

EXHIBIT O-10
Permitted Discrepancies*

1. **Default Discrepancies:** The Existing Real Property Loan Documents related to the following loans contain default provisions (i.e. defaults, which are tied to the occurrence of a “material adverse effect” or a determination by the lender that it is not fully secured) which do not comply with the standard set forth in Exhibit O-1, but which are acceptable to Purchaser:
 - a. **Marathon Structured Finance Fund, L.P.**
(The Cottages; Mountain View Ashland; Chris Ridge; Legacy Crossings)
 - b. **Wells Fargo Bank, National Association**
(Absaroka; Churchill; Oswego Springs; Sellwood Landing; Sugarland Ridge)
 - c. **Bay Bank**
(Necanicum Village)
 - d. **Community Bank**
(Parkway Village)
 - e. **FirsTier Bank**
(Sunrise Creek)
 - f. **The National Bank**
(Grayson View-Sellinsgrove)
 - g. **Police and Fire Retirement System of The City of Detroit**
(Orchard Park; Palm Meadows Village)
 - h. **Tennessee Commerce Bank**
(Brookside)
 - i. **Plainscapital Bank**
(Cottage Village)
 - j. **Tennessee Commerce Bank**
(Culpepper Place)
 - k. **Vestin Originations, Inc.**
(Meadowlark – junior loan)
 - l. **Tennessee Commerce Bank**
(Terrace at Woodstock)
 - m. **Green Bank**
(Waterford in Bellevue)

2. **Amortization Discrepancies:** The Existing Real Property Loan Documents (or the loan modification term sheets related thereto which have been negotiated by Stayton as of the date hereof) contain amortization provisions which do not comply with the standard set forth in Exhibit O-1, but which are acceptable to Purchaser as specifically identified below:
 - a. **HUD**
(Mountain Laurel)

- i. Existing amortization schedule in place based on applicable Existing Real Property Loan Documents (and loan will not be modified in connection with the assumption by Purchaser).
- b. **HUD**
(El Dorado Heights)
 - i. Existing amortization schedule in place based on applicable Existing Real Property Loan Documents (and loan will not be modified in connection with the assumption by Purchaser).
- c. **HUD**
(Woodside Village)
 - i. Existing amortization schedule in place based on applicable Existing Real Property Loan Documents (and loan will not be modified in connection with the assumption by Purchaser).
- d. **Capmark Finance Bank**
(Spring Arbor)
 - i. Existing amortization schedule in place based on applicable Existing Real Property Loan Documents (and loan will not be modified in connection with the assumption by Purchaser).
- e. **Capmark Finance Bank**
(Alpine Springs)
 - i. Existing amortization schedule in place based on applicable Existing Real Property Loan Documents (and loan will not be modified in connection with the assumption by Purchaser).
- f. **Capmark Finance Bank**
(Heron Pointe)
 - i. Existing amortization schedule in place based on applicable Existing Real Property Loan Documents (and loan will not be modified in connection with the assumption by Purchaser).
- g. **First National Bank of Waupaca**
(Canterbury Gardens and Magnolia Gardens)
 - i. Beginning 1/1/10, the loan amortizes on a 30-year amortization schedule.
- h. **Charter Bank**
(Moses Lake)
 - i. The loan is interest-only during the first year and amortizes on a 25-year amortization schedule thereafter, but during the first year the borrower must make additional principal payments of \$5,000 per month to be applied to the lender's costs and fees.
- i. **Police and Fire Retirement System of The City of Detroit**
(Orchard Park; Palm Meadows Village)
 - i. The loan is interest-only through 12/14/10 and thereafter amortizes on a 25-year amortization schedule.

- j. **NebraskaLand National Bank (NBL 5 Loan Pool)**
(Emerald Estates; Georgian Place; Laurel Gardens; Lexington Gardens; Remington House)
 - i. If the lender makes an additional advance of \$500,000 at the closing into the Deferred Maintenance/Cap Ex Reserve Account, the loan will amortize on a 25 year amortization schedule. If the lender does not make the additional advance, the loan will be interest-only for the first year and will thereafter amortize on a 25 year amortization schedule.
 - k. **First National Bank & Trust of Mcalester, OH**
(Heritage Place)
 - i. Amortization will commence on 1/1/10 on a 25 year amortization schedule.
 - l. **First Citizens Bank**
(Dry Creek)
 - i. Commencing February 2010 (or the confirmation of the Reorganization Plan), the loan will amortize on a 30-year amortization schedule.
 - m. **Red Mortgage Capital / Fannie Mae**
(Rose Valley)
 - i. The loan is interest-only during the first 28 months and will amortize on a 25-year amortization schedule thereafter.
 - n. **Red Mortgage Capital / Fannie Mae**
(Spring Village)
 - i. The loan is interest-only during the first 42 months and will amortize on a 25-year amortization schedule thereafter.
 - o. **NebraskaLand National Bank (NBL 2 Loan Pool)**
(The Heritage; Maplewood)
 - i. The loan amortizes on a 25-year amortization schedule.
 - p. **First Sound Bank**
(Chehalem Springs)
 - i. Note A: The note is interest-only for 6 months if the borrower chooses a 5% interest rate for the initial term or interest-only for the first year if the borrower chooses a 5.5% interest rate for the initial term. Thereafter, the loan amortizes on a 25-year amortization schedule.
 - ii. Note B: The note is interest-only for the first year and thereafter amortizes on a 15-year amortization schedule.
3. Extension Fee Discrepancies:
- a. **First National Bank of Waupaca**
(Canterbury Gardens; Magnolia Gardens)
 - i. Fee of 25 bps (to be capitalized).
 - b. **NebraskaLand National Bank (NBL 5 Loan Pool)**
(Emerald Estates; Georgian Place; Laurel Gardens; Lexington Gardens; Remington House)

- i. Fee of 25 bps.
 - c. **NebraskaLand National Bank (NBL 2 Loan Pool)**
(The Heritage; Maplewood)
 - i. Fee of 25 bps.
 - d. **The National Bank**
(Grayson View-Selinsgrove)
 - i. Fee of 25 bps.
 - e. **The National Bank**
(Minnetonka)
 - i. Fee of 25 bps.
- 4. **Cross Collateralization:** The following loans shall be permitted to be cross-collateralized as described below:
 - a. **The National Bank:** The loans secured by Minnetonka and Grayson View-Selinsgrove may be cross-collateralized.
 - b. **Tutera Investments Inc:** The loans secured by Chandler Place and Terrace at Riverstone may be cross-collateralized.
 - c. **Tennessee Commerce Bank:** The loans secured by Brookside, Culpepper Place and Terrace at Woodstock may be cross collateralized.
 - d. **Stillwater National Bank:** The loans secured by Carriage Inn and Cedar Ridge may be cross collateralized.
 - e. **Wells Fargo:** The loans secured by Absaroka, Churchill, Oswego Springs, Sellwood Landing and Sugarland Ridge may be cross-collateralized.

** The discrepancies to the modifications required by the Modification Schedule identified on this Exhibit O-10 are acceptable to Purchaser, solely as it relates to the specifically identified Existing Real Property Loan (and not any other). Nothing contained herein shall limit Stayton's obligation to use commercially reasonable efforts to modify the Existing Real Property Loan Documents to eliminate or modify any discrepancy noted on this Exhibit O-10 in a manner reasonably acceptable to Purchaser in accordance with Section 5.1(i).*