

Florida Housing Finance Corporation

Credit Underwriting Report

Sabal Ridge Apartments

Housing Credit Program

2009-013C

(RFP 2009-01)

Section A Report Summary

Section B HC Allocation Recommendation and Contingencies

Section C Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

August 18, 2009

SMG

SABAL RIDGE APARTMENTS

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Section A
Report Summary

August 18, 2009

Recommendation

Seltzer Management Group, Inc. (“Seltzer” or “SMG”) recommends an annual Federal Low Income Housing Tax Credit (“HC”) allocation of \$1,605,005 be awarded by Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) for the financing of Sabal Ridge Apartments based upon Eligible/Qualified Basis.

| DEVELOPMENT & SET-ASIDES | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|---|--------------|----------------|--|-----------|-------|--------------|----------------|---|---|----|-----|---|---|----|-------|---|---|---|-------|---------------|--|------------|----------------|
| Location | The north side SR 574, east of its intersection with Courson Drive, Tampa, Hillsborough County, Florida 33610 | | | | | | | | | | | | | | | | | | | | | | | |
| Number of Units/Unit Mix | <table border="1"> <thead> <tr> <th>Bed-rooms</th> <th>Baths</th> <th>No. of Units</th> <th>Unit Size (SF)</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>2</td> <td>64</td> <td>974</td> </tr> <tr> <td>3</td> <td>2</td> <td>36</td> <td>1,240</td> </tr> <tr> <td>4</td> <td>2</td> <td>8</td> <td>1,364</td> </tr> <tr> <td>Totals</td> <td></td> <td>108</td> <td>117,888</td> </tr> </tbody> </table> | | | | Bed-rooms | Baths | No. of Units | Unit Size (SF) | 2 | 2 | 64 | 974 | 3 | 2 | 36 | 1,240 | 4 | 2 | 8 | 1,364 | Totals | | 108 | 117,888 |
| Bed-rooms | Baths | No. of Units | Unit Size (SF) | | | | | | | | | | | | | | | | | | | | | |
| 2 | 2 | 64 | 974 | | | | | | | | | | | | | | | | | | | | | |
| 3 | 2 | 36 | 1,240 | | | | | | | | | | | | | | | | | | | | | |
| 4 | 2 | 8 | 1,364 | | | | | | | | | | | | | | | | | | | | | |
| Totals | | 108 | 117,888 | | | | | | | | | | | | | | | | | | | | | |
| Demographic Commitment | Family | | | | | | | | | | | | | | | | | | | | | | | |
| Set-Asides | 10% of the units (11 units) designated as Extremely Low Income (“ELI”) units at 35% or less of Area Median Income (“AMI”) and 90% (remaining units) at 60% or less of AMI. | | | | | | | | | | | | | | | | | | | | | | | |
| Set Aside Term | 50 Years | | | | | | | | | | | | | | | | | | | | | | | |
| County Size | Large (E) | | | | | | | | | | | | | | | | | | | | | | | |
| Development Category | New Construction | | | | | | | | | | | | | | | | | | | | | | | |
| Development Type | Garden Apartments | | | | | | | | | | | | | | | | | | | | | | | |
| Occupancy Rate | N/A | | | | | | | | | | | | | | | | | | | | | | | |
| Parking | The Subject Development will have 226 parking spaces, 10 of which will be handicap spaces. | | | | | | | | | | | | | | | | | | | | | | | |
| Improvements | The Subject Development will consist of 108 units in 5 garden-style Residential Buildings plus 2 Accessory Buildings; a Clubhouse and a Garage/Maintenance Building. Sabal Ridge will be frame on slab construction. | | | | | | | | | | | | | | | | | | | | | | | |
| Site Acreage | 9.00 Gross Acres per an July 13, 2009, Boundary Survey by Hamilton Engineering & Surveying, Inc. (“Hamilton”), Tampa, Florida | | | | | | | | | | | | | | | | | | | | | | | |
| Density | 12.0 units per Gross Acre per the Hamilton Survey | | | | | | | | | | | | | | | | | | | | | | | |
| Zoning | PD (Planned Development) – up to 216 units allowed for Phases I and II per a July 23, 2009, Local Government Zoning Verification by Paula Harvey, Division Director for Hillsborough County. | | | | | | | | | | | | | | | | | | | | | | | |
| Flood Zone Designation | Flood Zone “X” per Hamilton Survey; Flood Insurance not required. | | | | | | | | | | | | | | | | | | | | | | | |

HC CREDIT UNDERWRITING REPORT

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| DEVELOPMENT TEAM | |
|---|--|
| Applicant/Borrower | Sabal Ridge Apartments, Ltd., a Florida Limited Partnership registered with the State of Florida April 5, 2007. |
| General Partner | Sabal Ridge Apartments GP, LLC ("Sabal GP"), a Florida Limited Liability Company with a 0.01% ownership interest, registered with the State of Florida on April 4, 2007. |
| Limited Partner/Syndicator | The Richman Group of Florida, Inc., West Palm Beach, Florida, is currently a 99.99% Limited Partner. The Richman Group Affordable Housing Corporation ("TRGAHC"), Greenwich, Connecticut, a related entity, will purchase the 99.99% Limited Partnership Interest. |
| Developer | The Richman Group of Florida, Inc. ("Richman") |
| General Contractor | First Florida, LLC ("First Florida"), Miami, Florida, a joint venture of Richman and First Florida Building Corporation, Miami, Florida. |
| Management Company | Richman Property Services, Inc. ("RPS"), a related entity |
| First Mortgage Lender | Richman Mortgage Asset Company 1, LLC ("RICHMAC"), Greenwich, Connecticut, an affiliate of the Developer. |
| FINANCING INFORMATION | |
| FHFC Programs | HC Program |
| First Mortgage Loan Amount | \$6,455,316 – Construction/Stabilization Phase \$5,027,766 – Permanent/Amortization Period |
| Underwritten Interest Rate | 7.250% – Construction/Stabilization Phase 7.250% – Permanent/Amortization Period |
| Term/Amortization | Construction/Stabilization Phase – 21 months with an option for a 3-mo. Extension. Permanent/Amortization Period – 35-years |
| Market Rent/Market Financing Value at Stabilization | \$8,650,000 |
| Market Rent/Market Financing Loan to Value ("LTV") First Mortgage Loan | 74.63% Construction/Stabilization Phase 58.12% Permanent/Amortization Period |
| Restricted Rent/Market Financing Value at Stabilization | \$5,940,000 |
| Restricted Rent/Market Financing LTV First Mortgage Loan | 108.68% Construction/Stabilization Phase 84.64% Permanent/Amortization Period |
| Projected Net Operating Income (NOI) | \$451,126 |
| Debt Service Coverage ("DSC") First Mortgage Loan | 1.139 |
| Total Cost per Unit | \$150,288 |
| Annual HC Allocation Per Unit | \$14,861 |

HC CREDIT UNDERWRITING REPORT

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| | |
|--------------------------|--------------------------|
| FHFC Assistance per Unit | \$148,512 (HC Only) |
| Syndication Price | \$0.650 per dollar of HC |

Construction / Permanent Sources:

| Source | Lender | Construction | Permanent | Permanent Loan per Unit |
|------------------------|---------|--------------|--------------|-------------------------|
| First Mortgage Loan | Richmac | \$6,455,316 | \$5,027,766 | \$46,553 |
| Housing Credit Equity | TRGAHC | \$7,818,387 | \$10,424,516 | \$96,523 |
| Deferred Developer Fee | Richman | \$1,957,415 | \$778,836 | \$7,211 |
| Total | | \$16,231,118 | \$16,231,118 | \$150,288 |

Changes from the Application:

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

HC CREDIT UNDERWRITING REPORT

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

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

1. Increased Development Costs – At \$16,231,118, the total of Development Costs increased \$1,410,300 (9.52%) from the \$14,820,818 initially presented under the RFP. The increase is primarily the result of:
 - a. An increase of \$824,696 (10.00%) in the amount of Construction Hard Costs over that originally projected.
 - b. An increase of \$78,558 (20.95%) in the Hard Cost Contingency.
 - c. The addition of \$90,690 to the Development Budget for Payment and Performance Bonds premiums.
 - d. A \$177,977 (38.31%) increase in Construction Loan Interest.
 - e. An increase of \$194,528 (10.79%) in Developer Fees.

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

According to Florida Housing's Asset Management Non-Compliance Report of July 7, 2009, Richman has no violations.

Florida Housing's Past Due Report as of August 11, 2009, reflects no Past Due items for Richman.

Seltzer's recommendation is subject to satisfactory resolution (as determined by FHFC) of any outstanding Past Due or Non-Compliance Issues. Failure to correct such deficiencies could reflect poorly on the Development Team's past performance, which may cause the recommended HC to be in jeopardy.

Strengths:

1. Richman is a major developer of Multifamily Properties, having completed more than 8,000 housing units in Florida, the Mid-Atlantic, Midwest and California markets. Richman has extensive experience in the State of Florida. Richman provided SMG a list of 38 Affordable Properties (7,054 units) developed in Florida through the assistance of MMRB, SAIL, HOME, Farmworker and/or HC financing.

Other Considerations:

None

Mitigating Factors:

None

HC CREDIT UNDERWRITING REPORT

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Waiver Requests/Special Conditions:

None

Additional Information:

1. Applicant applied to FHFC in its 2007 cycle for financing (2007-166BS) and was allocated a \$9,000,000 Multifamily Mortgage Revenue Bond ("MMRB") Program Loan, a \$5,000,000 State Apartment Incentive Loan ("SAIL") Program Loan and a \$935,000 Supplemental Loan, however the SAIL and Supplemental Loans were de-obligated in accordance with Emergency Rule 67ER09 implementing the provisions of Chapter 2009-01, Florida Statutes.

In response to Request for Proposal ("RFP") 2009-01, Applicant applied for and was awarded a preliminary 2009 annual HC Allocation of \$1,625,000.

Issues and Concerns:

None

Recommendations:

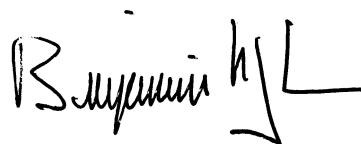
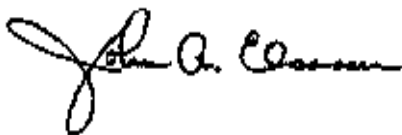
1. SMG recommends an annual HC Allocation of \$1,605,005 be awarded to the Subject Development based upon Eligible/Qualified Basis.

Seltzer's Recommendation is based upon assumptions detailed in the Report Summary (Section A) and the Supporting Information and Schedules (Section C). In addition, Seltzer's Recommendations are subject to HC Allocation Contingencies detailed in Section B of this Credit Underwriting Report. The reader is cautioned to refer to these Sections for complete information.

This Recommendation is valid for 6 months only from the date of this Credit Underwriting Report.

Prepared by:

Reviewed by:



John A. Elsasser
Credit Underwriter

Benjamin S. Johnson
President

Overview

Construction Financing Sources

| Source | Lender | Application | Revised Applicant | Underwriter | Interest Rate | Construction Debt Service |
|------------------------|---------|---------------------|---------------------|---------------------|---------------|---------------------------|
| First Mortgage Loan | RICHMAC | \$6,103,413 | \$6,455,316 | \$6,455,316 | 7.250% | \$422,379 |
| Housing Credit Equity | TRGAHC | \$6,914,538 | \$7,818,387 | \$7,818,387 | n/a | \$0 |
| Deferred Developer Fee | Richman | \$1,802,867 | \$2,000,105 | \$1,957,415 | n/a | \$0 |
| Total | | \$14,820,818 | \$16,273,808 | \$16,231,118 | | \$422,379 |

First Mortgage Loan:

Per a July 29, 2009, Term Sheet, RICHMAC will provide First Mortgage Construction Financing in the amount of \$6,455,316. The Construction Loan Term is 21 months with one 3-month option to extend. Interest is fixed at 7.250%. Seltzer's calculation of Construction Debt Service is based upon a 19-month Construction/Stabilization Phase and an average outstanding balance of 57% during construction.

Other Construction Period Sources of Funds:

During the Construction/Stabilization Phase, other Sources of Funds are HC Equity of \$7,818,387 and Deferred Developer Fees of \$1,957,415.

Construction Stabilization Period:

A July 17, 2009, Construction Contract with First Florida has a Construction Period of 365 days (12 months). Based upon its demographic and market analysis including existing and proposed developments, Meridian projects Sabal Ridge to be absorbed as an Affordable Property at a rate of 23 units per month. This represents a lease-up period of 5 months from the inception of leasing activities. Applicant, however, assumes absorption will take place at a slightly slower rate of 20 units per month and states leasing activities will commence upon Construction Completion. This suggests Stabilized Occupancy will be reached within 19 months, which is within the maximum allowable per RICHMAC.

Permanent Financing Sources

| Source | Lender | Application | Revised Applicant | Underwriter | Interest Rate | Amort. Yrs. | Term Yrs. | Annual Debt Service |
|------------------------|---------|---------------------|---------------------|---------------------|---------------|-------------|-----------|---------------------|
| First Mortgage Loan | RICHMAC | \$5,007,000 | \$5,027,766 | \$5,027,766 | 7.250% | 35 | 35 | \$396,068 |
| Housing Credit Equity | TRGAHC | \$9,219,384 | \$10,424,516 | \$10,424,516 | n/a | n/a | n/a | \$0 |
| Deferred Developer Fee | Richman | \$594,434 | \$829,198 | \$778,836 | n/a | n/a | n/a | \$0 |
| Total | | \$14,820,818 | \$16,281,480 | \$16,231,118 | | | | \$396,068 |

First Mortgage Loan:

Per a July 29, 2009, Term Sheet, RICHMAC will provide First Mortgage Permanent Financing in the amount of \$5,027,766. The Loan Term will be 35 years (not including the maximum 24 months RICHMAC allows for Construction/Stabilization). Interest is fixed at 7.250%. The RICHMAC Loan will be secured by a First Mortgage Lien on Phase I (see Land Acquisition) and a First Security Interest in all Personalty of the Subject Development.

Syndicated HC:

Applicant applied to FHFC for 9.00% HC in the amount of \$1,625,000. Per an August 11, 2009, Firm Commitment, TRGAHC will purchase a 99.99% Limited Partnership Interest, replacing Richman as the 99.99% Limited Partner. The Limited Partnership will generate a Net Equity Contribution of \$10,424,516 as follows:

| Capital Contributions | Amount | Percent of Total | When Due |
|-----------------------|---------------------|------------------|--|
| 1st Installment | \$1,563,677 | 15% | At or prior to Closing of Construction Financing |
| 2nd Installment | \$6,254,710 | 60% | Prior to Construction Completion |
| 3rd Installment | \$521,226 | 5% | Construction Completion |
| 4th Installment | \$2,084,903 | 20% | Later of HC Certification or Receipt of Form(s) 8609 |
| Total | \$10,424,516 | 100% | |

| | |
|--|--------------|
| Annual Credit per Syndication Agreement: | \$1,603,932 |
| Total Syndicated HC: | \$16,037,717 |
| Calculated HC Exchange Rate: | \$0.650 |
| Syndicated Limited Partnership Percentage: | 99.99% |
| HC Proceeds Available during Construction: | \$7,818,387 |

At least 15.00% of the total of HC Equity will be provided prior to or simultaneous with the closing of the Construction Financing.

Deferred Developer Fees:

Assuming the Hard Cost Contingency of \$453,450 is expended during construction, Developer Fees of \$778,836 must be deferred from payment during the Permanent/Amortization Period after all available Loan Proceeds and HC Equity Contributions have been received.

Uses of Funds

| | Application Total Costs | Applicant's Revised Total Costs | Underwriter's Total Costs | HC Ineligible Costs |
|--|----------------------------|---------------------------------------|------------------------------|------------------------|
| Actual Construction Costs | | | | |
| Construction Contract | | | | |
| Site Work | \$0 | \$0 | \$1,044,000 | \$0 |
| Off-Site | \$0 | \$0 | \$0 | \$0 |
| New Rental Units | \$7,497,831 | \$7,967,400 | \$6,718,400 | \$0 |
| Special Inspection Fees | \$0 | \$0 | \$0 | \$0 |
| Payment & Performance Bonds | \$0 | \$0 | \$0 | \$0 |
| Recreational Amenities | \$0 | \$0 | \$205,000 | \$0 |
| Accessory Buildings | \$0 | \$0 | \$0 | \$0 |
| Contractor's Fee (Not to Exceed 14%) | \$746,473 | \$1,101,600 | \$1,101,600 | \$0 |
| Total Construction Contract | \$8,244,304 | \$9,069,000 | \$9,069,000 | \$0 |
| Contingency | \$374,892 | \$453,450 | \$453,450 | \$0 |
| Total Actual Construction Costs | \$8,619,196 | \$9,522,450 | \$9,522,450 | \$0 |

Notes to the Actual Construction Costs:

- Applicant provided SMG a copy of an executed Stipulated Sum Construction Contract with First Florida dated July 17, 2009, October 20, 2007, in the amount of \$9,069,000. Retainage per the First Florida Construction Contract is 10% until the work is 50% complete, with none thereafter. Assuming Construction Commencement at October 23, 2009, the General Contractor shall achieve Substantial Completion within a period of 365 days (12 months). Final Payment shall be made by Applicant when the Construction Contract has been fully performed by the General Contractor except for its responsibility to correct nonconforming work and a Final Certificate for Payment has been issued by the Architect. Such Final Payment shall be made by Applicant not more than 30 days after the issuance of the Architect's Final Certificate for Payment.

SMG engaged and received a July 31, 2009, Pre-Construction Analysis ("PCA") by Consultech & Associates, Inc. ("Consultech"), Tampa, Florida. Consultech's PCA Report states completion of the Subject Development within 12 months is achievable provided adequate supervision is exercised, there are no major changes initiated by Applicant and there are no unforeseen circumstances.

- General Contractor Fees consist of Mobilization, General Requirements, Overhead and Profit. At \$1,101,600, General Contractor Fees are 13.83% of Net Construction Costs (i.e., the original Construction Contract figure of \$9,069,000 less the General Contractor Fee, itself). They are within the 14.00% cap for General Contractor Fees.
- At \$453,450, the Hard Cost Contingency is 5.00% of the First Florida Construction Contract Amount. SMG considers the Hard Cost Contingency to be adequate.

HC CREDIT UNDERWRITING REPORT

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| | Application Total Costs | Applicant's Revised Total Costs | Underwriter's Total Costs | HC Ineligible Costs |
|--|----------------------------|---------------------------------------|------------------------------|------------------------|
| General Development Costs | | | | |
| Accounting Fees | \$20,000 | \$20,000 | \$20,000 | \$0 |
| Appraisal | \$8,500 | \$8,500 | \$4,500 | \$0 |
| Architect's Fee | \$178,200 | \$165,000 | \$165,000 | \$0 |
| Landscape Architect Fee | \$12,500 | \$12,500 | \$12,500 | \$0 |
| Traffic Planner Fee | \$15,000 | \$15,000 | \$15,000 | \$15,000 |
| Builder's Risk Insurance | \$129,600 | \$129,600 | \$129,600 | \$0 |
| Building Permits | \$45,900 | \$45,900 | \$45,900 | \$0 |
| Brokerage Fees | \$0 | \$0 | \$0 | \$0 |
| Financing/Closing Costs | \$72,600 | \$45,000 | \$41,500 | \$0 |
| Payment & Performance Bond Premiums | \$0 | \$90,690 | \$90,690 | \$0 |
| Engineering Fee | \$48,600 | \$64,500 | \$64,500 | \$0 |
| Environmental Report | \$8,000 | \$8,000 | \$8,000 | \$0 |
| FHFC Administrative Fee | \$113,466 | \$128,315 | \$128,400 | \$128,400 |
| FHFC Application Fee | \$3,000 | \$3,000 | \$500 | \$500 |
| FHFC Compliance Monitoring Fee | \$88,431 | \$88,431 | \$87,750 | \$87,750 |
| FHFC Credit Underwriting Fee | \$17,500 | \$17,630 | \$25,032 | \$0 |
| Utility Connection Fees | \$276,424 | \$234,884 | \$234,884 | \$0 |
| Impact Fees | \$446,472 | \$446,472 | \$446,472 | \$0 |
| Inspection Fees | \$13,200 | \$13,200 | \$13,200 | \$0 |
| Legal Fees | \$75,000 | \$75,000 | \$75,000 | \$37,500 |
| Insurance | \$0 | \$0 | \$0 | \$0 |
| Market Study | \$6,500 | \$6,500 | \$5,000 | \$0 |
| Marketing and Advertising | \$64,800 | \$64,800 | \$64,800 | \$64,800 |
| Pre-Construction Analysis ("PCA") | \$1,800 | \$1,800 | \$1,800 | \$0 |
| Property Taxes | \$30,000 | \$30,000 | \$30,000 | \$0 |
| Soil Test | \$12,500 | \$12,500 | \$12,500 | \$0 |
| Survey | \$18,000 | \$18,000 | \$18,000 | \$0 |
| Title & Recording Fees | \$45,900 | \$45,900 | \$45,900 | \$0 |
| Start-Up Costs / Operating Funds Advance | \$0 | \$150,000 | \$150,000 | \$150,000 |
| Furniture, Fixtures and Equipment | \$125,000 | \$125,000 | \$125,000 | \$20,000 |
| Soft Cost Contingency | \$85,000 | \$85,000 | \$85,000 | \$20,000 |
| Total General Development Costs | \$1,961,893 | \$2,151,122 | \$2,146,428 | \$523,950 |

Notes to the General Development Costs:

1. The Appraisal Fee is actual cost engaged by SMG.
2. General Liability/Property Hazard Insurance is included in Builder's Risk.
3. Financing/Closing Costs are those quoted in the RICHMAC's July 29, 2009, Term Sheet.
4. FHFC Administrative Fees are based upon 8.00% of Seltzer's recommended annual HC Allocation.

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5. As to Application Fees, Applicant paid \$500 for submission to FHFC under its RFP.
6. FHFC Compliance Monitoring Fees are from Florida Housing's 2009 schedule are based upon 108 units for 50 years plus a Year 2009 Pre-Final Allocation Compliance Fee of \$2,695.
7. Credit Underwriting Fees include \$1,500 for the 9% HC under Florida Housing's RFP plus the following from Florida Housing's 2008 Fee Schedule; MMRB at \$12,429, SAIL at \$3,701, Supplemental Loan at \$3,701 and 4% HC at \$3,701.
8. The cost of the Market Study is actual cost engaged by SMG.
9. The PCA Fee is \$1,800, engaged by SMG.
10. Start-Up Costs/Operating Funds Advance is a projection for the Operating Funds deficit incurred during Lease-Up and prior to Stabilization.
11. Other General Development Costs are based upon Applicant's estimates, which appear reasonable.

| | Application Total Costs | Applicant's Revised Total Costs | Underwriter's Total Costs | HC Ineligible Costs |
|-----------------------------------|----------------------------|---------------------------------------|------------------------------|------------------------|
| Financial Costs | | | | |
| Credit Enhancement Fees | \$0 | \$0 | \$0 | \$0 |
| Construction Loan Interest | \$464,622 | \$642,599 | \$642,599 | \$163,757 |
| SWAP Interest | \$0 | \$0 | \$0 | \$0 |
| Letter of Credit Fee | \$0 | \$0 | \$0 | \$0 |
| Construction Loan Origination Fee | \$122,068 | \$96,293 | \$96,830 | \$0 |
| Permanent Loan Origination Fee | \$100,140 | \$75,416 | \$75,416 | \$75,416 |
| Interest Rate Hedge/Cap | \$0 | \$0 | \$0 | \$0 |
| Costs of Issuance | \$0 | \$0 | \$0 | \$0 |
| Prepaid Replacement Reserves | \$0 | \$0 | \$0 | \$0 |
| Total Financial Costs | \$686,830 | \$814,308 | \$814,845 | \$239,173 |

Notes to the Financial Costs:

1. Construction Loan Interest is Applicant's estimate. Applicant's projection for Construction Loan Interest is higher than Seltzer's due to Applicant's more conservative Absorption Rate assumptions.
2. Construction Loan Origination Fee is 1.50% of RICHMAC's \$6,455,316 Construction Loan Amount.
3. Permanent Loan Origination Fee is 1.50% of RICHMAC's \$5,027,766 Permanent Loan Amount.

HC CREDIT UNDERWRITING REPORT

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

Notes to the Non-Land Acquisition Costs:

1. Since this is new construction, there are no Non-Land Acquisition Costs.

| | Application Total Costs | Applicant's Revised Total Costs | Underwriter's Total Costs | HC Ineligible Costs |
|--|----------------------------|---------------------------------------|------------------------------|------------------------|
| Development Cost Before Land and Developer Fee | \$11,267,919 | \$12,487,880 | \$12,483,723 | \$763,123 |
| Other Development Costs | | | | |
| Developer Fee on Acquisition of Buildings | \$0 | \$0 | \$0 | \$0 |
| Developer Fee | \$1,802,867 | \$1,998,061 | \$1,997,395 | \$0 |
| Other | \$0 | \$0 | \$0 | \$0 |
| Total Other Development Costs | \$1,802,867 | \$1,998,061 | \$1,997,395 | \$0 |

Notes to the Other Development Costs:

1. Per FHFC Rule, SMG limits total Developer Fees to \$1,997,385, which is 16.00% of Development Costs exclusive of Land Acquisition Cost and Developer Fees.

| | Application Total Costs | Applicant's Revised Total Costs | Underwriter's Total Costs | HC Ineligible Costs |
|-------------------------------------|----------------------------|---------------------------------------|------------------------------|------------------------|
| Development Cost Before Land | \$13,070,786 | \$14,485,941 | \$14,481,118 | \$763,123 |
| Land Acquisition Costs | | | | |
| Land | \$1,750,032 | \$1,750,032 | \$1,750,000 | \$1,750,000 |
| Other | \$0 | \$0 | \$0 | \$0 |
| Total Land Acquisition Costs | \$1,750,032 | \$1,750,032 | \$1,750,000 | \$1,750,000 |

Notes to the Land Acquisition Costs:

1. Applicant provided SMG copies of September 12, 2008, Purchase and Sale Agreement between First Tampa Sabal Ridge, LLC, the seller, and Applicant in the amount of \$3,500,000 plus First, Second, Third, Fourth, Fifth and Sixth Amendments to Purchase and Sale Agreement that collectively extended the Closing Date to September 30, 2009.

HC CREDIT UNDERWRITING REPORT

SMG

Note: The purchase of land for \$3,500,000 covered approximately 20 acres. Richman has decided to split the property into two phases. Phase I, the Subject Development, will be on 9.00 acres. Richman states it will contact the seller to execute a new Purchase and Sale Agreement for the Subject Development in the amount of \$1,750,000.

2. Applicant provided SMG a copy of First American Title Insurance Company Title Commitment No. 25557-0190 dated July 9, 2009, proposing to insure Applicant in the amount of \$3,500,000. A new Title Commitment will be obtained covering Phase I only.
3. Meridian estimated an "as is" Land Value of \$1,750,000 for the Phase I Development Site, which amount supports the allocated Purchase Price.

| | Application Total Costs | Applicant's Revised Total Costs | Underwriter's Total Costs | HC Ineligible Costs |
|-------------------------------|------------------------------------|--|--------------------------------------|--------------------------------|
| Total Development Cost | \$14,820,818 | \$16,235,973 | \$16,231,118 | \$2,513,123 |

HC CREDIT UNDERWRITING REPORT

SMG

Operating Pro forma

| DESCRIPTION | ANNUAL | PER UNIT |
|---|------------|----------|
| Revenue | | |
| Gross Potential Rental Revenue | \$923,436 | \$8,550 |
| Other Income: | | |
| Washer/Dryer Rentals | \$22,680 | \$210 |
| Cable Television Income | \$17,496 | \$162 |
| Miscellaneous Income | \$25,920 | \$240 |
| Rent Concessions | \$0 | \$0 |
| Gross Potential Income | \$989,532 | \$9,162 |
| Less: | | |
| Vacancy Loss - 5.0% | (\$49,477) | (\$458) |
| Collection Loss - 1.0% | (\$9,895) | (\$92) |
| Total Effective Gross Revenue | \$930,160 | \$8,613 |
| Expenses | | |
| Fixed: | | |
| Taxes | \$77,328 | \$716 |
| Insurance | \$45,900 | \$425 |
| Variable: | | |
| Management Fees - 4.0% | \$37,206 | \$345 |
| General and Administrative | \$37,800 | \$350 |
| Payroll Expenses | \$102,600 | \$950 |
| Utilities | \$67,500 | \$625 |
| Marketing and Advertising | \$8,100 | \$75 |
| Maintenance and Repairs | \$43,200 | \$400 |
| Grounds Maintenance and Landscaping | \$21,600 | \$200 |
| Ground Lease | \$0 | \$0 |
| Replacement Reserve | \$27,000 | \$250 |
| Contract Services including Trash Removal | \$10,800 | \$100 |
| Resident Programs | \$0 | \$0 |
| Total Expenses | \$479,034 | \$4,436 |
| Net Operating Income | \$451,126 | \$4,177 |
| Debt Service Payments | | |
| First Mortgage Loan | \$396,068 | \$3,667 |
| Other Mortgages | \$0 | \$0 |
| Other Fees - Letter of Credit/Guarantee | \$0 | \$0 |
| Other Fees - Agency/Trustee/Service | \$0 | \$0 |
| Total Debt Service Payments | \$396,068 | \$3,667 |
| Operating Income After Debt Service - Before Tax Cash Flow | \$55,058 | \$510 |

HC CREDIT UNDERWRITING REPORT

SMG

| Debt Service Coverage Ratios | | |
|-------------------------------------|---|-------|
| | Debt Service Coverage - First Mortgage Loan | 1.139 |
| | Debt Service Coverage - All Mortgage Loans and Fees | 1.139 |
| Financial Ratios | | |
| | Operating Expense Ratio | 51.5% |
| | Break-Even Ratio | 88.4% |

Notes to the Operating Pro forma and Ratios:

1. Rents for Sabal Ridge Extremely Low Income (“ELI”) units at 35% or less of AMI are based upon Year 2009 Maximum Restricted Rents published by FHFC, less applicable Utility Allowances as required by the HC Program. Meridian and Applicant project rents for units at 60% or less of AMI to be somewhat less than the maximum allowable. SMG underwrites the Subject Development at the lesser of Maximum Restricted Rents, the Appraiser’s projections or Management expectations.

Utility Allowances are based upon a June 30, 2009, Utility Allowance Schedule Letter from TECO Energy for Sabal Ridge that reflects the Subject as an all-electric development. Management will be paying Water/Sewer for residents. A Rent Roll reflecting no Manager/Employee Unit follows:

MSA/County: Tampa-St. Petersburg-Clearwater/Hillsborough

| Bed-rooms | Baths | No. of Units | Unit Size (SF) | Median Income % | Gross HC Rents | Utility Allowance | Max Net HC Rents | Appraiser Rents | Applicant Rents | Underwriter Rents | Annual Rents |
|---------------|-------|--------------|----------------|-----------------|----------------|-------------------|------------------|-----------------|-----------------|-------------------|------------------|
| 2 | 2 | 6 | 974 | 35% | \$466 | \$90 | \$376 | \$376 | \$376 | \$376 | \$27,072 |
| 2 | 2 | 58 | 974 | 60% | \$799 | \$90 | \$709 | \$700 | \$700 | \$700 | \$487,200 |
| 3 | 2 | 4 | 1,240 | 35% | \$538 | \$109 | \$429 | \$429 | \$429 | \$429 | \$20,592 |
| 3 | 2 | 32 | 1,240 | 60% | \$923 | \$109 | \$814 | \$800 | \$800 | \$800 | \$307,200 |
| 4 | 2 | 1 | 1,364 | 35% | \$601 | \$120 | \$481 | \$481 | \$481 | \$481 | \$5,772 |
| 4 | 2 | 7 | 1,364 | 60% | \$1,030 | \$120 | \$910 | \$900 | \$900 | \$900 | \$75,600 |
| Totals | | 108 | 117,888 | | | | | | | | \$923,436 |

2. Washer/Dryer Income is based upon renting washers/dryers at \$35 per month with a 50% Penetration Rate, which projection is supported by Market Comparables and the Appraisal.
3. Cable Television Income reflects Revenues from retailing Cable TV service to tenants based upon a net of \$18 per unit per month with a Penetration Rate of 75%. Market Comparables and the Appraisal support the projection.
4. Miscellaneous Income is based upon Applicant’s projection for Late Fees, Cancellation Fees, Forfeited Deposits, Vending Income and Miscellaneous Income for this Family Development to total \$240 per unit per year. Market Comparables and the Appraisal support the projection.

HC CREDIT UNDERWRITING REPORT

SMG

5. SMG has underwritten Vacancy Loss at 5.0% and Collection Loss at 1.0%. Research performed by Meridian of comparable Affordable Properties for its August 6, 2009, Appraisal support these assumptions.
6. Projections for Insurance, Payroll, Taxes, General/Administrative, Marketing/Advertising, Utilities, Maintenance/Repairs and Grounds Maintenance/Landscaping are based upon Market Comparables and the Appraisal.
Note: Estimated costs associated with Resident Programs are de minimis and are included in General/Administrative Expenses.

Note: Estimated costs associated with Pest Control and Termite Prevention are de minimis and included in Maintenance and Repairs.
7. Applicant submitted to SMG a copy of a Management Agreement with RPS, that begins July 1, 2009. The Management Agreement reflects a monthly Management Fee of 4.00% of Total Monthly Gross Receipts.
8. Replacement Reserves of \$250 per unit per year are required.
9. A 15-year Income and Expense projection that reflects increasing DSC is attached to this report as Exhibit 1.

SMG

Section B

HC Recommendation and Allocation Contingencies

August 18, 2009

Housing Credit Allocation Contingencies

Seltzer Management Group, Inc. (“Seltzer” or “SMG”), recommends a preliminary annual Federal Low Income Housing Tax Credit (“HC”) allocation of \$1,605,005. Please see the HC Allocation Calculation section of this report (Exhibit 4) for further details.

Contingencies

Seltzer’s annual HC Allocation Recommendation is contingent upon receipt and satisfactory review of the following items by Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) and SMG by the deadline established in the Preliminary HC Allocation. Failure to submit these items within this time frame may result in forfeiture of the HC Allocation.

1. Award and purchase of the HC by The Richman Group Affordable Housing Corporation (“TRGAHC”), or assigns, under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Agreement of Limited Partnership shall be in form and substance satisfactory to Servicer, FHFC and its Legal Counsel.
2. Receipt and satisfactory resolution (as determined by FHFC) of any outstanding Past Due Items or Non-Compliance Issues according to Florida Housing’s latest Past Due and/or Non-Compliance Reports.
3. Any reasonable requirements of FHFC and/or SMG.

**Exhibit 1
Sabal Ridge Apartments
15 Year Income and Expense Projection**

| DESCRIPTION | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|---|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Revenue | | | | | | | | | | | | | | | |
| Gross Potential Rental Revenue | \$923,436 | \$951,139 | \$979,673 | \$1,009,063 | \$1,039,335 | \$1,070,515 | \$1,102,631 | \$1,135,710 | \$1,169,781 | \$1,204,875 | \$1,241,021 | \$1,278,251 | \$1,316,599 | \$1,356,097 | \$1,396,780 |
| Other Income: | | | | | | | | | | | | | | | |
| Washer/Dryer Rentals | \$22,680 | \$23,360 | \$24,061 | \$24,783 | \$25,527 | \$26,292 | \$27,081 | \$27,894 | \$28,730 | \$29,592 | \$30,480 | \$31,394 | \$32,336 | \$33,306 | \$34,306 |
| Cable Television Income | \$17,496 | \$18,021 | \$18,562 | \$19,118 | \$19,692 | \$20,283 | \$20,891 | \$21,518 | \$22,163 | \$22,828 | \$23,513 | \$24,219 | \$24,945 | \$25,693 | \$26,464 |
| Miscellaneous Income | \$25,920 | \$26,698 | \$27,499 | \$28,323 | \$29,173 | \$30,048 | \$30,950 | \$31,878 | \$32,835 | \$33,820 | \$34,834 | \$35,879 | \$36,956 | \$38,064 | \$39,206 |
| Rent Concessions | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Potential Income | \$989,532 | \$1,019,218 | \$1,049,794 | \$1,081,288 | \$1,113,727 | \$1,147,139 | \$1,181,553 | \$1,217,000 | \$1,253,510 | \$1,291,115 | \$1,329,848 | \$1,369,744 | \$1,410,836 | \$1,453,161 | \$1,496,756 |
| Less: | | | | | | | | | | | | | | | |
| Vacancy Loss - 5.0% | (\$49,477) | (\$50,961) | (\$52,490) | (\$54,064) | (\$55,686) | (\$57,357) | (\$59,078) | (\$60,850) | (\$62,675) | (\$64,556) | (\$66,492) | (\$68,487) | (\$70,542) | (\$72,658) | (\$74,838) |
| Collection Loss - 1.0% | (\$9,895) | (\$10,192) | (\$10,498) | (\$10,813) | (\$11,137) | (\$11,471) | (\$11,816) | (\$12,170) | (\$12,535) | (\$12,911) | (\$13,298) | (\$13,697) | (\$14,108) | (\$14,532) | (\$14,968) |
| Total Effective Gross Revenue | \$930,160 | \$958,065 | \$986,807 | \$1,016,411 | \$1,046,903 | \$1,078,310 | \$1,110,660 | \$1,143,980 | \$1,178,299 | \$1,213,648 | \$1,250,057 | \$1,287,559 | \$1,326,186 | \$1,365,971 | \$1,406,951 |
| Expenses | | | | | | | | | | | | | | | |
| Fixed: | | | | | | | | | | | | | | | |
| Taxes | \$77,328 | \$80,421 | \$83,638 | \$86,983 | \$90,463 | \$94,081 | \$97,845 | \$101,758 | \$105,829 | \$110,062 | \$114,464 | \$119,043 | \$123,805 | \$128,757 | \$133,907 |
| Insurance | \$45,900 | \$47,736 | \$49,645 | \$51,631 | \$53,697 | \$55,844 | \$58,078 | \$60,401 | \$62,817 | \$65,330 | \$67,943 | \$70,661 | \$73,487 | \$76,427 | \$79,484 |
| Variable: | | | | | | | | | | | | | | | |
| Management Fees - 4.0% | \$37,206 | \$38,323 | \$39,472 | \$40,656 | \$41,876 | \$43,132 | \$44,426 | \$45,759 | \$47,132 | \$48,546 | \$50,002 | \$51,502 | \$53,047 | \$54,639 | \$56,278 |
| General and Administrative | \$37,800 | \$39,312 | \$40,884 | \$42,520 | \$44,221 | \$45,989 | \$47,829 | \$49,742 | \$51,732 | \$53,801 | \$55,953 | \$58,191 | \$60,519 | \$62,940 | \$65,457 |
| Payroll Expenses | \$102,600 | \$106,704 | \$110,972 | \$115,411 | \$120,027 | \$124,829 | \$129,822 | \$135,015 | \$140,415 | \$146,032 | \$151,873 | \$157,948 | \$164,266 | \$170,837 | \$177,670 |
| Utilities | \$67,500 | \$70,200 | \$73,008 | \$75,928 | \$78,965 | \$82,124 | \$85,409 | \$88,825 | \$92,378 | \$96,074 | \$99,916 | \$103,913 | \$108,070 | \$112,392 | \$116,888 |
| Marketing and Advertising | \$8,100 | \$8,424 | \$8,761 | \$9,111 | \$9,476 | \$9,855 | \$10,249 | \$10,659 | \$11,085 | \$11,529 | \$11,990 | \$12,470 | \$12,968 | \$13,487 | \$14,027 |
| Maintenance and Repairs | \$43,200 | \$44,928 | \$46,725 | \$48,594 | \$50,538 | \$52,559 | \$54,662 | \$56,848 | \$59,122 | \$61,487 | \$63,947 | \$66,504 | \$69,165 | \$71,931 | \$74,808 |
| Grounds Maintenance and Landscaping | \$21,600 | \$22,464 | \$23,363 | \$24,297 | \$25,269 | \$26,280 | \$27,331 | \$28,424 | \$29,561 | \$30,744 | \$31,973 | \$33,252 | \$34,582 | \$35,966 | \$37,404 |
| Ground Lease | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Replacement Reserve | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 |
| Contract Services | \$10,800 | \$11,232 | \$11,681 | \$12,149 | \$12,634 | \$13,140 | \$13,665 | \$14,212 | \$14,781 | \$15,372 | \$15,987 | \$16,626 | \$17,291 | \$17,983 | \$18,702 |
| Resident Programs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Expenses | \$479,034 | \$496,744 | \$515,150 | \$534,282 | \$554,166 | \$574,834 | \$596,316 | \$618,645 | \$641,853 | \$665,976 | \$691,049 | \$717,111 | \$744,200 | \$772,358 | \$801,626 |
| Net Operating Income | \$451,126 | \$461,321 | \$471,657 | \$482,130 | \$492,737 | \$503,476 | \$514,344 | \$525,335 | \$536,446 | \$547,672 | \$559,008 | \$570,448 | \$581,985 | \$593,613 | \$605,325 |
| Debt Service Payments | | | | | | | | | | | | | | | |
| First Mortgage Loan | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 |
| Other Mortgages | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Fees - Letter of Credit/Guarantee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Fees - Agency/Trustee/Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Debt Service Payments | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 | \$396,068 |
| Operating Income After Debt Service - Before Tax Cash Flow | \$55,058 | \$65,254 | \$75,589 | \$86,062 | \$96,670 | \$107,409 | \$118,276 | \$129,267 | \$140,379 | \$151,605 | \$162,941 | \$174,380 | \$185,918 | \$197,546 | \$209,257 |
| Debt Service Coverage Ratios | | | | | | | | | | | | | | | |
| Debt Service Coverage - First Mortgage Loan | 1.139 | 1.165 | 1.191 | 1.217 | 1.244 | 1.271 | 1.299 | 1.326 | 1.354 | 1.383 | 1.411 | 1.440 | 1.469 | 1.499 | 1.528 |
| Debt Service Coverage - All Mortgages and Fees | 1.139 | 1.165 | 1.191 | 1.217 | 1.244 | 1.271 | 1.299 | 1.326 | 1.354 | 1.383 | 1.411 | 1.440 | 1.469 | 1.499 | 1.528 |
| Financial Ratios | | | | | | | | | | | | | | | |
| Operating Expense Ratio | 51.5% | 51.8% | 52.2% | 52.6% | 52.9% | 53.3% | 53.7% | 54.1% | 54.5% | 54.9% | 55.3% | 55.7% | 56.1% | 56.5% | 57.0% |
| Break-Even Ratio | 88.4% | 87.6% | 86.8% | 86.0% | 85.3% | 84.6% | 84.0% | 83.4% | 82.8% | 82.3% | 81.7% | 81.3% | 80.8% | 80.4% | 80.0% |

EXHIBIT 2
Sabal Ridge Apartments (2009-013C)
Features/Amenities and Resident Programs

A. The Subject Development will consist of:

108 Garden Apartment Units located in 5 Residential Buildings.

Unit Mix:

| | | |
|------------|------|--|
| Sixty-four | (64) | Two-Bedroom/Two-Bath units containing a minimum of 974 square feet of heated and cooled living area. |
| Thirty-six | (36) | Three-Bedroom/Two-Bath units containing a minimum of 1,240 square feet of heated and cooled living area. |
| Eight | (8) | Four-Bedroom/Two-Bath units containing a minimum of 1,364 square feet of heated and cooled living area. |

108 Total Units

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

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

1. Air conditioning in all units (window units are not allowed; however, through-wall units are permissible for rehabilitation).
2. Window treatments for each window inside each unit.
3. Termite prevention and pest control throughout the entire affordability period.
4. Peephole on all exterior doors.

EXHIBIT 2
Sabal Ridge Apartments (2009-013C)
Features/Amenities and Resident Programs

5. Exterior lighting in open and common areas.
 6. Cable or satellite TV hook-up in all units.
 7. Full-size range, oven and refrigerator in all units.
 8. At least two full bathrooms in all 3-bedroom or larger new construction units.
 9. Bathtub with shower in at least one bathroom in at least 90% of the new construction, non-Elderly units.
- C.** Applicant has committed to provide the following features in each new construction unit:
1. Marble window sills in all units
 2. Steel exterior entry door frames for all units
 3. At least 1.5 bathrooms (one full bath and one with at least a toilet and sink) in all 2-bedroom new construction units
 4. Double compartment kitchen sink in all units
 5. Dishwasher in all new construction units
 6. Garbage disposal in all new construction units
- D.** Applicant committed to the following amenities in the Subject Development:
1. 30 Year expected life roofing on all buildings
 2. Exercise room with appropriate equipment
 3. Community center or clubhouse
 4. Swimming pool
 5. Playground/tot lot, accessible to children with disabilities (must be sized in proportion to Development's size and expected resident population with age-appropriate equipment)

EXHIBIT 2

Sabal Ridge Apartments (2009-013C)

Features/Amenities and Resident Programs

6. Car care area (for car cleaning/washing)
 7. Computer lab on-site with minimum one computer per 50 units, with basic word processing, spreadsheets and assorted educational and entertainment software programs and at least one printer
 8. Laundry hook-ups and space for full-size washer and dryer inside each unit
 9. Laundry facilities with full-size washers and dryers available in at least one common area on site
- E.** Applicant has committed to provide the following energy conservation features for all buildings in the Development:
1. Heat pump with a minimum HSPF of 8.2 instead of electric resistance
 2. Air conditioning with a minimum SEER rating of 14
 3. Wall insulation of a minimum of R-13 for frame built construction
 4. Attic insulation of R-30 or better
 5. Double-pane glass on all windows
 6. Energy Star certified refrigerator and dishwasher in each unit
 7. Ceiling fans in all bedrooms and living area in each unit
- F.** By initialing each item, the Applicant commits to the following 10 Green Building options for this Development:
1. Programmable thermostats in each unit
 2. Energy Star rated reversible ceiling fans in all bedrooms and living areas
 3. Showerheads that use less than 2.5 gallons of water per minute
 4. Faucets that use 2 gallons of water per minute or less in the kitchen and all bathrooms

EXHIBIT 2

Sabal Ridge Apartments (2009-013C)

Features/Amenities and Resident Programs

5. Toilets that have dual flush options which include 1.6 gallons of water or less
6. Energy Star qualified lighting in all open and common areas
7. Motion detectors on all outside lighting that is attached to the units
8. Low VOC paint (less than 50 grams per gallon) in all units and common areas
9. Reduced Heat-Island Effect paving (use light colored or porous paving materials)
10. Energy Star rating for all refrigerators, dishwashers and washing machines that are provided by the Applicant
11. Energy Star rating for all windows in each unit
12. Carpet and Rug Institute Green Label certified carpet and pad for all carpeting provided
13. Florida Yards and Neighborhood certification on all landscaping
14. Install daylight sensors or timers on all outdoor lighting

G. Applicant committed to provide the following Resident Programs:

1. Welfare to Work or Self-Sufficiency Type Programs – Applicant commits to actively seek residents who are participating in or who have successfully completed the training provided by these types of programs.
2. First Time Homebuyer Seminars – Applicant or its Management Agent must arrange for and provide, at no cost to the resident, in conjunction with local realtors or lending institutions, semiannual on-site seminars for residents interested in becoming homeowners. Electronic media, if used, must be used in conjunction with live instruction.
3. Literacy Training – Applicant or its Management agent must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Electronic media, if used, must be used in conjunction with live instruction.

EXHIBIT 2

Sabal Ridge Apartments (2009-013C)

Features/Amenities and Resident Programs

4. Job Training – Applicant or its Management Agent must provide, at no cost to the resident, regularly scheduled classes in keyboarding, computer literacy, secretarial skills or other useful job skills, which will be provided at least once each quarter. If the training is not provided on-site, transportation at no cost to the resident must be provided. Electronic media, if used, must be used in conjunction with live instruction.
5. Health and Nutrition Classes – At least 8 hours per year, provided on site at no cost to the residents. Electronic media, if used, must be used in conjunction with live instruction.
6. Resident Activities – These specified activities are planned, arranged, provided and paid for by Applicant or its Management Agent. These activities must be an integral part of the management plan. The Applicant must develop and execute a comprehensive plan of varied activities that brings the residents together and encourages community pride. The goal here is to foster a sense of community by bringing residents together on a regularly scheduled basis by providing activities such as holiday and special occasion parties, community picnics, newsletters, children’s special functions, etc.
7. Financial Counseling – This service must be provided by Applicant or its Management Agent, at no cost to the resident, and must include the following components: must be regularly scheduled at least once each quarter; must include tax preparation assistance by qualified professionals; must include educational workshops on such topics as “Learning to Budget,” “Handling Personal Finances,” “Predatory Lending,” or “Comparison Shopping for the Consumer.” Electronic media, if used, must be used in conjunction with live instruction.
8. Life Safety Training – Applicant or its Management Agent must provide courses such as fire safety, first aid (including CPR), etc., on-site, at least twice each year, at no cost to the resident. Electronic media, if used, must be used in conjunction with live instruction.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT

NAME: Sabal Ridge Apartments

DATE: August 18, 2009

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

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

HC CREDIT UNDERWRITING REPORT

SMG

| | | |
|---|--------|--|
| 10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor. | Satis. | |
| 11. Resumes and experience of applicant, general contractor and management agent. | Satis. | |
| 12. Credit authorizations; verifications of deposits and mortgage loans. | Satis. | |
| 13. Management Agreement and Management Plan. | Satis. | |
| 14. Firm commitment from the credit enhancer or private placement purchaser, if any. | Satis. | |
| 15. Firm commitment letter from the syndicator, if any. | Satis. | |
| 16. Firm commitment letter(s) for any other financing sources. | Satis. | |
| 17. Updated sources and uses of funds. | Satis. | |
| 18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period. | Satis. | |
| 19. Fifteen-year income, expense, and occupancy projection. | Satis. | |
| 20. Executed general construction contract with "not to exceed" costs. | Satis. | |
| 21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing. | Satis. | |
| 22. Any additional items required by the credit underwriter. | Satis. | |

NOTES AND APPLICANT'S RESPONSES:

None

HC Allocation Calculation

| Section I: Eligible/Qualified Basis Calculation | |
|---|---------------|
| Development Cost | \$16,231,118 |
| Less Land Cost | (\$1,750,000) |
| Less Federal Funds | \$0 |
| Less Other Ineligible Cost | (\$763,123) |
| Less Disproportionate Standard | \$0 |
| Total Eligible Basis | \$13,717,994 |
| Applicable Fraction | 100.00% |
| DDA/QCT Basis Credit | 130.00% |
| Qualified Basis | \$17,833,393 |
| Housing Credit Percentage | 9.00% |
| Annual Housing Credit Allocation | \$1,605,005 |

Notes to the Eligible/Qualified Basis Calculation:

1. Other Ineligible Costs are as shown in the HC Ineligible Costs column of the Uses of Funds schedules within Section A of this Credit Underwriting Report.
2. The Subject Development has a 100% set-aside; the Applicable Fraction is therefore 100.00%.
3. The Subject Development is located in Hillsborough County, which is within the Tampa-St. Petersburg-Clearwater MSA, a Difficult Development Area (“DDA”). The DDA/QCT Basis Credit is therefore 130.00%.
4. The HC Rate for the Subject Development is 9.00% per the Housing and Economic Recovery Act of 2008.

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| Section II: Gap Calculation | |
|--|---------------|
| Total Development Cost (Including Land and Ineligible Costs) | \$16,231,118 |
| Less Loans/Mortgages | (\$5,027,766) |
| Less Grants | \$0 |
| Equity Gap | \$11,203,352 |
| Percentage to Investment Partnership/LLC | 99.99% |
| HC Syndication Pricing | \$0.6500 |
| HC Required to Meet Gap | \$17,237,650 |
| Annual HC Required | \$1,723,765 |

Notes to the Gap Calculation:

1. Loans/Mortgages represents a Permanent First Mortgage Loan by Richman Mortgage Assets Company I, LLC, Greenwich, Connecticut, which is related to the Developer, Richman Group of Florida, Inc.
2. Percentage to the Limited Liability Company and HC Syndication Pricing are based upon an August 11, 2009, Firm Commitment (Syndication Agreement) from The Richman Group Affordable Housing Corporation, also a related entity. See the "Permanent Financing" portion of Section A within this Credit Underwriting Report for complete information.

| Section III: Summary | |
|---------------------------------|-------------|
| HC per Applicant Request | \$1,625,000 |
| HC per Eligible/Qualified Basis | \$1,605,005 |
| HC per Gap Calculation | \$1,723,765 |
| Annual HC Recommended | \$1,605,005 |

Notes to the Summary:

SMG recommends a preliminary annual HC Allocation of \$1,605,005 based upon Eligible/Qualified Basis, which is the lesser of Applicant Request, Eligible/Qualified Basis or the Gap Calculation. Applicant's August 11, 2009, Syndication Agreement, however, reflects Annual HC of \$1,603,932. SMG utilizes the pay-in amounts from the Syndication Agreement for Credit Underwriting Purposes.