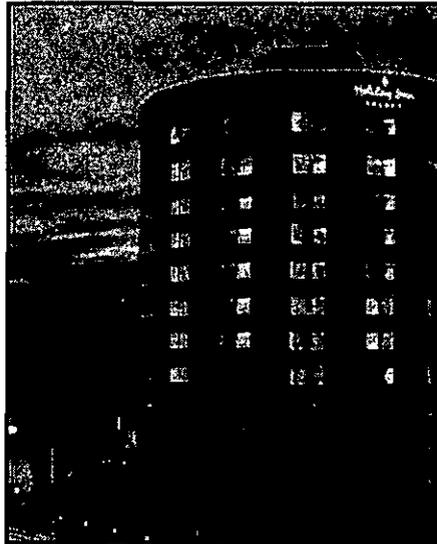


**LEON COUNTY EDUCATIONAL FACILITIES AUTHORITY  
STUDENT HOUSING REVENUE BONDS  
(CREATE, INC. PROJECT)  
SERIES 2008**

*PROPOSED ACQUISITION AND REHABILITATION OF  
CREATE, INC PROJECT*



**PRELIMINARY INFORMATION PACKAGE**

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**APRIL 10, 2008**



**LEON COUNTY EDUCATIONAL FACILITIES AUTHORITY  
 STUDENT HOUSING REVENUE BONDS  
 (CREATE, INC. PROJECT)  
 SERIES 2008**

**TABLE OF CONTENTS**

<u>Section</u>	<u>Title</u>	<u>Page</u>
I	Executive Summary .....	1
II	Project Overview .....	2
III	Preliminary Financing Schedule .....	9
IV	Preliminary Term Sheet .....	10
V	Summary of Assumptions .....	17
VI	Preliminary Bond Sizing & Cash Flow .....	20

- 
- Appendix A: Market Research Study**
  - Appendix B: Phase I Environmental Site Assessment**
  - Appendix C: Property Condition Report**
  - Appendix D: Area Map**

**CAUTIONARY STATEMENT**

This preliminary credit package is based on information provided to RBC Capital Markets by the Developer, Manager, Borrower and other sources that we believe to be reliable. Nevertheless, RBC Capital Markets does not guarantee the accuracy or completeness of any such information and therefore assumes no liability for any loss resulting from reliance thereon. Terms, prices and structures included in this preliminary credit package are subject to changing market conditions, are indicative only, and do not constitute an offer or commitment. This preliminary credit package does not purport to be a complete statement of all the terms, conditions and risks of the proposed transaction. Should the Borrower decide to complete the transaction, final prices are subject to market conditions at the time of execution, possible modification of transaction terms, final credit approval and legal documentation. Historical data, past trends and past performance do not necessarily reflect and do not guarantee future trends or performance.

**SECTION I**  
**EXECUTIVE SUMMARY.**

**LEON COUNTY EDUCATIONAL FACILITIES AUTHORITY  
STUDENT HOUSING REVENUE BONDS  
(CREATE, INC. PROJECT)  
SERIES 2008**

**EXECUTIVE SUMMARY**

<b>Issuer</b>	Leon County Educational Facilities Authority		
<b>Borrower</b>	Create, Inc., a 501(c)(3) organization, the sole member of which is Bethel Missionary Baptist Church.		
<b>Colleges &amp; Universities*</b>	Florida State University (Approximately 41,000 students) Florida A&M University (Approximately 12,000 students) Tallahassee Community College (Approximately 13,000 students)		
<b>Project</b>	164-room, 334 beds, suite style student housing facility located at 316 West Tennessee Street in Tallahassee, Florida. The project will serve students from all of the colleges and universities in the area.		
<b>Developer</b>	Affirmative Hillspoint, LLC, an affiliate of Affirmative Equities Company, L.P. (New York, NY)		
<b>Contractor</b>	Culpepper Construction (Tallahassee, Florida)		
<b>Manager</b>	Campus Living Villages (Houston, Texas)		
<b>Anticipated Bond Structure</b>	Fully amortizing, tax-exempt, fixed rate bonds issued in two series: \$18,395,000 "BBB-" Rated Senior Series 2008A \$1,500,000 Non-Rated Subordinate Series 2008B (Seller Holdback) \$730,290 Subordinated Developer & Sponsor Notes		
<b>Security for the Senior Bonds</b>	1 <sup>st</sup> Lien Mortgage Security Interest in Project Revenues & Assets Capitalized Interest during renovation plus six months following initial opening Debt Service Reserve Fund		
<b>Timing</b>	Anticipated bond closing in June 2008.		
<b>Investment Banking Contacts</b>	Michael Baird Sara Russell	(410) 625-6103 (410) 625-6119	<a href="mailto:michael.baird@rbccm.com">michael.baird@rbccm.com</a> <a href="mailto:sara.russell@rbccm.com">sara.russell@rbccm.com</a>

\* Enrollment figures are as of Fall 2007.

**SECTION II**  
**PROJECT OVERVIEW**

**LEON COUNTY EDUCATIONAL FACILITIES AUTHORITY  
 STUDENT HOUSING REVENUE BONDS  
 (CREATE, INC. PROJECT)  
 SERIES 2008**

**PROJECT OVERVIEW**

In response to the general need and specific identified demand for a faith-based sponsored, high-quality, and student-centered housing facilities in and around Tallahassee, Florida, Create, Inc. (the "Borrower"), under agreements with Affirmative Hillspoint, LLC (the "Developer"), proposes to finance the acquisition, redesign, and rehabilitation of an existing Holiday Inn Select hotel into a 334-bed suite and apartment style student housing facility (the "Project"). The Project will be managed by Campus Living Villages ("the Manager") for the benefit of students attending Florida State University, Florida A&M University and Tallahassee Community College ("FSU", "FAMU", and "TCC", collectively referred to as the "Universities").

***The Project***

The Project is an approximately 164-unit, 334-bed student housing facility, situated on 2.1 acres located in Tallahassee, Florida, approximately 0.5 miles northeast of the FSU campus, approximately 1.3 miles north of the FAMU campus, and approximately 3.2 miles east of the TCC campus. The student apartments will be constructed from a renovated and converted existing twelve-story Holiday Inn Select hotel. The Project will be adjacent to a planned and separately financed redevelopment project that will also include a hotel, a continuing care retirement community, retail/commercial space and a two-level parking garage.

Proposed Unit Mix		
	Units	Beds
Apartment Units	11	33
Single Units	5	5
Double Units	148	296
<b>Total</b>	<b>164</b>	<b>334</b>

Project amenities will include the following: fully-equipped fitness center, bike racks, study rooms, student center, full-service restaurant, TV room or lounges, elevators, vending machines, game room, leasing center, central laundry facilities, computer center, on-site management staff, security and transportation to and from the nearby campuses. Each unit will include a kitchenette featuring cabinets, a sink, mini refrigerator and microwave. The units will be fully furnished including side chairs, tables, full-size bed, desk with chair, dresser and an armoire or built-in closets. By comparison to other similar offerings in the market, the planned units will be 50% larger and contain private baths compared to shared baths for multiple units. Rent will include all utilities, as well as cable television, local telephone, and high speed internet. A mandatory meal program, with multiple options, will also be provided to residents and included in monthly rent payments. The project will also offer 200 parking spaces to residents at an additional cost.

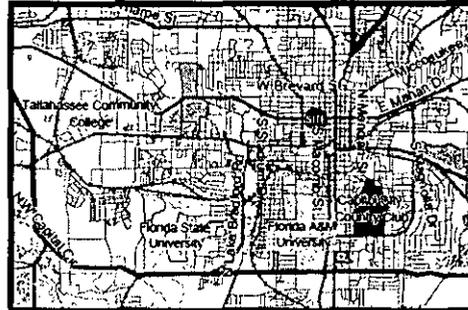
**THE PROGRAM & AMENITIES**

The Borrower has chosen to offer a full service, off-campus, dormitory-style program, which includes an unlimited meal plan that will be accessible and attractive to students at FSU, FAMU and TCC. The Borrower intends that the Project will offer an environment that encourages study, fellowship, respect and civility which will be attractive to parents as well as students that are looking for a safe and structured living environment.

This project will attract a market that is not being serviced by other projects in the area; namely students and parents that are seeking an environment of respect, civility and study under the direction of a faith-based sponsor. As part of the unique appeal of this project and a direct consequence of the reputation of the Bethel Missionary Baptist Church, a “marketing network” of approximately 600 member churches of the Baptist General Convention throughout the state of Florida will inform members of their congregations and their general communities about this student living option. These churches will host marketing presentations, counsel families, and provide project brochures and website links from church websites.

Careful study of the market reveals that the vast majority of on and off-campus resident hall alternatives are missing features that the Project offers, including:

- 50% larger double occupancy rooms
- Private bathrooms in each double occupancy room
- Enhanced building security
- Wireless internet throughout the building
- Kitchenettes
- Laundry facilities
- On-site parking
- Transportation to and from all campuses.



The Project assumes that the majority of occupancy will be by freshman and sophomore students; however, student survey results also indicate that upper classmen and graduate students will be attracted to the Project because of its location, and smaller scale compared to other resident hall options.

**THE BUILDING**

The Project will consist of 164 student housing units (approximately 334 beds) in a twelve story building that is a repositioned Holiday Inn Select hotel located in downtown Tallahassee. The subject site is in the central portion of Tallahassee along West Tennessee Street, the main east/west thoroughfare serving the city. The building was originally designed in the cylindrical style made famous by Holiday Inn in the 1970’s and is built of concrete and steel frame construction, which adds to the visibility of the Project. The site is conveniently located within 0.5 miles from academic and administrative buildings on the FSU campus. Most recreational facilities on the FSU campus are approximately 1.3 miles southwest and west of the site. In addition to its convenient location near the FSU campus, the site is only 1.3 miles north of the FAMU campus as well as 3.2 miles east of the TCC campus. By virtue of its location and other matters discussed in this Credit Package, the Project is uniquely positioned to attract students from all three campuses.

The Project will include multiple large interior common spaces, including a dining hall on the lower level for the meal plans and approximately 4,000 square feet of additional residential common activity spaces such as a fitness center, computer lab, game room, study lounges and gathering rooms that are stylistically amenitized to create a comfortable “live and learn” environment with a boutique hotel like feel. In addition, plans call for a public restaurant adjacent to the main lobby that would complement the meal plan offered to students.

All of the units will have private bathrooms, shared only by the residents of the unit. Eleven of the rooms are full one-bedroom apartments with a single bath and will be offered at a higher price point with the exception of one that will be offered rent free to a resident manager.

Proposed rental rates have been derived by the Borrower after studying the market and conferring with the Manager and Market Research professionals. The rental rates are designed to be in relation to the existing on-campus offerings as well as similar off-campus offerings and in consideration of the specific services and amenities offered by the Project. Residents will lease "by the bed" and rental rates are "all-inclusive" covering the payment of all utilities, cable, wireless internet, and the cost of the appropriate meal plan. Parking fees of \$400 per semester are additional. As previously mentioned, the units will be furnished with a kitchenette, which includes a sink, small refrigerator, microwave and storage space and basic furnishings (beds, desks, shelves and wardrobe/closets)

The Project is scheduled to be completed and ready for occupancy by August 1, 2009.

Please refer to the Market Research Study, which is attached as Appendix A hereto for more information.

***The Colleges & Universities***

Over 62,000 students attend the local colleges and universities in the Tallahassee area. The following are the primary institutions that will be serviced by the Project.



Florida State University is a comprehensive public research university with 16 schools and colleges offering over 300 programs for undergraduate, graduate, doctoral and specialist degree programs. FSU started as an all female school, then named Florida Female College, until 1947 when the school switched to coeducational status and was renamed the Florida State University. The 451.6 acre campus includes academic, housing or food services, and administrative buildings that serve approximately 41,000 undergraduate and graduate students. The campus is located approximately 0.5 miles southwest of the Project with convenient access to interstate 10 and US Route 90.

FSU currently has 16 existing residence halls for a total housing capacity of 6,111 students. The university does not have a mandatory on-campus housing policy but highly recommends that freshmen students live on campus. Approximately 85.3% of the university's students currently must reside in off-campus accommodations representing a basic need for convenient off-campus housing.

For additional information about Florida State University, please visit their website at [www.fsu.edu](http://www.fsu.edu).



Florida A&M is a four-year public institution founded in 1887 as the State Normal College for Colored Students in the south central portion of Tallahassee, Florida. As one of eleven institutions in Florida's State University System, FAMU offers 62 undergraduate and 36 master's degree programs. The 419 acre campus, located approximately 1.3 miles south of the Project, includes over 131 academic and administrative buildings with

convenient access to Interstate 10 and US Routes 27 and 90.

FAMU currently has seven residence halls and three university-operated apartment complexes for a total housing capacity of 2,383 students. The University requires that all freshmen and/or students who do not meet the minimum required semester credit hours reside in on-campus housing. The adjacent areas surrounding FAMU's campus include residential single-family homes and multifamily housing.

For additional information about Florida A&M University, please visit their website at [www.famu.edu](http://www.famu.edu).



Tallahassee Community College is a two-year college established in 1966 that offers post-secondary education for the citizens of Leon, Gadsden and Wakulla counties in addition to students through out Florida and the rest of the nation. In July 2007, TCC ranked 24<sup>th</sup> among two-year institutions nationwide in total number of associate degrees awarded according to Community College Week's Top 100 colleges. Nearly 75% of TCC graduates transfer into the State University System and other four-year institutions within one year. TCC is located approximately 3.2 miles west of the project.

TCC does not currently provide housing for any of its students.

For additional information about Tallahassee Community College, please visit their website at [www.tcc.fl.edu](http://www.tcc.fl.edu).

#### ***The Borrower***

Create, Inc is a Florida 501(c)(3) organization, which was established in 1993 to support the secular mission activities of the Bethel Missionary Baptist Church (the "Church") with specific stated purposes related to job creation and economic development. The Church is the sole member of the Borrower. The Church has elected the Borrower's Board of Directors, which is separate and distinct from its own Board. The Borrower's Board of Directors, chaired by Lawrence Carter, who is also a Deacon of the Church, is solely responsible for the governance of the organization, overseeing the completion of the Project with the Developer and working with the Manager to operate the facility. The Church has no day-to-day decision making authority, as that authority rests with the Borrower's Board of Directors.

The Borrower's mission is to carry out economic development and neighborhood revitalization projects in the Frenchtown neighborhood in downtown Tallahassee, Florida where the Church is located. The Church has a long and rich history in the Frenchtown community where it provides both religious and secular services to the neighborhood, as well as to residents from all over Leon County, Florida. The Project fits within the Borrower's mission to provide economic development as the acquisition and conversion of the existing property will service multiple campuses in the area and will help revitalize the surrounding neighborhood.

#### ***The Developer***

Affirmative Hillspoint, LLC specializes in working with faith-based and community-based non-profit organizations to plan, finance and develop mission oriented programs, including senior living and student housing projects.

The Developer is affiliated with Affirmative Equities Company, L.P., ("AEC"), which is a full service real estate firm utilizing extensive financial and professional resources to develop, acquire and/or manage real estate assets. AEC specializes in creative, innovative strategies to provide value-added services through strategic investment in the development cycle of selected assets, through stabilizing under-performing assets and creating enhanced value.

AEC was founded in 1980 as part of the Affirmative Asset Group. Since its inception, AEC has grown into an experienced hands-on investor, developer, asset manager, and property manager of real estate ranging from multi-family residential, student housing, urban commercial, to senior housing development. Over the years, AEC has become a nationally recognized firm within the industry with exceptional performance.

Recognizing emerging trends in the real estate market, in 2003 AEC restructured its core mission to focus toward two primarily business lines: Multi-Family Acquisition & Management and development of Senior Housing and Student Housing projects that are extensions of the mission of non-profit and faith-based organizations. In total, AEC has owned and/or managed more than 7,000 units of multi-family style housing and AEC currently owns and manages over 4,500 apartment units primarily concentrated in Florida. Information about the Developer and AEC's development and management experience is included in the tables that follow.

Property	Units	Location	Capital Partner
The Fountain Apartments	552	Orlando, FL	LaSalle Investment Management
Heather Ridge	120	Jacksonville, FL	CNL Realty Advisors
Jennifer Green Apartments	120	Jacksonville, FL	CNL Realty Advisors
Lake Mann Apartments	189	Orlando, FL	Lubert-Adler Real Estate Funds
Landings at Palm Bay	271	Palm Bay, FL	LaSalle Investment Management
Magnolia Grove Apartments	352	Orlando, FL	The Praedium Group
Misty Oaks Apartments	251	Orlando, FL	LaSalle Investment Management
Northwood Apartments	180	Jacksonville, FL	CNL Realty Advisors
Oakwood Commons	312	Orlando, FL	CNL Realty Advisors
Reserve at Rosemont I	344	Orlando, FL	LaSalle Investment Management
Reserve at Rosemont II	144	Orlando, FL	LaSalle Investment Management
Wellington Apartments	152	Newport News, VA	Lubert-Adler Real Estate Funds
Valentine & Laconia Apartments	48	Bronx, NY	The Praedium Group
<b>Total</b>	<b>3,016</b>		

AHLIC / AEC - Principal Completed & Current Projects		
Project	Location	Description
<b>Completed Projects</b>		
Coburg Village	Clifton Park, NY	Master planned 2-site project to include future health care facilities and developed 231 unit senior independent living facility on one of the two sites. Project costs \$36,000,000
Concord Village	Poughkeepsie, NY	Master planned 135 acre campus to include the following: 160 bed skilled nursing facility - \$28,000,000 (completed) 60 unit HUD 202 affordable housing project - \$7,500,000 (completed) 350 unit senior independent living project - approved, pending
The Kings Apartments	Pawling, NY	87 unit HUD 202 project - \$9,000,000
Suffolk County Infirmary	Yaphank, NY	240 bed county-owned nursing home - \$34,000,000
<b>Current Projects</b>		
Amsterdam @ Harborside	Port Washington, NY	Developer for a non-profit 400 unit Life Care Community utilizing tax-exempt bond financing - \$300,000,000
Bethel Missionary Baptist Church	Tallahassee, Fla.	Master plan mixed use project utilizing church-owned property with development rights approximating 1,000,000 sq. ft., including: 187 unit Continuing Care Retirement Community 170 key full-service hotel mixed use retail & commercial
Hill Farm Estate	Anncville, PA.	Acquisition and repositioning of a 65 bed assisted living facility on 23 acres of property in to a 150 unit / 50 ALF CCRC
Seacoast CCRC	Mount Pleasant, SC	Development of a 170 unit / 60 ALF CCRC on 30 acres of property
Harris Lake Development	Concord, NC	Development of a 16 acre parcel for a 150 unit / 30 ALF CCRC plus a joint venture development / ownership of 60,000 retail use
Woodstock CCRC	Woodstock, GA.	Development of 174 unit / 76 ALF CCRC
AME Church - First District	Philadelphia, PA	Master planning for an inventory of church-owned properties, including 300,000 +/- sq. ft. of air rights in Philadelphia - potential student hsg. 100 acre parcel in Delaware suburb for highest & best use Repositioning of existing healthcare building for student housing

The Borrower and the Developer have entered into a development agreement (the "Development Agreement"), which sets forth certain terms and conditions relating to the development of the Project, and which authorizes the Developer to manage the development of the Project on behalf of the Borrower. The Borrower will also enter into the Construction Management Contract with Culpepper Construction, (the "Construction Manager") and the Architect's Agreement with Legacy Design Architects, Inc. (the "Architect"). The Construction Contract will provide for a fixed fee, guaranteed maximum price and is based on a substantial completion and occupancy date of August 1, 2009. The Construction Manager will obtain payment and performance bonds from the major subcontractors.

### ***The Manager***

Campus Living Villages ("CLV") is a full service management and development company with approximately 900 employees with expertise in human resources, legal, construction and development, finance and administration, information technology systems, property management, and student and residence life. CLV currently manages on and off campus student housing facilities on or near 47 university campus totaling more than 38,000 beds in the United States, Australia and New Zealand. With 18 years of on and off campus student housing management experience, CLV is conscious of, and sensitive to, university operations, processes and politics.

CLV's mission is to provide each of its student housing clients with a strong commitment to a comfortable living environment, outstanding customer service, attractive, clean, well-maintained facilities and sound, ethical business practices. In addition to traditional student and residence life services, CLV offers auxiliary services including innovative and relevant student programming, student and professional staff training, interfacing with office of student affairs, student counseling and guidance, as well as a host of other services to further enhance the experience of each student.

For additional information relating to the Manager, please visit their website at [www.clvusa.com](http://www.clvusa.com)

### ***Anticipated Financing Structure***

The proposed financing structure for the Project consists of approximately \$18.4 million of tax-exempt, fixed rate bonds (Senior Tax-Exempt Series 2008A), which are anticipated to be rated "BBB-" and sold through a public offering. There will also be a \$1.5 million subordinate series of bonds (Subordinate Tax-Exempt Series 2008B), which is anticipated to be a subordinate cash flow note held by the property Seller in consideration for a portion of the sale price. Additionally, the Developer and Borrower are deferring a portion of their fees related to the financing. The bond proceeds and subordinate financing will be used to fund acquisition and rehabilitation costs, capitalized interest, debt service reserves and costs of issuance. The Senior Series 2008A bonds will have a term of approximately 30 years and will be payable only from revenues of the Project and secured by a 1<sup>st</sup> Lien Mortgage on the land and improvements, an Assignment of Rents and Leases and a Security Agreement. The Subordinate Series 2008B bonds and deferred development fees will be payable from surplus cash flow once certain release tests are met.

**Summary of Projections**

	<u>2010</u> <sup>1</sup>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total Net Revenues	\$4,136,937	\$4,310,505	\$4,438,336	\$4,570,002	\$4,705,619
Operating Expenses	<u>2,067,846</u>	<u>2,129,582</u>	<u>2,193,169</u>	<u>2,331,697</u>	<u>2,401,348</u>
Net Operating Income	2,069,090	2,180,923	2,245,167	2,238,305	2,304,270
Senior Debt Service	498,875	1,412,300	1,408,325	1,408,700	1,413,100
Sr. D/S Coverage Ratio	4.15x	1.54x	1.59x	1.59x	1.63x

<sup>1</sup>Includes capitalized interest to pay debt service.

Projections for estimated net revenue for the Project are based on an assumed occupancy rate of 95% excluding the loss of revenue from staff beds, which would equate to a total occupancy of 92.65%, during a 10-month academic term. Summer occupancy has been assumed at 50%. The Project's other sources of revenue include lease processing fees, damage recovery fees, parking income, laundry & vending income and food service charges. Operating Expenses, including a deposit to a Repair and Replacement Reserve Fund of \$175 per bedroom per year, are estimated based on the Manager's experience with similar projects and have been forecasted to escalate annually by 3%.

**Transaction Strengths**

- The Project offers competitive, high amenity, suite-style living in close proximity to the campuses of the neighboring colleges and universities.
- There is a demonstrated demand for the Project as evidenced by the stable on-campus occupancy rates and significant demand for additional off-campus beds, as outlined in the Market Research Study.
- The Project has a premium location within a half a mile of FSU, 1.3 miles of FAMU and 3.2 miles of TCC.
- The parties involved in the Project have tremendous experience with the development, ownership and management of similar housing communities.
- The Seller's confidence in the Project is evidenced by their willingness to defer a portion of the acquisition proceeds by holding a meaningful subordinated debt position.
- As discussed in the Market Research Study update letter, based only on potential demand from FAMU & TCC students (as adjusted), the Project capture ratio of 4.3% is well below the national average considered achievable for off-campus student housing projects.
- In addition to the general demand for student housing demonstrated by the low capture rate referenced above, the project will also attract a unique market not currently being served by other projects; namely the market seeking a faith-based sponsorship and the environment created by it which focuses on study, community, civility and respect.
- Based on current market conditions and stabilized occupancy, cash flows are projected to have a debt service coverage in excess of 1.54x on the Senior Series 2008A bonds.

**SECTION III**  
**PRELIMINARY FINANCING SCHEDULE**

**LEON COUNTY EDUCATIONAL FACILITIES AUTHORITY  
 STUDENT HOUSING REVENUE BONDS  
 (CREATE, INC. PROJECT)  
 SERIES 2008**

**PRELIMINARY FINANCING SCHEDULE**

April 2008						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May 2008						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June 2008						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

 Denotes a federal or bond market holiday.

<u>DATE</u>	<u>EVENT</u>
✓ Week of March 10 <sup>th</sup>	Working Group Organizational Conference Call
Thursday, April 10 <sup>th</sup>	Credit Package Sent to Rating Agency
Thursday, April 17 <sup>th</sup>	Kick-Off Finance Team Conference Call
Tuesday, April 22 <sup>nd</sup>	Receive Preliminary Feedback from Rating Agency
	Transaction Documents Updated and Circulated
To Be Determined	Issuer's Bond Resolution Adopted
To Be Determined	Rating Agency Site Visit
Thursday, April 24 <sup>th</sup>	Conference Call to Review Transaction Documents
Tuesday, April 29 <sup>th</sup>	Revised Transaction Documents Circulated
Thursday, May 1 <sup>st</sup>	Conference Call to Review Transaction Documents
	Final Comments Due on All Documents
Week of May 5 <sup>th</sup>	Final Bond Documents Circulated
	GMP Received / Final Construction Documents Circulated
	TEFRA Hearing ( <i>To Be Confirmed</i> )
	Receive Bond Rating
	Preliminary Official Statement Mailed
Week of May 12 <sup>th</sup>	Investor Conference Call
Week of May 19 <sup>th</sup>	Investor Site Visits
Thursday, May 29 <sup>th</sup>	Bond Pricing / Bond Purchase Agreement Signed
Friday, May 30 <sup>th</sup>	Closing Documents Circulated / Final Official Statement Mailed
Wednesday, June 4 <sup>th</sup>	Pre-Closing
Thursday, June 5 <sup>th</sup>	Closing

**SECTION IV**  
**PRELIMINARY TERM SHEET**

**LEON COUNTY EDUCATIONAL FACILITIES AUTHORITY**  
**STUDENT HOUSING REVENUE BONDS**  
**(CREATE, INC. PROJECT)**  
**SERIES 2008**

**PRELIMINARY TERM SHEET**

The following is a preliminary summary of certain terms upon which the financing of the Project will be based. This summary is not intended to be a complete description of all of the terms and conditions of the Indenture and the terms described herein are subject to change until final documentation is complete.

**ISSUE STRUCTURE**

Tax-exempt, fixed rate bonds will be issued, the proceeds of which, along with the seller holdback, will be used to finance the Project. The following initial assumptions have been made regarding the structure of the Bonds:

- A. **DATED DATE:** June 5, 2008
- B. **PROPOSED SALE DATE:** May 29, 2008
- C. **SCHEDULED DELIVERY DATE:** June 5, 2008
- D. **APPROXIMATE ISSUE SIZE:** \$18,420,000 (Series 2008A)
- E. **TERM:** Approximately 30 Years
- F. **PAYMENT DATES:** Interest will be payable semiannually on each January 1 and July 1, beginning on January 1, 2009. Sinking Fund installments will be payable annually on each July 1, beginning on July 1, 2011.
- G. **EXPECTED RATING:** Senior Series 2008A = "BBB-"  
Subordinate Series 2008B = Non-Rated
- H. **TYPE OF SALE:** Senior Series 2008A = Public Offering  
Subordinate Series 2008B = Seller Holdback
- I. **MINIMUM DENOMINATIONS:** Senior Series 2008A = \$100,000
- J. **CONSTRUCTION / RENOVATION PERIOD:** Approximately 6 months.
- K. **CAPITALIZED INTEREST:** Funded as needed during renovations through February 1, 2010, which represents six months following the opening of the Project.
- L. **OPTIONAL REDEMPTION:** The Senior Series 2008A bonds will be subject to optional redemption ten years following their issuance at a redemption price of 100% of par, plus any accrued interest.

## SECURITY FOR THE BONDS

The Bonds will be issued under a Trust Indenture between the Issuer and a Trustee appointed by the Issuer. The Issuer will lend the proceeds of the Bonds to the Borrower pursuant to a Loan Agreement. The Borrower's obligations under the Loan Agreement will be non-recourse obligations secured by, among other things, a 1<sup>st</sup> Lien Mortgage and Assignments of Rents and Leases encumbering all of the Borrower's right, title and interest in and to the land and the improvements of the Project, a Security Agreement covering, among other things, Revenues, equipment and inventory, and an Assignment of Contract Documents pursuant to which the Borrower will assign to the Issuer the development, construction and other project agreements and documents. Pursuant to the Indenture, the Issuer will assign to the Trustee the Issuer's right, title and interest under the Mortgage, Assignment of Rents and Leases, Security Agreement and Assignment of Contract Documents.

The Bonds will not constitute a debt of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory limitation. Neither the full faith and credit nor the taxing power of the State of Florida or any of its political subdivisions is pledged to the payment of the Bonds or the interest thereon.

## FUNDS AND ACCOUNTS

The Indenture will create the following funds and accounts, each of which will be held by the Trustee for the benefit of the owners of the Bonds: (1) the Revenue Fund; (2) the Bond Fund, consisting of an Interest Account and a Principal Account; (3) the Issuance Cost Fund; (4) the Project Fund; (5) the Debt Service Reserve Fund; (6) the Repair and Replacement Fund; (7) the Working Capital and Marketing Fund; (8) the Insurance and Condemnation Fund; (9) the Redemption Fund; and (10) the Surplus Fund. The Indenture will also create the Rebate Fund, which will be held by the Trustee but will not be pledged to the payment of the principal of and interest on the Bonds. An Operating Fund will be created and held by the Manager of behalf of the Borrower, but will not be pledged to the payment of the principal of and interest on the Bonds. Additionally, a Subordinated Debt Fund may be established as a sub account within the Surplus Fund to retain a portion of the Surplus Funds generated by the Project in the event that payments on Series 2008A are current but payments on the Subordinate Series 2008B bonds are withheld due to non-compliance with the rate covenant. It is anticipated that deposits to a Subordinated Debt Fund, or similar mechanism, would include a cap to a maximum amount. The formation and terms of such a fund will be structured in conjunction with the documentation of the proposed financing.

1. **Revenue Fund:** The fund into which the Borrower agrees to deposit (or cause to be deposited) daily the Revenues of the Project.
2. **Bond Fund:** The fund from which the principal of, and premium, if any, and interest on the bonds is paid. An initial deposit will be made to the Bond Fund from proceeds of the sales of the bonds to fund Capitalized Interest. Monthly deposits into the Bond Fund will also be made from the Revenue Fund (in conjunction with interest earnings, if any, from the Debt Service Reserve Fund) to fund the principal and interest requirements of the bonds.

3. Issuance Cost Fund: The fund into which Bond proceeds are deposited at closing to pay the costs associated with the issuance of the Bonds.
4. Project Fund: The fund into which bond proceeds are deposited and invested at closing to fund the costs of acquisition, designing, constructing, furnishing, and equipping the project.
5. Debt Service Reserve Fund: The fund into which Bond proceeds are deposited (to the extent a surety policy is not obtained) and invested at closing to meet the Debt Service Reserve Fund Requirement. The Debt Service Reserve Fund Requirement will be equal to the lesser of (i) maximum annual debt service (excluding the year of final maturity) on the Bonds; (ii) 10% of the Bond proceeds; and (iii) 125% of average annual debt service. The Debt Service Reserve Fund will secure only the Series 2008A Bonds. Such moneys may be withdrawn to cure any deficiencies in the Bond Fund on the dates when principal of and interest on such Bonds is due, after taking into account transfers from the Surplus Fund and the Repair and Replacement Fund for such purpose. If deficiencies exist in the Debt Service Reserve Fund, the Trustee will be required under the Indenture to replenish the Debt Service Reserve Fund with transfers from the Revenue Fund.
6. Repair and Replacement Fund: The fund into which monthly deposits are made, upon completion of construction and stabilization of the Project, from the Revenue Fund equal to 1/12<sup>th</sup> of the Repair and Replacement Fund Requirement. The Repair and Replacement Fund Requirement will be equal to \$175 per bedroom per year. Such moneys shall be used to pay (i) the costs of major repairs, replacements or maintenance of the Project of a non-recurring nature; (ii) any reconstruction costs of the Project; and (iii) any capital costs of the Project. Transfers from the Repair and Replacement Fund will be required to cure any deficiencies in the Bond Fund, Operating Fund and Debt Service Reserve Fund, after taking into account transfers from the Surplus Fund for such purposes.
7. Working Capital and Marketing Fund: The fund into which bond proceeds are deposited and invested at closing to fund pre-opening and marketing costs relating to the Project.
8. Operating Fund: The checking account maintained by the Manager into which moneys are transferred from the Revenue Fund for the payment of regular operating expenses of the Project. The Manager will be obligated to pay operating and maintenance expenses of the Project as they become due in accordance with the purposes and amounts provided in the Annual Budget (described in the bond documents). The Operating Fund shall maintain a minimum balance (the amount of which will be determined based on the needs of the Project) to ensure the timely payment of such regular operating expenses. To the extent that any deficiency exists in this fund, moneys will be transferred from the Surplus Fund and the Repair and Replacement Fund, in that order.

9. Insurance Fund and Condemnation Fund: The funds into which, under certain circumstances, the net proceeds of insurance and condemnation awards are paid and from which they are disbursed to restore the Project or redeem Bonds, as determined in the Indenture.
10. Redemption Fund: The fund into which moneys are deposited for the purpose of redeeming Bonds as allowed in the optional, mandatory and extraordinary redemption features of the Indenture.
11. Surplus Fund: The fund into which all remaining moneys in the Revenue Fund after disbursements into the funds described above are deposited. Moneys in the Surplus Fund will be held by the Trustee until eligible to be released to the Borrower. In order for the surplus cash flow to be released, the conditions below must be satisfied.

*Release of Moneys from the Surplus Fund*: On the date that is 30 days after receipt by the Trustee of the annual audited financial statements for each fiscal year of the project, the Trustee will be required to transfer from the Surplus Fund to the Bond Fund, the Operating Fund, the Repair and Replacement Fund and the Debt Service Reserve Fund an amount sufficient to cure any deficiencies in such funds. If, following such transfers, any money shall then remain in the Surplus Fund, the Trustee will release moneys from the Surplus Fund to the Borrower, provided the following Release Tests are satisfied and no event of default shall have occurred under the Indenture:

- (i) The Fixed Charges Coverage Ratio on the Series 2008A bonds for the most recent fiscal year of the project for which audited financial statements have been delivered to the Trustee was at least 120%, and
- (ii) The Annual Budget for the project for the then current fiscal year of the project has established rates, fee and charges such that the Fixed Charges Coverage Ratio on the Series 2008A bonds for such current fiscal year is projected to be at least 120%.

#### **APPLICATION OF PROCEEDS**

The Series 2008A Bonds will be applied to (i) pay the costs of the acquisition, construction, furnishing and equipping of the Project, which will be owned and operated by the Owner; (ii) fund a debt service reserve fund for the Series 2008A Bonds; (iii) pay interest on the Series 2008A Bonds from the dated date of the Series 2008A Bonds through February 1, 2010; and (iv) pay a portion costs associated with issuing the Series 2008A Bonds.

#### **FLOW OF FUNDS**

The Borrower will be required to deposit, or cause to be deposited, all of the Revenues of the Project into the Revenue Fund each day. The amounts deposited in the Revenue Fund will be disbursed by the Trustee on the 25<sup>th</sup> day of each month as follows:

FIRST, there shall be deposited in the Operating Fund the amount budgeted in the Annual Budget for operating expenses of the Project for the next succeeding month and any amount necessary to meet the minimum balance requirement;

SECOND, there shall be transferred to the Bond Fund (i)  $1/6^{\text{th}}$  of the amount payable on the immediately succeeding Interest Payment Date as interest on the Senior Series 2008A Bonds; and (ii)  $1/12^{\text{th}}$  of the principal due on the next succeeding maturity date of the Senior Series 2008A Bonds or  $1/12^{\text{th}}$  of the amount required on the next succeeding sinking fund date to retire the Senior Series 2008A Bonds under the mandatory sinking fund redemption requirements, as the case may be;

THIRD, there shall be transferred to the Debt Service Reserve Fund, beginning in the month immediately succeeding any month in which any deficiency in the Debt Service Reserve Fund occurs, the amount necessary to make the amount in the Senior Series 2008A Subaccount of the Debt Service Reserve Fund equal to the Senior Series 2008A Debt Service Reserve Fund Requirements;

FOURTH, there shall be transferred to the Repair and Replacement Fund an amount equal to  $1/12^{\text{th}}$  of the Repair and Replacement Fund Requirement;

FIFTH, sufficient amounts shall be used to pay any unpaid Subordinated Developer Fee;

SIXTH, there shall be transferred to the Bond Fund (i)  $1/6^{\text{th}}$  of the amount payable on the immediately succeeding Interest Payment Date as interest on the Subordinate Series 2008B Bonds; and (ii)  $1/12^{\text{th}}$  of the principal due on the next succeeding maturity date of the Subordinate Series 2008B Bonds or  $1/12^{\text{th}}$  of the amount required on the next succeeding sinking fund date to retire the Subordinate Series 2008B Bonds under the mandatory sinking fund redemption requirements, as the case may be;

SEVENTH, any remaining amounts shall be transferred to the Surplus Fund and dispersed pursuant to the Release Tests and terms of the Indenture, as appropriate.

#### REVENUE COVENANT

Pursuant to the Loan Agreement, the Borrower will covenant to establish and maintain rates, fees and charges for the use of and for the services furnished by the Project, sufficient, with other revenues, to (i) pay operating and maintenance expenses and maintain and operate the Project on a sound, businesslike basis; (ii) pay all debt service on the Bonds as it is due including debt service on the Subordinate Series 2008B Bonds provided there are not defaults; (iii) maintain the Debt Service Reserve Fund Requirement in the Debt Service Reserve Fund; and (iv) provide moneys sufficient to make the scheduled deposits into the Repair and Replacement Fund. The Borrower will further covenant to establish, fix, charge and collect such rates, fees and other charges and to revise the same from time to time, as necessary, so that, in each fiscal year of the Project, Revenues are equal to at least 125% of the combined debt service requirement of the Series 2008A bonds during such fiscal year (the "Fixed Charges Coverage Ratio"). If the Borrower fails to meet the requirements of the Revenue Covenant, it will be required under the terms of the bond documents to retain a Management Consultant to prepare a written report, making recommendations with respect to such fees, rates and charges and with respect to improvements to or changes in the operations or services rendered by the Borrower at the Project.

If the Borrower complies with the recommendations of the Management Consultant, failure to meet the Revenue Covenant shall not be an Event of Default under the bond documents.

#### **BUDGET COVENANT**

The Loan Agreement will require the Borrower, in conjunction with the Manager, to prepare, adopt and deliver to the Trustee, no later than 30 days prior to the beginning of each fiscal year of the Project, an Annual Budget for the Project, which shall include a monthly budget component. The Annual Budget shall contain a description of all anticipated revenues and expenditures on a cash basis and shall also be prepared in accordance with generally accepted accounting principles applied on a consistent basis. The revenues and expenses provided in the Annual Budget in each fiscal year of the Project shall be in such amounts as shall permit the Borrower to meet the Revenue Covenant for such fiscal year. The Borrower will retain a Management Consultant if it is unable to meet the Revenue Covenant in its budget process. The Management Consultant will prepare a written report, making recommendations with respect to all fees, rates and charges and with respect to improvements to or changes in the operations or services rendered by the Borrower at the Project. If the Borrower complies with the recommendations of the Management Consultant, failure to meet the Revenue Covenant in the budget process shall not be an Event of Default under the Indenture.

#### **COVENANT NOT TO DISPOSE OF PROJECT ASSETS**

The bond documents will contain customary restrictions on the sale, encumbrance or conveyance of the Project by the Borrower.

#### **COVENANT TO OPERATE AND MAINTAIN THE PROJECT**

Pursuant to the terms of the bond documents, the Borrower will covenant to (i) own and operate the Project; (ii) pay all operating and maintenance expenses of the Project; and (iii) maintain the Project (or cause it to be maintained) in good repair, working order and operating condition (consistent with reasonable standards of operation for "Class A" student housing projects), free from any lien on the revenues or physical property thereof, except for certain Permitted Encumbrances (as defined in the Indenture).

#### **OTHER COVENANTS**

1. The bond documents will require the Borrower to maintain proper books or records and accounts and to provide for an annual audit of the financial statements of the Project made by an Independent Public Accountant.
2. The bond documents will require the Borrower to maintain proper, customary and adequate insurance with respect to the Project.
3. The bond documents will contain such additional covenants by the Borrower as are customary in connection with the issuance of taxable revenue bonds for the purpose of financing facilities such as the Project.

**ADDITIONAL BONDS**

Subject to certain restrictions, the Indenture will permit the issuance of one or more series of Additional Bonds, equally and ratably secured with the Bonds, for the purposes of (i) defeasing, refunding or advance refunding any Bonds outstanding, (ii) obtaining funds necessary to complete the Project, or (iii) expanding the Project. Additional Bonds may be issued upon receipt of a written certification by an Independent Consultant or an Independent Public Accountant stating either that (a) during the twelve consecutive months preceding the date of issuance of the proposed Additional Bonds, the Fixed Charges Coverage Ratio was at least 120% and that, for the next three fiscal years of the Project, beginning with the fiscal year commencing after completion of the additional facilities financed by such Additional Bonds, the Fixed Charges Coverage Ratio is projected to be at least 120%, taking into account the debt service on the Bonds and the maximum annual debt service due on such proposed Additional Bonds and those rates, fees and other charges which are in effect and future changes therein as have been approved at the time of issuance of such proposed Additional Bonds; (b) if during the twelve consecutive months preceding the date of issuance of the proposed Additional Bonds, the Fixed Charges Coverage Ratio was not at least 125%, the next three fiscal years of the Project, beginning with the fiscal year commencing after completion of the additional facilities financed by such Additional Bonds, the Fixed Charges Coverage Ratio is projected to be at least 135%, taking into account the debt service on the Bonds and the maximum annual debt service due on such proposed Additional Bonds and those rates, fees and other charges which are in effect and future changes therein as have been approved by the Borrower at the time of issuance of such proposed Additional Bonds; or (c) if such Additional Bonds are issued to refund or refinance Bonds outstanding, that after giving effect to the proposed refunding, the maximum annual debt service on all of the Bonds outstanding will not increase.

**SECTION V**  
**SUMMARY OF ASSUMPTIONS**

**LEON COUNTY EDUCATIONAL FACILITIES AUTHORITY  
STUDENT HOUSING REVENUE BONDS  
(CREATE, INC. PROJECT)  
SERIES 2008**

**SUMMARY OF ASSUMPTIONS**

The following general assumptions have been made to preliminarily analyze the financial feasibility of developing and operating the Project based on a multi-tranched fixed rate financing.

- I. DEVELOPMENT BUDGET:** As described in the Development Budget prepared by the Developer, the project includes the financing of the acquisition, renovation and conversion of an existing Holiday Inn Select hotel into a 334-bed student housing complex. The development budget for the Project, *excluding financing costs, capitalized interest and reserves* (which are described below), can be summarized as follows:

Acquisition	\$9,650,000
Renovations	5,036,000
Marketing, Promotion & Working Capital	500,000
Developer Fee	1,100,000
Soft Cost Contingency	50,000
Owner Transaction Costs	360,580
Survey, Appraisal, etc.	<u>30,000</u>
<b>Total Development Budget</b>	<b>\$16,726,580</b>

- II. BOND STRUCTURE:** Tax-exempt fixed rate bonds will be issued to finance a portion of the acquisition cost, along with all other costs relating to the renovation and construction of the Project, reserve funds and issuance costs. The bonds will have a term of approximately 30 years, will be fully amortizing and will be structured to produce approximately level annual *net* debt service. The bonds will be issued by Leon County Educational Facilities Authority in two separate series: Senior Tax-Exempt Series 2008A and Subordinate Series 2008B. It is anticipated that the Senior Series 2008A bonds will be rated "BBB-" and the Subordinate Series 2008B will be non-rated.

- III. SUBORDINATE BOND ASSUMPTIONS:** In this financing, we have assumed that the existing property owner will receive a "subordinate cash flow note" to pay for \$1,500,000 of the acquisition price. It is assumed that the debt will have an interest only period during the capitalized interest period on the bonds, which will accrue to the extent that net revenues are insufficient to make full interest payments. The note is assumed to bear interest at a rate of 7.25% which is less than the maximum rate allowed under Florida statute applicable to LCEFA tax exempt bond issues and is structured with a final maturity commensurate to the term of the Series 2008A bonds. It is anticipated that the subordinate debt will be non-rated and will be structured so that non-payment on the subordinate debt will not create an event of default for the Series 2008A bonds. In addition, the Developer and Borrower will each hold a subordinate note representing the deferral of a portion of their fees associated with the transaction. In total, the subordinated notes will be \$730,290 and will be repaid pursuant to terms to be outlined in the Development Agreement and provided for in the flow of funds section of the indenture.

- IV. PROJECT CONSTRUCTION FUND:** Series 2008A bond proceeds will be deposited in the Project Construction Fund and, combined with interest earnings, will be used to pay the acquisition and renovation costs, as well as furnishings and other soft costs. We have assumed that funds to acquire the property will be drawn at closing, with the renovation costs drawn monthly. While moneys are held in the Project Construction Fund, they will be invested, the earnings on which will remain in the fund to pay the total project costs, allowing the initial par amount of the bonds to be lowered by the amount of expected interest earnings. Interest earnings on this fund are assumed at 2%.
- V. CAPITALIZED INTEREST FUND:** Series 2008A bond proceeds will be used to fund interest on those series of bonds for a period beginning upon the closing of the bonds and extending through February 1, 2010, which represents 6 months past the project opening. While moneys are held in the Capitalized Interest Fund, they will be invested, the earnings on which will remain in the account to pay the capitalized interest, allowing the initial par amount of the bonds to be lowered by the amount of expected interest earnings. Interest earnings on this fund are assumed at 2%.
- VI. DEBT SERVICE RESERVE FUND:** The Debt Service Reserve Fund for the Series 2008A bonds is assumed to be funded from bond proceeds at the lesser of (i) maximum annual debt service (excluding the year of final maturity) on the Bonds; (ii) 10% of the Bond proceeds; and (iii) 125% of average annual debt service. While moneys are held in the Debt Service Reserve Fund, they will be invested, the earnings of which will be transferred to the Capitalized Interest Fund during the capitalized interest period to reduce the bond size. Thereafter, earnings will be available to reduce the annual debt service on the bonds. The Debt Service Reserve Fund is assumed to be invested at 3.50%.
- VII. ESTIMATED COSTS OF ISSUANCE:** For the purposes of this analysis, we have assumed costs due at closing will include issuance costs of approximately \$350,000, exclusive of underwriting fees. Actual costs of issuance may vary depending on the nature of the financing.
- VIII. CLOSING DATE:** For purposes of this analysis we have assumed a closing of June 5, 2009.
- IX. INTEREST RATES:** Interest rates are based on market conditions as March 11, 2008 and are subject to change based on market conditions at the time the bond issue goes to market.
- X. PROJECT RENTAL ASSUMPTIONS:** The accompanying analysis is based on the assumption that the student housing facilities will be available only to students and other university-associated individuals, such as faculty, administrators and staff, as deemed appropriate by the participating institutions. Each bed will be offered on an individual lease and residents may choose calendar year or academic year leases and can opt to pay in full at the beginning of the lease term, in two installments or monthly. Summer income will consist of revenues from student rentals during that period, as well as camps, conferences and other conventions, as permitted by tax law. Rental rates include all utilities: water, gas, electric, cable television and internet connectivity) as well as a food service plan.

**XI. CASH FLOW ASSUMPTIONS:** The cash flow analysis is based on rent, vacancy and operating expense levels presented in the Unit Mix and Cash Flow schedules and has been derived from estimates provided by the Development Team. Among these assumptions are the following:

- Unit Mix comprised of 334 beds;
- Assumed vacancy rate totaling 5% during a 10-month lease term (excluding staff beds);
- Assumed student vacancy rate of 50% during the summer term;
- *Total Property Management Fees* of 4%;
- Other income consisting of parking, cell tower rent, food establishment rent, laundry and other commissions.
- Property taxes based on the expected reassessed property value; and
- Operating expenses provided by the manager based on their experience with other similar projects.

**SECTION VI**  
**PRELIMINARY BOND SIZING**  
**& CASH FLOW**

SOURCES AND USES OF FUNDS

Leon County Educational Facilities Authority  
 Student Housing Revenue Bonds  
 (Create, Inc. Project)  
 Series 2008  
 BBB-

Dated Date 06/05/2008  
 Delivery Date 06/05/2008

Sources:

Bond Proceeds:	
Par Amount	18,420,000.00
Other Sources of Funds:	
Subordinate Series B Bonds	1,500,000.00
Developer & Sponsor Notes	730,290.00
	2,230,290.00
	20,650,290.00

Uses:

Project Fund Deposits:	
Acquisition & Renovation Costs	16,677,092.91
Other Fund Deposits:	
Capitalized Interest Fund	1,839,428.29
Debt Service Reserve Fund	1,413,150.00
	3,252,578.29
Delivery Date Expenses:	
Cost of Issuance	350,000.00
Underwriter's Discount	368,400.00
	718,400.00
Other Uses of Funds:	
Additional Proceeds	2,218.80
	20,650,290.00

BOND PRICING

Leon County Educational Facilities Authority  
 Student Housing Revenue Bonds  
 (Create, Inc. Project)  
 Series 2008  
 BBB-

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond Maturing in 2040:					
	07/01/2040	18,420,000	6.500%	6.500%	100.000
		18,420,000			

Dated Date	06/05/2008		
Delivery Date	06/05/2008		
First Coupon	01/01/2009		
Par Amount	18,420,000.00		
Original Issue Discount			
Production	18,420,000.00	100.000000%	
Underwriter's Discount	(368,400.00)	(2.000000)	
Purchase Price	18,051,600.00	98.000000%	
Accrued Interest			
Net Proceeds	18,051,600.00		

BOND SUMMARY STATISTICS

Leon County Educational Facilities Authority  
 Student Housing Revenue Bonds  
 (Create, Inc. Project)  
 Series 2008  
 BBB-

Dated Date	06/05/2008
Delivery Date	06/05/2008
First Coupon	01/01/2009
Last Maturity	07/01/2040
Arbitrage Yield	6.499246%
True Interest Cost (TIC)	6.682985%
Net Interest Cost (NIC)	6.590770%
NIC w/Interest only	6.500000%
NIC w/Interest & OID	6.500000%
NIC w/Interest, OID & Und. Discount	6.590770%
All-In TIC	6.863153%
Average Coupon	6.500000%
Average Life (years)	22.034
Duration of Issue (years)	11.296
Par Amount	18,420,000.00
Bond Proceeds	18,420,000.00
Total Interest	26,380,921.67
Net Interest	26,749,321.67
Bond Years from Dated Date	405,860,333.33
Bond Years from Delivery Date	405,860,333.33
Total Debt Service	44,800,921.67
Maximum Annual Debt Service	1,413,150.00
Average Annual Debt Service	1,396,876.13
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Term Bond Maturing in 2040	18,420,000.00	100.000	6.500%	22.034	11.420	24,682.80
	18,420,000.00			22.034		24,682.80

	TIC	All-In TIC	Arbitrage Yield
Par Value	18,420,000.00	18,420,000.00	18,420,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	(368,400.00)	(368,400.00)	
- Cost of Issuance Expense		(350,000.00)	
- Other Amounts			
Target Value	18,051,600.00	17,701,600.00	18,420,000.00
Target Date	06/05/2008	06/05/2008	06/05/2008
Yield	6.682985%	6.863153%	6.499246%

BOND DEBT SERVICE

Leon County Educational Facilities Authority  
 Student Housing Revenue Bonds  
 (Create, Inc. Project)  
 Series 2008  
 BBB-

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2009			1,283,771.67	1,283,771.67
07/01/2010			1,197,300.00	1,197,300.00
07/01/2011	215,000	6.500%	1,197,300.00	1,412,300.00
07/01/2012	225,000	6.500%	1,183,325.00	1,408,325.00
07/01/2013	240,000	6.500%	1,168,700.00	1,408,700.00
07/01/2014	260,000	6.500%	1,153,100.00	1,413,100.00
07/01/2015	275,000	6.500%	1,136,200.00	1,411,200.00
07/01/2016	290,000	6.500%	1,118,325.00	1,408,325.00
07/01/2017	310,000	6.500%	1,099,475.00	1,409,475.00
07/01/2018	330,000	6.500%	1,079,325.00	1,409,325.00
07/01/2019	355,000	6.500%	1,057,875.00	1,412,875.00
07/01/2020	375,000	6.500%	1,034,800.00	1,409,800.00
07/01/2021	400,000	6.500%	1,010,425.00	1,410,425.00
07/01/2022	425,000	6.500%	984,425.00	1,409,425.00
07/01/2023	455,000	6.500%	956,800.00	1,411,800.00
07/01/2024	485,000	6.500%	927,225.00	1,412,225.00
07/01/2025	515,000	6.500%	895,700.00	1,410,700.00
07/01/2026	550,000	6.500%	862,225.00	1,412,225.00
07/01/2027	585,000	6.500%	826,475.00	1,411,475.00
07/01/2028	620,000	6.500%	788,450.00	1,408,450.00
07/01/2029	665,000	6.500%	748,150.00	1,413,150.00
07/01/2030	705,000	6.500%	704,925.00	1,409,925.00
07/01/2031	750,000	6.500%	659,100.00	1,409,100.00
07/01/2032	800,000	6.500%	610,350.00	1,410,350.00
07/01/2033	850,000	6.500%	558,350.00	1,408,350.00
07/01/2034	910,000	6.500%	503,100.00	1,413,100.00
07/01/2035	965,000	6.500%	443,950.00	1,408,950.00
07/01/2036	1,030,000	6.500%	381,225.00	1,411,225.00
07/01/2037	1,095,000	6.500%	314,275.00	1,409,275.00
07/01/2038	1,170,000	6.500%	243,100.00	1,413,100.00
07/01/2039	1,245,000	6.500%	167,050.00	1,412,050.00
07/01/2040	1,325,000	6.500%	86,125.00	1,411,125.00
	18,420,000		26,380,921.67	44,800,921.67

NET DEBT SERVICE

Leon County Educational Facilities Authority  
 Student Housing Revenue Bonds  
 (Create, Inc. Project)  
 Series 2008  
 BBB-

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
07/01/2009		1,283,771.67	1,283,771.67		1,283,771.67	
07/01/2010		1,197,300.00	1,197,300.00		698,425.00	498,875.00
07/01/2011	215,000	1,197,300.00	1,412,300.00	49,460.26		1,362,839.74
07/01/2012	225,000	1,183,325.00	1,408,325.00	49,460.26		1,358,864.74
07/01/2013	240,000	1,168,700.00	1,408,700.00	49,460.26		1,359,239.74
07/01/2014	260,000	1,153,100.00	1,413,100.00	49,460.26		1,363,639.74
07/01/2015	275,000	1,136,200.00	1,411,200.00	49,460.26		1,361,739.74
07/01/2016	290,000	1,118,325.00	1,408,325.00	49,460.26		1,358,864.74
07/01/2017	310,000	1,099,475.00	1,409,475.00	49,460.26		1,360,014.74
07/01/2018	330,000	1,079,325.00	1,409,325.00	49,460.26		1,359,864.74
07/01/2019	355,000	1,057,875.00	1,412,875.00	49,460.26		1,363,414.74
07/01/2020	375,000	1,034,800.00	1,409,800.00	49,460.26		1,360,339.74
07/01/2021	400,000	1,010,425.00	1,410,425.00	49,460.26		1,360,964.74
07/01/2022	425,000	984,425.00	1,409,425.00	49,460.26		1,359,964.74
07/01/2023	455,000	956,800.00	1,411,800.00	49,460.26		1,362,339.74
07/01/2024	485,000	927,225.00	1,412,225.00	49,460.26		1,362,764.74
07/01/2025	515,000	895,700.00	1,410,700.00	49,460.26		1,361,239.74
07/01/2026	550,000	862,225.00	1,412,225.00	49,460.26		1,362,764.74
07/01/2027	585,000	826,475.00	1,411,475.00	49,460.26		1,362,014.74
07/01/2028	620,000	788,450.00	1,408,450.00	49,460.26		1,358,989.74
07/01/2029	665,000	748,150.00	1,413,150.00	49,460.26		1,363,689.74
07/01/2030	705,000	704,925.00	1,409,925.00	49,460.26		1,360,464.74
07/01/2031	750,000	659,100.00	1,409,100.00	49,460.26		1,359,639.74
07/01/2032	800,000	610,350.00	1,410,350.00	49,460.26		1,360,889.74
07/01/2033	850,000	558,350.00	1,408,350.00	49,460.26		1,358,889.74
07/01/2034	910,000	503,100.00	1,413,100.00	49,460.26		1,363,639.74
07/01/2035	965,000	443,950.00	1,408,950.00	49,460.26		1,359,489.74
07/01/2036	1,030,000	381,225.00	1,411,225.00	49,460.26		1,361,764.74
07/01/2037	1,095,000	314,275.00	1,409,275.00	49,460.26		1,359,814.74
07/01/2038	1,170,000	243,100.00	1,413,100.00	49,460.26		1,363,639.74
07/01/2039	1,245,000	167,050.00	1,412,050.00	49,460.26		1,362,589.74
07/01/2040	1,325,000	86,125.00	1,411,125.00	1,462,610.26		(51,485.26)
	18,420,000	26,380,921.67	44,800,921.67	2,896,957.80	1,982,196.67	39,921,767.20

CAPITALIZED INTEREST FUND

Leon County Educational Facilities Authority  
 Student Housing Revenue Bonds  
 (Create, Inc. Project)  
 Series 2008  
 BBB-

Capitalized Interest Fund (CAPI)

Date	Deposit	Interest @ 2%	Principal	Debt Service Reserve Fund	Scheduled Draws	Balance
06/05/2008	1,839,428.29					1,839,428.29
07/01/2008		2,656.95	(6,229.08)	3,572.13		1,845,657.37
01/01/2009		18,420.85	641,970.69	24,730.13	685,121.67	1,203,686.68
07/01/2009		12,036.87	561,883.00	24,730.13	598,650.00	641,803.68
01/01/2010		6,418.04	567,501.83	24,730.13	598,650.00	74,301.85
07/01/2010		743.02	74,301.85	24,730.13	99,775.00	
	1,839,428.29	40,275.73	1,839,428.29	102,492.65	1,982,196.67	

Average Life (years): 1.0958  
 Yield To Receipt Date: 1.9970048%  
 Arbitrage Yield: 6.4992459%  
 Value of Negative Arbitrage: 85,811.64

PROJECT FUND

Leon County Educational Facilities Authority  
Student Housing Revenue Bonds  
(Create, Inc. Project)  
Series 2008  
BBB-

Acquisition & Renovation Costs (PROFUND)

Date	Deposit	Interest @ 2%	Principal	Scheduled Draws	Balance
06/05/2008	16,677,092.91		11,140,580.00	11,140,580	5,536,512.91
08/01/2008		17,224.71	(17,224.71)		5,553,737.62
09/01/2008			931,000.00	931,000	4,622,737.62
10/01/2008			931,000.00	931,000	3,691,737.62
11/01/2008			931,000.00	931,000	2,760,737.62
12/01/2008			931,000.00	931,000	1,829,737.62
01/01/2009			931,000.00	931,000	898,737.62
02/01/2009		32,262.38	898,737.62	931,000	
	16,677,092.91	49,487.09	16,677,092.91	16,726,580	

Average Life (years): 0.1484  
Yield To Receipt Date: 2.0005869%  
Arbitrage Yield: 6.4992459%  
Value of Negative Arbitrage: 107,805.26

Leon County Educational Facilities Authority  
Student Housing Revenue Bonds  
(Create, Inc. Project)  
Series 2008

Cash Flow Analysis

Fiscal Year Ending June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Academic Term Revenue	\$3,717,650	\$3,829,180	\$3,944,055	\$4,062,377	\$4,184,248	\$4,309,775	\$4,439,069	\$4,572,241	\$4,709,408	\$4,850,690	\$4,996,211	\$5,146,097
LESS: Academic Term Vacancies	273,133	281,326	289,766	298,459	307,413	316,635	326,134	335,919	345,996	356,376	367,067	378,079
Summer Revenues	743,530	765,836	788,811	812,475	836,850	861,955	887,814	914,448	941,882	970,138	999,242	1,029,219
LESS: Summer Vacancies	371,765	382,918	394,405	406,238	418,425	430,978	443,907	457,224	470,941	485,069	499,621	514,610
Net Rental Revenues	3,816,283	3,930,771	4,048,694	4,170,155	4,295,260	4,424,117	4,556,841	4,693,546	4,834,352	4,979,383	5,128,765	5,282,627
Other Revenue	307,404	316,626	326,125	335,909	345,986	356,365	367,056	378,068	389,410	401,092	413,125	425,519
Expense Recoveries (Damages, Late Fees, Etc.)	13,250	13,648	14,057	14,479	14,913	15,360	15,821	16,296	16,785	17,288	17,807	18,341
Investment Earnings on DSRF <sup>1</sup>	0	49,460	49,460	49,460	49,460	49,460	49,460	49,460	49,460	49,460	49,460	49,460
<b>Total Revenues</b>	<b>\$4,136,937</b>	<b>\$4,310,505</b>	<b>\$4,438,336</b>	<b>\$4,570,002</b>	<b>\$4,705,619</b>	<b>\$4,845,303</b>	<b>\$4,989,179</b>	<b>\$5,137,370</b>	<b>\$5,290,008</b>	<b>\$5,447,224</b>	<b>\$5,609,157</b>	<b>\$5,775,948</b>
Personnel Costs	343,339	353,639	364,248	375,176	386,431	398,024	409,965	422,264	434,932	447,980	461,419	475,261
Utilities	372,000	383,160	394,655	406,494	418,689	431,250	444,187	457,513	471,238	485,376	499,937	514,935
Maintenance Costs	31,700	32,651	33,631	34,639	35,679	36,749	37,851	38,987	40,157	41,361	42,602	43,880
Contract Services	132,757	136,740	140,842	145,067	149,419	153,902	158,519	163,274	168,173	173,218	178,414	183,767
Leasing & Promotion	54,550	56,187	57,872	59,608	61,397	63,238	65,136	67,090	69,102	71,175	73,311	75,510
Professional Fees	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384
Communications	13,200	13,596	14,004	14,457	14,908	15,367	15,834	16,308	16,788	17,274	17,765	18,261
Office Equipment Rental	4,560	4,697	4,838	4,983	5,132	5,286	5,445	5,608	5,776	5,950	6,128	6,312
Management Fee	165,477	170,442	175,555	180,822	186,246	191,834	197,589	203,516	209,622	215,911	222,388	229,060
Other Administrative Expenses	21,670	22,320	22,990	23,679	24,390	25,121	25,875	26,651	27,451	28,274	29,123	29,996
Insurance	60,000	61,800	63,654	65,564	67,531	69,556	71,643	73,792	76,006	78,286	80,635	83,054
Property & Other Taxes	149,143	153,617	158,226	162,973	167,862	172,898	178,085	183,427	188,930	194,598	200,436	200,436
Food Service	650,000	669,500	689,585	710,273	731,581	753,528	776,134	799,418	823,401	848,103	873,546	873,546
Trustee & Rating Agency Fees	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Replacement Reserve	58,450	60,204	62,010	63,870	65,786	67,760	69,792	71,886	74,043	76,264	78,552	80,908
<b>Total Operating Expenses</b>	<b>\$2,067,846</b>	<b>\$2,129,582</b>	<b>\$2,193,169</b>	<b>\$2,331,697</b>	<b>\$2,401,348</b>	<b>\$2,473,089</b>	<b>\$2,546,981</b>	<b>\$2,623,091</b>	<b>\$2,701,484</b>	<b>\$2,782,228</b>	<b>\$2,865,395</b>	<b>\$2,918,837</b>
<b>Net Operating Income</b>	<b>\$2,069,090</b>	<b>\$2,180,923</b>	<b>\$2,245,167</b>	<b>\$2,238,305</b>	<b>\$2,304,270</b>	<b>\$2,372,215</b>	<b>\$2,442,197</b>	<b>\$2,514,279</b>	<b>\$2,588,524</b>	<b>\$2,664,996</b>	<b>\$2,743,762</b>	<b>\$2,857,111</b>
Annual Debt Service	498,875	1,412,300	1,408,325	1,408,700	1,413,100	1,411,200	1,408,325	1,409,475	1,409,325	1,412,875	1,409,800	1,410,425
Debt Service Coverage	4.15	1.54	1.59	1.59	1.63	1.68	1.73	1.78	1.84	1.89	1.95	2.03
Breakeven Occupancy	50.35%	68.82%	67.86%	68.53%	67.80%	66.96%	66.14%	65.41%	64.68%	64.03%	63.29%	62.12%
Deferred Development Fee	730,290	0	0	0	0	0	0	0	0	0	0	0
Subordinate Bond Debt Service	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929
<b>Net Cash Flow</b>	<b>\$715,996</b>	<b>\$644,694</b>	<b>\$712,912</b>	<b>\$705,676</b>	<b>\$767,241</b>	<b>\$837,085</b>	<b>\$909,943</b>	<b>\$980,875</b>	<b>\$1,055,270</b>	<b>\$1,128,192</b>	<b>\$1,210,033</b>	<b>\$1,322,756</b>
Cumulative Net Cash Flow	\$715,996	\$1,360,689	\$2,073,602	\$2,779,277	\$3,546,518	\$4,383,604	\$5,293,547	\$6,274,422	\$7,329,691	\$8,457,883	\$9,667,915	\$10,990,671
Present Value of Net Cash Flow at 6.50%	\$19,663,923											

Leon County Educational Facilities Authority  
Student Housing Revenue Bonds  
(Create, Inc. Project)  
Series 2008

Cash Flow Analysis

Fiscal Year Ending June 30.	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Academic Term Revenue	\$5,300,480	\$5,459,494	\$5,623,279	\$5,791,978	\$5,965,737	\$6,144,709	\$6,329,050	\$6,518,922	\$6,714,489	\$6,915,924
LESS: Academic Term Vacancies	389,422	401,104	413,137	425,532	438,297	451,446	464,990	478,939	493,308	508,107
Summer Revenues	1,060,096	1,091,899	1,124,656	1,158,396	1,193,147	1,228,942	1,265,810	1,303,784	1,342,898	1,383,185
LESS: Summer Vacancies	530,048	545,949	562,328	579,198	596,574	614,471	632,905	651,892	671,449	691,592
Net Rental Revenues	5,441,106	5,604,340	5,772,470	5,945,644	6,124,013	6,307,733	6,496,965	6,691,874	6,892,631	7,099,410
Other Revenue	438,285	451,433	464,976	478,925	493,293	508,092	523,335	539,035	555,206	571,862
Expense Recoveries (Damages, Late Fees, Etc.)	18,891	19,458	20,042	20,643	21,262	21,900	22,557	23,234	23,931	24,649
Investment Earnings on DSRF <sup>3</sup>	49,460	49,460	49,460	49,460	49,460	49,460	49,460	49,460	49,460	49,460
<b>Total Revenues</b>	<b>\$5,947,743</b>	<b>\$6,124,691</b>	<b>\$6,306,948</b>	<b>\$6,494,673</b>	<b>\$6,688,029</b>	<b>\$6,887,186</b>	<b>\$7,092,318</b>	<b>\$7,303,603</b>	<b>\$7,521,228</b>	<b>\$7,745,381</b>
Personnel Costs	489,519	504,205	519,331	534,911	550,958	567,487	584,512	602,047	620,108	638,712
Utilities	530,383	546,295	562,683	579,564	596,951	614,859	633,305	652,304	671,873	692,030
Maintenance Costs	45,197	46,553	47,949	49,388	50,869	52,395	53,967	55,586	57,254	58,971
Contract Services	189,280	194,958	200,807	206,831	213,036	219,427	226,010	232,790	239,774	246,967
Leasing & Promotion	77,775	80,109	82,512	84,987	87,537	90,163	92,868	95,654	98,523	101,479
Professional Fees	1,426	1,469	1,513	1,558	1,605	1,653	1,702	1,754	1,806	1,860
Communications	114,112	117,535	121,061	124,693	128,434	132,287	136,255	140,343	144,553	148,890
Office Equipment Rental	6,501	6,697	6,897	7,104	7,317	7,537	7,763	7,996	8,236	8,483
Management Fee	235,931	243,009	250,300	257,808	265,543	273,509	281,714	290,166	298,871	307,837
Other Administrative Expenses	30,896	31,823	32,778	33,761	34,774	35,817	36,892	37,998	39,138	40,313
Insurance	85,546	88,112	90,755	93,478	96,282	99,171	102,146	105,210	108,367	111,618
Property & Other Taxes	200,436	200,436	200,436	200,436	200,436	200,436	200,436	200,436	200,436	200,436
Food Service	873,546	873,546	873,546	873,546	873,546	873,546	873,546	873,546	873,546	873,546
Trustee & Rating Agency Fees	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Replacement Reserve	83,336	85,836	88,411	91,063	93,795	96,609	99,507	102,492	105,567	108,734
<b>Total Operating Expenses</b>	<b>\$2,973,883</b>	<b>\$3,030,580</b>	<b>\$3,088,978</b>	<b>\$3,149,128</b>	<b>\$3,211,082</b>	<b>\$3,274,895</b>	<b>\$3,340,623</b>	<b>\$3,408,322</b>	<b>\$3,478,052</b>	<b>\$3,549,874</b>
<b>Net Operating Income</b>	<b>\$2,973,859</b>	<b>\$3,094,111</b>	<b>\$3,217,970</b>	<b>\$3,345,545</b>	<b>\$3,476,947</b>	<b>\$3,612,291</b>	<b>\$3,751,695</b>	<b>\$3,895,281</b>	<b>\$4,043,175</b>	<b>\$4,195,506</b>
Annual Debt Service	1,409,425	1,411,800	1,412,225	1,410,700	1,412,225	1,411,475	1,408,450	1,413,150	1,409,925	1,409,100
Debt Service Coverage	2.11	2.19	2.28	2.37	2.46	2.56	2.66	2.76	2.87	2.98
Breakeven Occupancy	60.95%	59.87%	58.78%	57.71%	56.70%	55.70%	54.69%	53.81%	52.86%	51.97%
Deferred Development Fee	0	0	0	0	0	0	0	0	0	0
Subordinate Bond Debt Service	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929
<b>Net Cash Flow</b>	<b>\$1,440,505</b>	<b>\$1,558,381</b>	<b>\$1,681,815</b>	<b>\$1,810,915</b>	<b>\$1,940,792</b>	<b>\$2,076,886</b>	<b>\$2,219,316</b>	<b>\$2,358,202</b>	<b>\$2,509,321</b>	<b>\$2,662,477</b>
<b>Cumulative Net Cash Flow</b>	<b>\$12,431,176</b>	<b>\$13,989,558</b>	<b>\$15,671,373</b>	<b>\$17,482,289</b>	<b>\$19,423,081</b>	<b>\$21,499,967</b>	<b>\$23,719,282</b>	<b>\$26,077,484</b>	<b>\$28,586,805</b>	<b>\$31,249,282</b>
Present Value of Net Cash Flow at 6.50%										

20



**Leon County Educational Facilities Authority**  
**Student Housing Revenue Bonds**  
**(Create, Inc. Project)**  
**Series 2008**

*Cash Flow Analysis*

Fiscal Year Ending June 30,	2032	2033	2034	2035	2036	2037	2038	2039	2040
Academic Term Revenue	\$7,123,402	\$7,337,104	\$7,557,217	\$7,783,934	\$8,017,452	\$8,257,975	\$8,505,714	\$8,760,886	\$9,023,712
LESS: Academic Term Vacancies	523,350	539,051	555,222	571,879	589,035	606,706	624,907	643,655	662,964
Summer Revenues	1,424,680	1,467,421	1,511,443	1,556,787	1,603,490	1,651,595	1,701,143	1,752,177	1,804,742
LESS: Summer Vacancies	712,340	733,710	755,722	778,393	801,745	825,798	850,571	876,089	902,371
Net Rental Revenues	7,312,392	7,531,764	7,757,717	7,990,448	8,230,162	8,477,066	8,731,378	8,993,320	9,263,119
Other Revenue	589,018	606,688	624,889	643,636	662,945	682,833	703,318	724,418	746,150
Expense Recoveries (Damages, Late Fees, Etc.)	25,388	26,150	26,935	27,743	28,575	29,432	30,315	31,224	32,161
Investment Earnings on DSRF <sup>3</sup>	49,460	49,460	49,460	49,460	49,460	49,460	49,460	49,460	1,462,610
<b>Total Revenues</b>	<b>\$7,976,258</b>	<b>\$8,214,062</b>	<b>\$8,459,000</b>	<b>\$8,711,287</b>	<b>\$8,971,141</b>	<b>\$9,238,792</b>	<b>\$9,514,472</b>	<b>\$9,798,422</b>	<b>\$11,504,041</b>
Personnel Costs	657,873	677,609	697,937	718,876	740,442	762,655	785,535	809,101	833,374
Utilities	712,790	734,174	756,199	778,885	802,252	826,320	851,109	876,642	902,942
Maintenance Costs	60,740	62,563	64,440	66,373	68,364	70,415	72,527	74,703	76,944
Contract Services	254,376	262,007	269,868	277,964	286,303	294,892	303,738	312,851	322,236
Leasing & Promotion	104,523	107,659	110,889	114,216	117,642	121,171	124,806	128,551	132,407
Professional Fees	1,916	1,974	2,033	2,094	2,157	2,221	2,288	2,357	2,427
Communications	153,356	157,957	162,696	167,577	172,604	177,782	183,116	188,609	194,267
Office Equipment Rental	8,737	9,000	9,270	9,548	9,834	10,129	10,433	10,746	11,068
Management Fee	317,072	326,584	336,382	346,473	356,867	367,573	378,600	389,958	401,657
Other Administrative Expenses	41,522	42,768	44,051	45,372	46,733	48,135	49,579	51,067	52,599
Insurance	114,966	118,415	121,968	125,627	129,395	133,277	137,276	141,394	145,636
Property & Other Taxes	200,436	200,436	200,436	200,436	200,436	200,436	200,436	200,436	200,436
Food Service	873,546	873,546	873,546	873,546	873,546	873,546	873,546	873,546	873,546
Trustee & Rating Agency Fees	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Replacement Reserve	111,996	115,356	118,817	122,381	126,053	129,834	133,729	137,741	141,873
<b>Total Operating Expenses</b>	<b>\$3,623,851</b>	<b>\$3,700,047</b>	<b>\$3,778,529</b>	<b>\$3,859,366</b>	<b>\$3,942,627</b>	<b>\$4,028,387</b>	<b>\$4,116,719</b>	<b>\$4,207,701</b>	<b>\$4,301,412</b>
<b>Net Operating Income</b>	<b>\$4,352,407</b>	<b>\$4,514,015</b>	<b>\$4,680,471</b>	<b>\$4,851,921</b>	<b>\$5,028,514</b>	<b>\$5,210,405</b>	<b>\$5,397,753</b>	<b>\$5,590,721</b>	<b>\$7,202,629</b>
Annual Debt Service	1,410,350	1,408,350	1,413,100	1,408,950	1,411,225	1,409,275	1,413,100	1,412,050	1,411,125
Debt Service Coverage	3.09	3.21	3.31	3.44	3.56	3.70	3.82	3.96	5.10
Breakeven Occupancy	51.13%	50.27%	49.51%	48.68%	47.95%	47.19%	46.51%	45.80%	32.06%
Deferred Development Fee	0	0	0	0	0	0	0	0	0
Subordinate Bond Debt Service	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929	\$123,929
<b>Net Cash Flow</b>	<b>\$2,818,128</b>	<b>\$2,981,736</b>	<b>\$3,143,442</b>	<b>\$3,319,041</b>	<b>\$3,493,360</b>	<b>\$3,677,201</b>	<b>\$3,860,724</b>	<b>\$4,054,742</b>	<b>\$5,791,504</b>
<b>Cumulative Net Cash Flow</b>	<b>\$34,067,410</b>	<b>\$37,049,146</b>	<b>\$40,192,588</b>	<b>\$43,511,629</b>	<b>\$47,004,989</b>	<b>\$50,682,190</b>	<b>\$54,542,913</b>	<b>\$58,597,655</b>	<b>\$64,389,159</b>
Present Value of Net Cash Flow at 6.50%									

Leon County Educational Facilities Authority  
 Student Housing Revenue Bonds  
 (Create, Inc. Project)  
 Series 2008

*Unit Mix*

Unit Type*	# of Units	# of Beds	Square Footage		2008-09 Rents per Unit		2008-09 Rents per Bed		Total Rent
			Per Apt.	Total	Monthly	Annual	Monthly	Annual	
Apartment									
Monthly Lease Rate	11	33	680	7,480	\$3,300	\$39,600	\$1,100	\$13,200	\$435,600
Double									
Monthly Lease Rate	148	296	340	50,320	\$2,230	\$26,760	\$1,115	\$13,380	\$3,960,480
Single									
Monthly Lease Rate	5	5	340	1,700	\$1,085	\$13,020	\$1,085	\$13,020	\$65,100
Total / Average	164	334					<b>Gross Potential Rent</b>		<b>\$4,461,180</b>

\* Includes 6 staff units.

*Cash Flow Assumptions*

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Rental Increase	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Academic Term Vacancy*	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%	7.35%
Summer Term Vacancy	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Increases in Other Income	N/A	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Increase in Expenses	N/A	3.00%	3.00%	-3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Sr. Management Fee	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Replacement Reserve	\$175	\$180	\$186	\$191	\$197	\$203	\$209	\$215	\$222

\* Adjusted to include cost of staff beds.

Leon County Educational Facilities Authority  
 Student Housing Revenue Bonds  
 (Create, Inc. Project)  
 Series 2008

Estimated Project Fund Draws

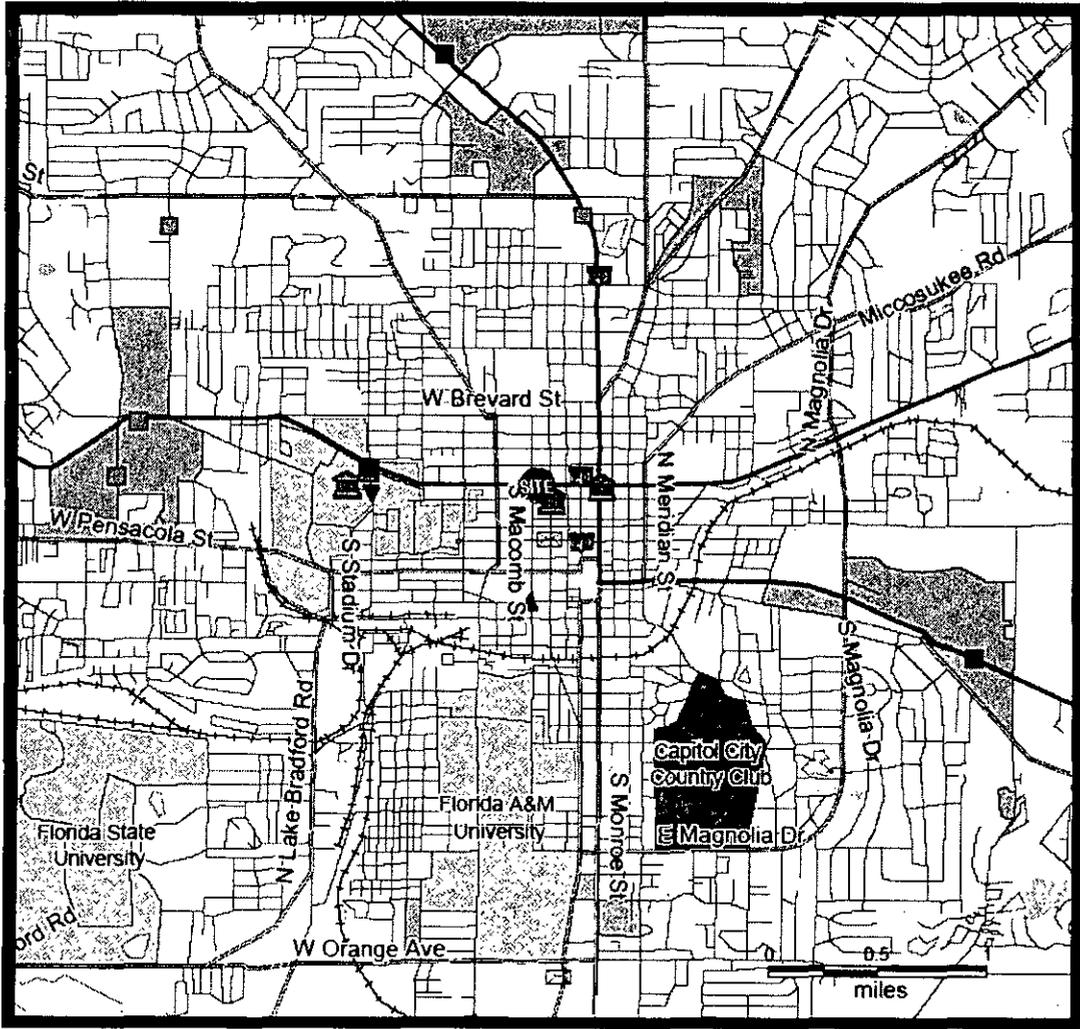
	Acquisition	Renovations	Working Capital	Survey, Appraisal, etc	Developer Fee*	OWNER Transaction Costs*	Marketing, Promotion, etc.	Soft Cost Contingency	Total
Closing	\$ 9,650,000.00	\$ -	\$ -	\$ 30,000.00	\$ 1,100,000.00	\$ 360,580.00	\$ -	\$ -	\$ 11,140,580.00
July -08		\$ -	\$ -				\$ -	\$ -	\$ -
August-08		\$ -	\$ -				\$ -	\$ -	\$ -
September-08		\$ 839,333.33	\$ 41,666.67				\$ 41,666.67	\$ 8,333.33	\$ 931,000.00
October-08		\$ 839,333.33	\$ 41,666.67				\$ 41,666.67	\$ 8,333.33	\$ 931,000.00
November-08		\$ 839,333.33	\$ 41,666.67				\$ 41,666.67	\$ 8,333.33	\$ 931,000.00
December-08		\$ 839,333.33	\$ 41,666.67				\$ 41,666.67	\$ 8,333.33	\$ 931,000.00
January-09		\$ 839,333.33	\$ 41,666.67				\$ 41,666.67	\$ 8,333.33	\$ 931,000.00
February -09		\$ 839,333.33	\$ 41,666.67				\$ 41,666.67	\$ 8,333.33	\$ 931,000.00
Total	\$ 9,650,000.00	\$ 5,036,000.00	\$ 250,000.00	\$ 30,000.00	\$ 1,100,000.00	\$ 360,580.00	\$ 250,000.00	\$ 50,000.00	\$ 16,726,580.00

\* Half of the development fee and half of the owner transaction costs totaling \$730,290 will be held back as deferred development fees and paid from cash flow.

20



APPENDIX D



TALLAHASSEE, FLORIDA

LEGEND	
	GROCERY STORE
	POST OFFICE
	COLLEGE
	LIBRARY
	RECREATION
	BUS ROUTE
	BANK
	FIRE DEPARTMENT
	POLICE DEPARTMENT
	SHOPPING
	PARKS AND RECREATION

