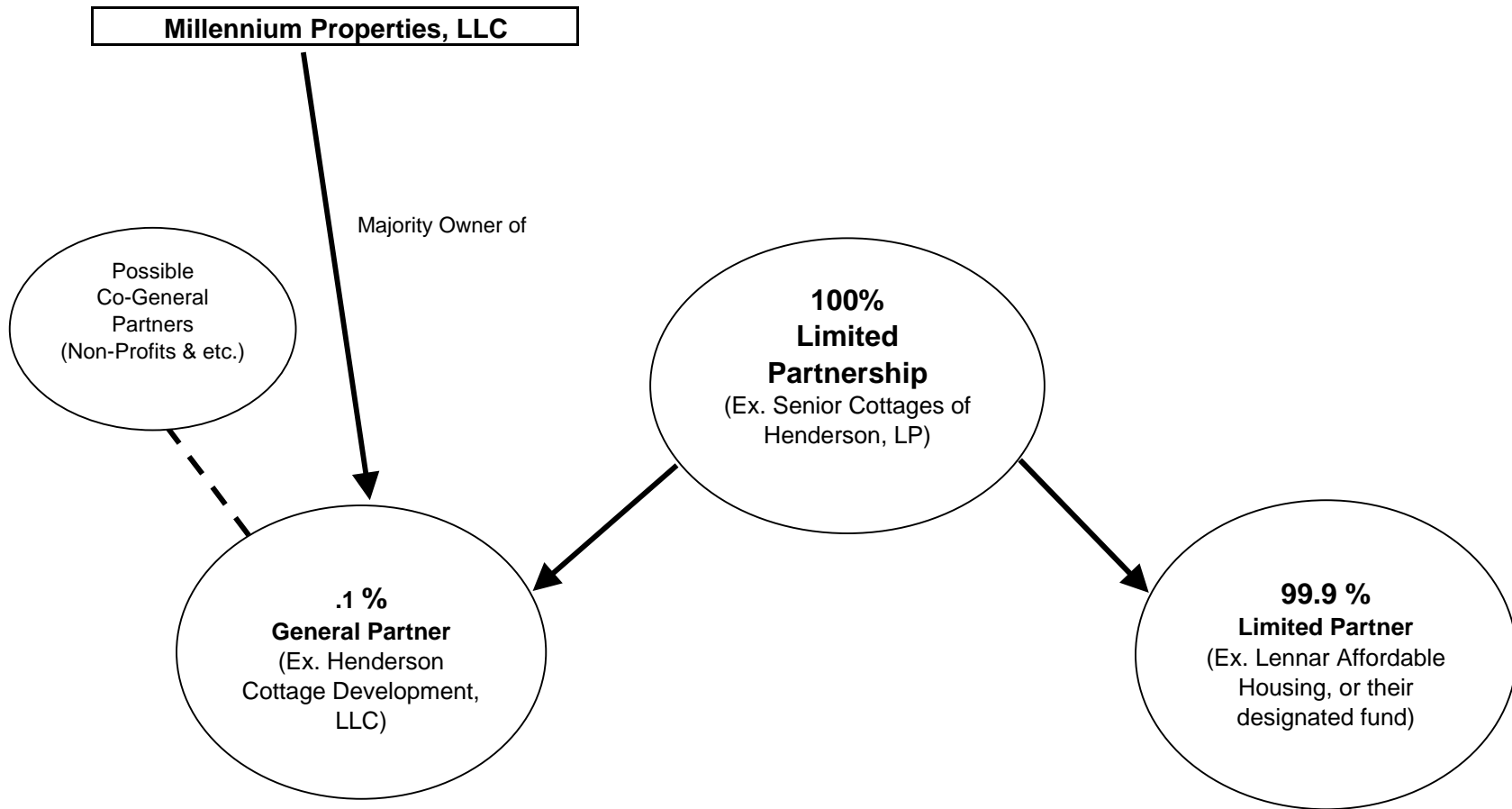


TYPICAL LOW INCOME HOUSING ORGANIZATIONAL STRUCTURE



Notes: Each project will be set up as a designated special purpose entity in a Limited Partnership Form. The 1% General Partner will consist of the [CITY] Cottage Development, LLC which will be 100% owned by SCA. Generally, any non-profits or minority business entities will be a separate co-General Partner.

All assets and secured debt of Senior Cottages of America were transferred into Millennium Properties, LLC.

Status of Existing Low-income Housing Tax Credit Projects - Awarded to Millennium Properties, LLC

Project Name	Percent Completed & Location	# of Units	Final Annual Tax Credit Allowed	10-Year Tax Credit Full Amount	Rate of Equity Price	Anticipated Equity Proceeds	Estimated Project Cost b/4 Developer Fees	(less) Permanent Funding Proceeds	(less) Equity Proceeds	(equals estimated) Developer Profit/(Short)	Materials Arrangement Fees (2%)	Stabilized Annual Cash Flows - MP
Cottages of Martinsburg (1)	100% Martinsburg, West Virginia	120	\$ 513,970	\$ 5,139,700	63.5%	\$ 3,263,710	\$ 6,916,618	\$ 4,227,316	[see note] \$ 3,089,302	\$ 400,000	\$ -	\$ 50,567
Cottages of Shippensburg (2)	100% Shippensburg, Pennsylvania	120	\$ 751,635	\$ 7,516,350	84.0%	\$ 6,313,734	\$ 9,269,809	\$ 3,342,452	[see note] \$ 6,313,734	\$ 386,377	\$ -	\$ 53,487
Cottages of Henderson (3)	0% Henderson, Kentucky	96	\$ 499,159	\$ 4,991,590	76.0%	\$ 3,793,608	\$ 6,230,354	\$ 2,707,393	\$ 3,793,608	\$ 270,647	\$ -	\$ 30,190
Cottages of Frankfort (4)	0% Frankfort, Kentucky	96	\$ 500,285	\$ 5,002,850	74.0%	\$ 3,702,109	\$ 6,418,144	\$ 3,257,829	\$ 3,702,109	\$ 541,794	\$ -	\$ 38,016
Senior Cottages of Salisbury (5)	0% Salisbury, Maryland	120	\$ 705,087	\$ 7,050,870	74.0%	\$ 5,217,644	\$ 7,347,668	\$ 3,413,536	\$ 5,217,644	(See Note*) \$ 934,000	\$ -	\$ 69,532
Senior Cottages of Norman (6)	100% Norman, Oklahoma	84	\$ 500,000	\$ 5,000,000	70.5%	\$ 3,525,000	\$ 5,776,290	\$ 2,677,083	\$ 3,525,000	\$ 425,793	\$ -	\$ 30,423
Senior Cottages of Anderson (7)	0% Anderson, Indiana	120	\$ 698,021	\$ 6,980,210	70.5%	\$ 4,921,048	\$ 7,262,368	\$ 3,637,449	\$ 4,921,048	(see Note *) \$ 673,000	\$ 99,882	\$ 74,948
Cottages of Topeka (8)	0% Topeka, Kansas	72	\$ 300,000	\$ 3,000,000	73.0%	\$ 2,190,000	\$ 4,366,450	\$ 2,619,476	\$ 2,190,000	\$ 443,026	\$ -	\$ 32,136
Senior Cottages of Apache Junction (9)	0% Apache Junction, Arizona	92	\$ 446,101	\$ 4,461,010	74.0%	\$ 3,301,147	\$ 6,182,290	\$ 3,148,829	\$ 3,301,147	\$ 267,686	\$ 76,737	\$ 41,427
Senior Cottages of Greenville (10)	0% Greenville, North Carolina	75	\$ 394,517	\$ 3,945,170	73.0%	\$ 2,879,974	\$ 4,599,393	\$ 1,953,013	\$ 2,879,974	\$ 233,594	\$ 55,725	\$ 38,397
Senior Cottages of Glenarden (11)	0% Glenarden, Maryland	120	\$ 611,100	\$ 6,111,000	74.0%	\$ 4,522,140	\$ 9,571,288	\$ 5,205,400	\$ 4,522,140	\$ 156,252	\$ 109,803	\$ 100,277
Totals		1,115	\$ 5,919,875	\$ 59,198,750	n/a	\$ 43,630,114	\$ 73,940,672	\$ 36,189,776	\$ 43,455,706	\$ 4,732,169	\$ 342,147	\$ 559,399

Notes: * These projects are limited in the Development Profit to the Development Fee declared in the Tax Credit Application to the State. Martinsburg will have a \$142,000 tax credit deficiency subtracted from the equity.

- 1). The 11 projects total 1,115 units. Salisbury is expected to be awarded upon resubmission.
- 2). The 11 projects should produce around \$59,198,750 of tax credits over the 10-year period, subject to final cost certification (Form 8609). The net equity proceeds from the tax credit syndication should be around \$43,630,114 .
- 3). We anticipate the total project costs to be around \$73,940,672 before developer fees. The project cost before Developer Fees, less the permanent funding sources of \$36,189,776 less the equity proceeds of \$43,455,706 should net a developer profit of \$4,732,169 .
- 4). We anticipate a 2% Materials Arrangement Fee paid to MP from the existing LIHTC Projects to total \$342,147. We project a developer profit from the above listed LIHTC Projects to total \$4,732,169.
- 5). We anticipate the annual net cash flows distributable to MP from stabilized operations beginning in Year 3, from the existing LIHTC Projects to be \$559,399.

Projection with 4 Additional LIHTC Awards - 15 Total Awards

Project Name	Percent Completed & Location	# of Units	Final Annual Tax Credit Allowed	10-Year Tax Credit Full Amount	Rate of Equity Price	Anticipated Equity Proceeds	Estimated Project Cost b/4 Developer Fees	(less) Permanent Funding Proceeds	(less) Equity Proceeds	(equals estimated) Developer Profit/(Short)	Materials Arrangement Fees (2%)	Stabilized Annual Cash Flows - SCA
Balance Forward of 11 LIHTC Totals		1,115	5,919,875	59,198,750	n/a	43,630,114	73,940,672	36,189,776	43,455,706	4,732,169	342,147	559,399
Senior Cottages of [New] #1	0% [City], Any State	120	\$ 575,000	\$ 5,750,000	74.0%	\$ 4,255,000	\$ 7,193,611	\$ 3,600,000	\$ 4,255,000	\$ 661,389	\$ 90,000	\$ 54,631
Senior Cottages of [New] #2	0% [City], Any State	96	\$ 509,657	\$ 5,096,570	74.0%	\$ 3,771,462	\$ 6,058,662	\$ 2,870,000	\$ 3,771,462	\$ 582,800	\$ 72,696	\$ 43,152
Senior Cottages of [New] #3	0% [City], Any State	96	\$ 509,657	\$ 5,096,570	74.0%	\$ 3,771,462	\$ 6,058,662	\$ 2,870,000	\$ 3,771,462	\$ 582,800	\$ 72,696	\$ 43,152
Senior Cottages of [New] #4	0% [City], Any State	120	\$ 575,000	\$ 5,750,000	74.0%	\$ 4,255,000	\$ 7,193,611	\$ 3,600,000	\$ 4,255,000	\$ 661,389	\$ 90,000	\$ 54,631
Projected 15 LIHTC Totals		1,547	8,089,189	80,891,890	n/a	59,683,038	100,445,218	49,129,776	59,508,630	7,220,547	667,539	754,965

- Notes:**
- The 15 projects total more than 1,547 units.
 - The 15 projects should produce around \$80,891,890 of tax credits over the 10-year period, subject to the final cost certification (Form 8609). The net equity proceeds from the tax credit syndication should be around \$59,683,038 .
 - We anticipate the total project costs to be around \$100,445,218. The project cost (b/4 Developer Fees) less the permanent funding sources of \$49,129,776 less the equity proceeds of \$59,508,630 should net a developer profit of \$7,220,547 .
 - We anticipate a 2% Materials Arrangement Fee paid to MP from the proposed 16 LIHTC Projects to total \$667,539.
 - We anticipate the annual net cash flows distributable to MP from stabilized operations beginning in Year 3, from the 16 LIHTC Projects to be \$754,965.

LIHTC Price Valuation:

Annual Cash Flows from Operations:	\$ 754,965		Times PE Ratio plus Net Developer Profit of \$7,220,547		Net Materials Arrangement Fees of \$667,539		Equals total projected LIHTC Value
Times Price Earnings Ratio: 10 PE =	\$ 7,549,653	→	\$ 7,220,547	+	\$ 667,539	=	\$ 15,437,739
15 PE =	\$ 11,324,480	→	\$ 7,220,547	+	\$ 667,539	=	\$ 19,212,566
20 PE =	\$ 15,099,306	→	\$ 7,220,547	+	\$ 667,539	=	\$ 22,987,392

Proposed Construction Loans required per each LIHTC Project - Millennium Properties, LLC

Project Name	Percent Completed & Location	# of Units	Final Annual Tax Credit Allowed	10-Year Tax Credit Full Amount	Rate of Equity Price	Anticipated Equity Proceeds	Total Project Cost	(less) Equity Funds at Construction	(equals) Construction Loan Needed	(estimated) Developer Profit/(Short)	Materials Arrangement Fees (2%)	Stabilized Annual Cash Flows - MP
Cottages of Martinsburg (1)	100% Martinsburg, West Virginia	120	\$ 513,970	\$ 5,139,700	63.5%	\$ 3,263,710	\$ 7,768,426	\$ 1,946,853	\$ 5,821,573	\$ 400,000	\$ -	\$ 50,567
Cottages of Shippensburg (2)	100% Shippensburg, Pennsylvania	120	\$ 751,635	\$ 7,516,350	84.0%	\$ 6,313,734	\$ 9,969,809	\$ 4,733,427	\$ 5,236,382	\$ 386,377	\$ -	\$ 53,487
Cottages of Henderson (3)	0% Henderson, Kentucky	96	\$ 499,159	\$ 4,991,590	76.0%	\$ 3,793,608	\$ 6,990,354	\$ 2,275,937	\$ 4,714,417	\$ 270,647	\$ -	\$ 30,190
Cottages of Frankfort (4)	0% Frankfort, Kentucky	96	\$ 500,285	\$ 5,002,850	74.0%	\$ 3,702,109	\$ 7,176,144	\$ 2,221,043	\$ 4,955,101	\$ 541,794	\$ -	\$ 38,016
Senior Cottages of Salisbury (5)	0% Salisbury, Maryland	120	\$ 705,087	\$ 7,050,870	74.0%	\$ 5,217,644	\$ 8,281,668	\$ 3,130,586	\$ 5,151,082	(See Note *) \$ 934,000	\$ -	\$ 69,532
Senior Cottages of Norman (6)	100% Norman, Oklahoma	84	\$ 500,000	\$ 5,000,000	70.5%	\$ 3,525,000	\$ 6,349,290	\$ 2,614,813	\$ 3,734,477	\$ 425,793	\$ -	\$ 30,423
Senior Cottages of Anderson (7)	0% Anderson, Indiana	120	\$ 698,021	\$ 6,980,210	70.5%	\$ 4,921,048	\$ 7,935,368	\$ 2,821,752	\$ 5,113,616	(see Note *) \$ 673,000	\$ 99,882	\$ 74,948
Cottages of Topeka (8)	0% Topeka, Kansas	72	\$ 300,000	\$ 3,000,000	73.0%	\$ 2,190,000	\$ 4,891,450	\$ 1,313,869	\$ 3,577,581	\$ 443,026	\$ -	\$ 32,136
Senior Cottages of Apache Junction (9)	0% Apache Junction, Arizona	92	\$ 446,101	\$ 4,461,010	74.0%	\$ 3,301,147	\$ 6,815,290	\$ 1,980,490	\$ 4,834,800	\$ 267,686	\$ 76,737	\$ 41,427
Senior Cottages of Greenville (10)	0% Greenville, North Carolina	75	\$ 394,517	\$ 3,945,170	73.0%	\$ 2,879,974	\$ 4,928,393	\$ 1,727,812	\$ 3,200,581	\$ 233,594	\$ 55,725	\$ 38,397
Senior Cottages of Glenarden (11)	0% Glenarden, Maryland	120	\$ 611,100	\$ 6,111,000	74.0%	\$ 4,522,140	\$ 10,562,288	\$ 2,713,013	\$ 7,849,275	\$ 156,252	\$ 109,803	\$ 100,277
Totals		1,115	\$ 5,919,875	\$ 59,198,750	n/a	\$ 43,630,114	\$ 81,668,480	\$ 27,479,595	\$ 54,188,885	\$ 4,732,169	\$ 342,147	\$ 559,399

Notes: * These projects are limited in the Development Profit to the Development Fee declared in the Tax Credit Application to the State. Martinsburg will have a \$142,000 tax credit deficiency subtracted from the equity.

- 1). The 11 projects total 1,115 units. Salisbury is expected to be awarded upon resubmission.
- 2). The 11 projects should produce around \$59,198,750 of tax credits over the 10-year period, subject to final cost certification (Form 8609). The net equity proceeds from the tax credit syndication should be around \$43,630,114 .
- 3). We anticipate the total project costs to be around \$81,668,480 including developer fees. The total project cost, less the initial equity at construction of \$27,479,595 equals the required construction loans of \$54,188,885 .
- 4). We anticipate a 2% Materials Arrangement Fee paid to MP from the existing LIHTC Projects to total \$342,147. We project a developer profit from the above listed LIHTC Projects to total \$4,732,169.
- 5). We anticipate the annual net cash flows distributable to MP from stabilized operations beginning in Year 3, from the existing LIHTC Projects to be \$559,399.
- 6). Martinsburg, Shippensburg and Norman are already completed at the time of this writing. Therefore, no construction loans are needed for those projects.