

**Georgia Department of Community Affairs
Low Income Housing Tax Credits Final Allocation Application
New Maple Lane Apartments, LLC**

Tab 4 Independent Auditor's Report and Certification of Actual Costs

Auditor's Report and Certification of Actual Costs for New Maple Lane Apartments, LLC prepared by Dixon Hughes Goodman LLP is attached. Also attached are work papers supporting the allocation of land cost and the calculations for the 50% test aggregate basis.

New Maple Lane Apartments, LLC

Maple Lane Apartments

Schedules of Certification of Actual Cost and Opinion as
to Eligible Basis and Building by Building Credit
Allocation
Together with Auditors' Report



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

INDEPENDENT AUDITORS' REPORT

Owner's Name: New Maple Lane Apartments, LLC

Project Name: Maple Lane Apartments

Project Number: TCAA # 2011-512

We have audited the costs included in the accompanying Georgia Department of Community Affairs ("DCA") Final Cost Certification Schedules of Certification of Actual Cost and Opinion as to Eligible Basis and the Building by Building Credit Allocation (the "Schedules") of New Maple Lane Apartments, LLC (the "Owner") for Maple Lane Apartments ("the Project") as of July 10, 2014.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of the Schedules in accordance with accounting principles 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 DCA. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedules that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts in the Schedules. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Schedules, 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 Schedules 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 management, as well as evaluating the overall presentation of the Schedules.

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

Opinion

In our opinion, the Schedules present fairly, in all material respects, the actual costs of \$692,944 and eligible basis of \$699,435 of the Owner for the Project as of July 10, 2014, on the basis of accounting described below.

Basis of Accounting

The accompanying Schedules were 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 DCA, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Restrictions on Use

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

Dixon Hughes Goodman LLP

*High Point, North Carolina
November 3, 2014*

PART FOUR - USES OF FUNDS - Maple Lane Apartments - 2011-512

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
PRE-DEVELOPMENT COSTS					
Property Appraisal	4,936			4,302	634
Market Study	3,000			3,000	
Environmental Report(s)	3,420			3,420	
Soil Borings					
Boundary and Topographical Survey					
Zoning/Site Plan Fees					
Other: <u>Alta Survey, Capital Needs Assessment</u>	3,772			3,609	163
Subtotal	15,128	-	-	14,331	797
ACQUISITION					
Land	28,384				28,384
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures	192,494		192,494		
Subtotal	220,878	-	192,494	-	28,384
SITE IMPROVEMENTS					
Site Preparation (On-site)	38,703			38,703	
Site Preparation (Off-site)					
Subtotal	38,703	-	-	38,703	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	204,150			204,150	
Project Amenities / Accessory Buildings					
Other: <u>Construction Costs Outside of Contract</u>	3,116			3,116	
Subtotal	207,266	-	-	207,266	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	4,857			4,822	
Builder Profit: 6.00%	14,571			14,467	
General Requirements 6.00%	14,571			14,467	
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	33,756	-	-	33,756	-
Total Construction Costs	27,972.50 per unit				
	279,725				38.87 per sq ft

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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 Loan Fee					
Construction Loan Interest	886			622	264
Construction Legal Fees					
Construction Period Real Estate Tax	1,875			1,875	
Construction Insurance	1,344			1,344	
Bridge Loan Fee and Bridge Loan Interest					
Other:					
Subtotal	4,105	-	-	3,841	264
PROFESSIONAL SERVICES					
Architectural Fee - Design	5,225			5,225	
Architectural Fee - Supervision	2,813			2,813	
Engineering	600			600	
Real Estate Attorney	1,543		1,305		238
Accounting	10,300			10,300	
Other:					
Subtotal	20,481	-	1,305	18,938	238
LOCAL GOVERNMENT FEES					
Building Permits					
Impact Fees					
Water Tap Fees <i>waived?</i>					
Sewer Tap Fees <i>waived?</i>					
Real Estate Taxes					
Subtotal	-	-	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees	2,600				2,600
Permanent Loan Legal Fees	2,731				2,731
Title and Recording Fees	150				150
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	8,352				8,352
Other: Financial Advisor and Application Fees	911				911
Subtotal	14,744	-	-	-	14,744

PART FOUR - USES OF FUNDS - Maple Lane Apartments - 2011-512

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
DCA-RELATED COSTS		DCA-RELATED COSTS			
DCA Loan Application Fee					
Tax Credit Application Fee					
DCA Waiver Fees	3,000				3,000
LIHTC Allocation Processing Fee	1,590 1,579				1,579
LIHTC Compliance Monitoring Fee	7,000 1,500				1,500
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	500				500
Other: DCA Bond Allocation, DCA Bond Eligibility Option	4,830				4,830
Subtotal	11,409				11,409
EQUITY COSTS		EQUITY COSTS			
Partnership Organization Fees	160				160
Tax Credit Legal Opinion					
Other:					
Subtotal	160	-	-	-	160
DEVELOPER'S FEE		DEVELOPER'S FEE			
Developer's Overhead					
Consultant's Fee	43,360		14,595	28,765	
Developer's Fee	43,360		14,595	28,765	
Subtotal	86,720	-	29,190	57,530	-
START-UP AND RESERVES		START-UP AND RESERVES			
Marketing					
Rent -Up Reserves					
Operating Deficit Reserve:					
Replacement Reserve	19,585				19,585
Furniture, Fixtures and Equipment	658			658	
Other:					
Subtotal	20,243	-	-	658	19,585
OTHER COSTS		OTHER COSTS			
Relocation	124			124	
Other: Project Admin Expenses	241				241
Other: Other Assets Purchased	18,986				18,986
Subtotal	19,351	-	-	124	19,227
TOTAL DEVELOPMENT COST	692,944	-	222,989	375,147	94,808
Per Unit	69,294.40				
Per Square Foot	96.28				

PART FOUR - USES OF FUNDS - Maple Lane Apartments - 2011-512

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

II. TAX CREDIT CALCULATION - BASIS METHOD

	New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
Subtractions From Eligible Basis			
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 <u>GA Power Rebate</u>			8,650
Total Subtractions From Basis:	0		8,650
Eligible Basis Calculation			
Total Basis	0	222,989	375,147
Less Total Subtractions From Basis (see above)	0		8,650
Total Eligible Basis	0	222,989	366,497
Eligible Basis Adjustment for DDA/QCT Location			130.00%
Adjusted Eligible Basis	0	222,989	476,446
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	0	222,989	476,446
Multiply Qualified Basis by Applicable Credit Percentage		3.20%	3.27%
Maximum Tax Credit Amount	0	7,136	15,580
Total Basis Method Tax Credit Calculation		22,715	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost		692,944	
Subtract Non-LIHTC (excluding deferred fee) Source of Funds		365,858	
Equity Gap		327,086	
Divide Equity Gap by 10		/ 10	
Annual Equity Required		32,709	
Enter Final Federal and State Equity Factors (not including GP contribution)		1.4398	
Total Gap Method Tax Credit Calculation		22,717	

= **Federal 1.0978** + **State 0.3420**

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

V. FINAL TAX CREDIT ALLOCATION REQUEST

22,715

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 

J. Wilczewski, Member WWDJLC
 Name - Please Type *Member, New Maple Lane Apts, LLC*

11-10-2014
 Date

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Maple Lane Apartments - 2011-512

Cost Certification Date: 7/10/2014 Carryover Allocation Date: N/A Project Address: 197 GA Highway 305, Midville GA 30441 Type of Activity: Rehabilitation

Please do NOT include common space employee units!

Table with columns: Building Address, Building Identification Number, Total Nbr of Residential Units, Total Residential Square Footage, Nbr of Low Income Units, Low Income Square Footage, Building's Eligible Basis, QCT/DDA Boost, Building's Adjusted Basis, Building's Applicable Fraction, Building's Qualified Basis, Date Placed In Service, Applic. Credit %, Tax Credit Amount, FINAL Tax Credit Allocation Request (Building's Qualified Basis, Tax Credit Amount). Rows include 197 GA Highway 305 Midville, GA 30441 with two entries and a summary row at the bottom.

New Maple Lane Apartments, LLC
 Cost Allocation of Purchase Price

Sales Price	5101	257,208.00	✓
Reallocation	Draw #2	(30.00)	
Add'l Recording Costs	Draw #2	183.00	
Settlement Charges	5101	2,088.00	
		259,449.00	

	Acq Costs	Title/Rec	Total					
Other Purchased Assets	5102 ✗	38,571.00 ✓	0	38,571.00	(19,584.62) ✗	18,986.38	1410	ineligible
Land	① 28,096.00	287.98	28,383.98	1410	ineligible			
Building	① 190,541.00	1,953.02	192,494.02	1410	eligible			
	257,208.00	2,241.00	259,449.00					

Σ ⓘ 218,637.00 Total land and building agrees to WP 5102 analysis

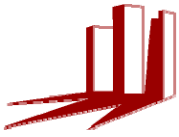
Title/Recording	2,241.00
Allocation:	
Land	287.98
Building	1,953.02

Assigned Values:	
Land Appraised Value	✓ 28,096.00 See appraisal report at PF-1408
Building Value	190,541.00
	218,637.00

Allocation %	
Land	12.85%
Building	87.15%

Cells to enter data

✗ Reserves of \$19,584.62 were purchased at acquisition and are included in the other purchased assets. An AJE has been made to break out the required reserve amount on a separate line. Per Kyle Harrelson at Boyd Management, entire reserves purchased at closing were replacement reserves.



Crown Appraisal Group

Corporate Office

355 E. Campus View Blvd.

Suite 150

Columbus, OH 43235

tel 614.431.3332

fax 614.431.3376

www.crownappraisal.com

April 15, 2013

Greystone Servicing Corporation, Inc.

Attn: Jane Sadler

1715 Aaron Brenner Drive, Suite 500

Memphis, TN 38120

Re: Maple Lane Apartments

197 State Route 305

Midville, Georgia

Dear Jane Sadler:

At your request, we have completed an inspection and analysis of the referenced property for the purpose of developing and reporting an opinion of value for the property. The specific real property interest, real estate, type of report, and type of value are detailed within the body of the accompanying report. The accompanying report has been prepared in conformance with the requirements established by the Appraisal Institute. The appraisal is in conformance with USPAP requirements. The liability of Crown Appraisal Group, Inc. and its employees is limited to the fee collected for the preparation of the appraisal report. There is no accountability or liability to any third party. Based on discussions with market participants, the marketing period and exposure period for the property is estimated at 12 months. The following summarizes the interest being appraised, types of values, effective dates of values, and value opinions.

<i>Competitive Rent Comparable Unit Conclusions (CRCU)</i>		
	<u>1 Bedroom</u>	<u>2 Bedroom</u>
Prospective (Renovated) CRCU	415	480
<i>Value Opinions</i>	<u>Date of Value</u>	<u>Value</u>
As-is Market Value, unrestricted rents	April 1, 2013	\$310,000
Propsective Market Value, restricted rents (FNMA)	June 30, 2013	\$230,000
Propsective Market Value, restricted rents (RD)	April 1, 2015	\$300,000
Prospective Market Value subject to unrestricted rents	April 1, 2015	\$400,000
Land Value	April 1, 2013	\$28,096
Interest Credit Subsidy Value (Existing 515 Loan)	April 1, 2013	\$120,200
LIHTC Value	April 1, 2015	\$327,164
Insurable Value	April 1, 2015	\$385,439

**New Maple Lane Apartments, LLC
Calculation of the Fifty Percent (50%) Test
Aggregate Approach**

Description	Residential Costs	Amortizable Costs	Depreciable Costs	Land	Other Costs/ Expense	Eligible Basis	(A) Land & Building Basis	(B) Costs Financed By Tax-Exempt Bonds
Land Acquisition (cell 19)	\$ 28,384	\$ -	\$ -	\$ 28,384	\$ -	\$ -	\$ 28,384	\$ -
Building Acquisition/Other Assets Purchased (cells 22 & 127)	211,480	-	183,844	-	27,636	183,844	183,844	10,089
Rehab/New Construction (cells 26, 32, 34, 38-40)	279,725	-	279,725	-	-	279,725	279,725	279,725
Soft Costs (cells 9-15, 51-57, 61-66, 78-80, 120, 125)	45,977	5,527	39,197	989	264	39,197	40,186	40,186
Financing Fees & Expenses (cells 83 & 84)	9,263	9,263	-	-	-	-	-	-
Other Costs (cells 93-100, 104, 126)	11,810	11,409	-	-	401	-	-	-
Developer Costs (cells 111 & 112)	86,720	-	86,720	-	-	86,720	86,720	-
Development Reserves (cells 119 & 121)	19,585	-	-	-	19,585	-	-	-
	<u>\$ 692,944</u>	<u>\$ 26,199</u>	<u>\$ 589,486</u>	<u>\$ 29,373</u>	<u>\$ 47,886</u>	<u>\$ 589,486</u>	<u>\$ 618,859</u>	<u>\$ 330,000</u>

50% Test Percentage Calculation

(B/A)

53.32%