FOXWOOD SENIOR APARTMENTS, L.P.

INDEPENDENT AUDITORS' REPORT CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS, OWNER'S CERTIFICATION OF FUNDING SOURCES AND PROJECT SUBSIDY AND BUILDING ALLOCATION OF QUALIFIED BASIS

APRIL 29, 2014



INDEPENDENT AUDITOR'S REPORT

Owner's Name: Foxwood Senior Apartments, L.P. Project Name: Foxwood Senior Apartments Project Number: TCAA # 2011-052

To the Partners Foxwood Senior Apartments, L.P.

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Foxwood Senior Apartments, L.P. (the "Owner") for Foxwood Senior Apartments ("the Project") as of April 29, 2014.

Owner and Owner Management's Responsibility for the Schedule

The Owner and the Owner's management are responsible for the preparation and fair presentation of the Final Cost Certification in accordance with contractual agreements with the TCAA; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Final Cost Certification that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Final Cost Certification based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Final Cost Certification is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Final Cost Certification. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Final Cost Certification, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Final Cost Certification in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the Owner and Owner's management, as well as evaluating the overall presentation of the Final Cost Certification.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Final Cost Certification presents fairly, in all material respects, the actual costs of \$6,453,657, eligible basis of \$5,989,293 and adjusted eligible basis of \$7,366,830 of the Owner for the Project as of April 29, 2014, on the basis of accounting described below.

Basis of Accounting

The Final Cost Certification is prepared in conformity with the accounting practices prescribed by the Internal Revenue Service under the accrual method of accounting, and in conformity with the format and qualified allocation plan rules set by TCAA, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the provisions of the contractual agreements with TCAA, referred to above. Our opinion is not modified with respect to that matter.

Restriction on Use

This report is intended solely for the information and use of the Owner and the Owner's management and for filing with TCAA and should not be used for any other purpose.

We have no financial interest in the Project other than in the practice of our profession.

Halif, Areget : Mprus. LLP

Atlanta, Georgia

April 29, 2014

FINAL ALLOCATION APPLICATION

PART FOUR - USES OF FUNDS - Foxwood Senior Apartments - 2011-052

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

DEVELOPMENT COST SCHEDULE	TOTAL COST	New Construction Basis	Acquisition R Basis	ehabilitation Basis	Amortizable or Non- Depreciable Basis
PRE-DEVELOPMENT COSTS Property Appraisal Market Study Environmental Report(s) Soil Borings Boundary and Topographical Survey Zoning/Site Plan Fees Other: <u>3rd Party Plan & Spec Review</u>	11,076 23,758 4,730 37,345 444 8,792 Subtotal 86,145	11,076 23,758 4,730 37,345 444 8,792 86,145	PRE-DEVELOPMENT C	:OSTS	
ACQUISITION Land Demolition Acquisition Legal Fees (if existing structures) Existing Structures	231,580 Subtotal 231,580		ACQUISITION		231,580
SITE IMPROVEMENTS Site Preparation (On-site) Site Preparation (Off-site)	1,504,709 Subtotal 1,504,709	1,504,709 1,504,709	SITE IMPROVEMEN	TS 	
UNIT/BUILDING CONSTRUCTION Unit/Building Construction/New Construction Unit/Building Construction/Rehab Project Amenities / Accessory Buildings Other:	2,758,539 	2,758,539 2,758,539 2,758,539			
CONTRACTOR SERVICES Builder's Overhead: 2.00% Builder Profit: 6.00% General Requirements 6.00% Payment/performance bond or 104,154.07 p Ietter-of-credit fee or premium 70tal Construction Costs 104,154.07 p 99.45 p	85,265 92,367 255,795 225,795 227,164 Subtotal 319,531 er unit	92,367 227,164 319,531	CONTRACTOR SERV	ICES	-

PART FOUR - USES OF FUNDS - Foxwood Senior Apartments - 2011-052

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

I.	DEVELOPMENT COST SCHEDULE		TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non- Depreciable Basis
	CONSTRUCTION PERIOD FINANCING				CONSTRUCTION P	FRIOD FINANCING	
	Construction Loan Fee		42,600	42,600			
	Construction Loan Interest		70,401	70,401			
	Construction Legal Fees		35,000	35,000			
	Construction Period Real Estate Tax		1,127	1,070			57
	Construction Insurance		16,992	16,992			
	Bridge Loan Fee and Bridge Loan Interest						
	Other:						
		Subtotal	166,120	166,063	-	-	57
	PROFESSIONAL SERVICES				PROFESSION	AL SERVICES	
	Architectural Fee - Design		133,885	133,885			
	Architectural Fee - Supervision		33,440	33,440			
	Engineering		94,219	94,219			
	Real Estate Attorney		34,516	24,745			9,771
	Accounting		12,900	12,900			
	Other: Accessibility/Radon		5,104	5,104			
		Subtotal	314,064	304,293	-	-	9,771
	LOCAL GOVERNMENT FEES				LOCAL GOVER	RNMENT FEES	
	Building Permits		4,046	4,046			
	Impact Fees						
	Water Tap Fees waived?						
	Sewer Tap Fees waived?						
	Real Estate Taxes		1.0.10	1.0.10			
		Subtotal	4,046	4,046	-	-	-
	PERMANENT FINANCING FEES				PERMANENT FI	NANCING FEES	
	Permanent Loan Fees						
	Permanent Loan Legal Fees						
	Title and Recording Fees		7,799	7,799			
	As-Built Survey		9,000	9,000			
	Bond Issuance Premium Cost of Issuance / Underwriter's Discount						
	Other:	Subtotal	16,799	16,799			
		Subiolal	10,799	10,799		-	-

PART FOUR - USES OF FUNDS - Foxwood Senior Apartments - 2011-052

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

DEVELOPMENT COST SCHEDULE	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non- Depreciable Basis
DCA-RELATED COSTS			DCA-RELAT	TED COSTS	
DCA Loan Application Fee	4.000				4.000
Tax Credit Application Fee DCA Waiver Fees	4,000				4,000
LIHTC Allocation Processing Fee 42,634	42,634				42.634
LIHTC Compliance Monitoring Fee 30,800	30,800				30,800
DCA Front End Analysis Fee (when ID of Interest)	00,000				
DCA Final Inspection Fee	3,000				3,000
Other: DCA Concept Change	3,000				3,000
Subtotal	83,434				83,434
EQUITY COSTS			EQUITY	COSTS	
Partnership Organization Fees	1,424				1,424
Tax Credit Legal Opinion	5,000				5,000
Other:					
Subtotal	6,424	-	-	-	6,424
DEVELOPER'S FEE			DEVELOP	ER'S FEE	
Developer's Overhead					
Consultant's Fee	109,599	109,599			
Developer's Fee	621,063	621,063			
Subtotal	730,662	730,662	-	-	-
START-UP AND RESERVES			START-UP AN	D RESERVES	
Marketing					
Rent -Up Reserves	40,698				40,698
Operating Deficit Reserve:	81,400				81,400
Replacement Reserve	11,000	10,000			11,000
Furniture, Fixtures and Equipment Other: Green Building Consultant	40,000 16,475	40,000 16,475			
Subtotal		56,475			133,098
OTHER COSTS			OTHER	COSTS	
Relocation			OTHER	0313	
Other: Costs paid outside of the construction contract	26,691	26,691			
Other: Earthcraft Fees	15,340	15,340			
Subtotal		42,031	-	-	-
TOTAL DEVELOPMENT COST	6,453,657	5,989,293	-	-	464,364
Per Unit	146,674.02				
Per Unit					

FINAL ALLOCATION APPLICATION

PART FOUR - USES OF FUNDS - Foxwood Senior Apartments - 2011-052

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

	CERTIFICATION OF ACTUAL C	COST AND OPINIO	IN AS TO ELIGIBLE BASIS				
II.	TAX CREDIT CALCULATION - BASIS METHOD	New Construction Basis	4% Acquisition Basis		Rehabilitation Basis		
	Subtractions From Eligible Basis	Dasis	Dasis		DdSIS		
	Amount of federal grant(s) used to finance qualifying development costs		_				
	Amount of federal below market rate loan						
	Amount of nonqualified nonrecourse financing						
	Costs of Nonqualifying units of higher quality						
	Nonqualifying excess portion of higher quality units						
	Historic Tax Credit (Residential Portion Only)						
	Other						
	Total Subtractions From Basis:	0			0		
	Eligible Basis Calculation						
	Total Basis	5,989,293	0		0		
	Less Total Subtractions From Basis (see above)	0			0		
	Total Eligible Basis	5,989,293	0		0		
	Eligible Basis Adjustment for DDA/QCT Location	123.00%					
	Adjusted Eligible Basis	7,366,830	0		0		
	Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%		100.00%		
	Qualified Basis	7,366,830	0		0		
	Multiply Qualified Basis by Applicable Credit Percentage	9.00%					
	Maximum Tax Credit Amount	663,015	0		0		
	Total Basis Method Tax Credit Calculation		663,015				
Ш.	TAX CREDIT CALCULATION - GAP METHOD						
	Equity Gap Calculation						
	Total Development Cost		6,453,657				
	Subtract Non-LIHTC (excluding deferred fee) Source of Funds		15,125				
	Equity Gap		6,438,532				
	Divide Equity Gap by 10		/ 10	_			
	Annual Equity Required		643,853		Federal		 State
	Enter Final Federal and State Equity Factors (not including GP contribution)		1.0427	=	0.7270	+	0.3157
	Total Gap Method Tax Credit Calculation		617,501				
IV.	TAX CREDIT CARRYOVER ALLOCATION Allocation Year	2012	609,062	[
٧.	FINAL TAX CREDIT ALLOCATION REQUEST		609,062	[

I certify that all information provided above is true, correct, complete and reflects the full extent of all project costs and eligible basis which apply (or are expected to apply) to the above-mentioned development.

Owner Signature

Name - Please Type

Date

PART FOUR - USES OF FUNDS - Foxwood Senior Apartments - 2011-052

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

VI. OWNER COMMENTS AND CLARIFICATIONS

The Contractor lost \$355,127 on the construction contract for the project.	The \$355,127 loss reduced the unit/building construction cost line item.	The total construction contract of \$4,582,779 is
included in the above uses.		

PART THREE - SOURCES OF FUNDS - Foxwood Senior Apartments - 2011-052

PERMANENT FINANCIN	IG								Interest	Term	Amort.	Annual Debt Svc		
Financing Type			Na	ame of Fi	nancing E	Intity	Principa	I Amount	Rate	(Years)	(Years)	Per Terms Given	Loan Type	Balloon?
First Mortgage														
Second Mortgage														
Third Mortgage														
Other Source (specify)														
Other Source (specify)	Deferred Consul	tant Fee	Peach W	'ay Finan	cial Servio	ces		15,015						
Deferred Developer Fees	;		Potemkir	n Magita I	Developm	ent Inc.		88,878						
Federal Grant														-
State, Local, or Private G	rant													
Federal Housing Credit E	quity		Tax Crec	lit Holding	gs-Foxwo	od Senior I	4	,382,720						
State Housing Credit Equ	iity		Tax Credit Holdings-Foxwood Senior L			1	,966,934							
Historic Credit Equity														
Investment Earnings from	n Tax-Exempt Bon	lds												
Investment Earnings from	n Taxable Bonds													
Income from Operations														
Other Source (specify)	Special Limited I	Partner	Tax Cred	lit Holding	gs-Foxwo	od Senior I		10						
Other Source (specify)	General Partner		Potemkir	n Magita I	Developm	ent		100						
Other Source (specify)														
Total Permanent Financi	ng:		•				6,45	3,657						
Total Development Costs	from Developmer	nt Cost Schedu	le:				6,45	3,657						
Surplus/(Shortage) of Pe	rmanent Funds to	Development (Costs:				(0)						
DCA HOME loan interest	rate per	Year:	1 -7	8	9	10	11	12	13	14	15			
Operating Year for Project Rural Areas:	cts located in	Rate:]		

VII. OWNER COMMENTS AND CLARIFICATIONS

The State Housing Credit Equity a	nount above includes \$44,279 for their 1% share of the federal cre	edits.	

4/30/2014

FINAL ALLOCATION APPLICATION

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Foxwood Senior Apartments - 2011-052

Cost Certification Date:	
Type of Activity:	

Carryover Allocation Date: **New Construction**

Project Address: 850 Foxwood Drive, Washington GA 30673

Unit of bit of b	Type of Activity.					.			•							
Building building Address Building building Address Building building Super- service Building building Super- service Building building Super- service Building building Super- service Address Building building Super- service Building bui			<u> </u>	ī			e common	space	employe	e units!			1		1	
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