Independent Auditor's 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 TBG Allen Road Senior, L.P. July 31, 2016



TBG Allen Road Senior, L.P.

<u>Index</u>

	<u>Page</u>
Independent Auditor's Report	2
Sources of Funds	4
Certification of Actual Cost and Opinion as to Eligible Basis	5
Building by Building Credit Allocation	9

Independent Auditor's Report

Owner's Name:	TBG Allen Road Senior, L.P.
Project Name:	Allen Road
Project Number:	2013-027

We have audited the costs included in the accompanying Georgia Department of Community Affairs ("DCA") Certification of Actual Cost and opinion as to Eligible Basis, the Owner's Certification of Funding Sources and Project Subsidy, and the building allocation of Qualified Basis Worksheet (the "Final Cost Certification") of TBG Allen Road Senior, L.P. (the "Owner") for Allen Road ("the Project") as of July 31, 2016.

Management's Responsibility for the Final Cost Certification

Management is responsible for the preparation and fair presentation of the Final Cost Certification in accordance with financial reporting provisions and qualified allocation plan rules established by DCA. Management is also responsible for 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 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 audit opinion.

Opinion

In our opinion, the Final Cost Certification referred to above presents fairly, in all material respects, the actual costs of \$ 10,533,410 and eligible basis of \$ 9,474,425 of the Owner for the Project as of July 31, 2016, in accordance with financial reporting provisions and qualified allocation plan rules established by DCA.

Basis of Accounting

We draw attention to the financial reporting provisions of DCA, which require the Owner to account for actual costs and adjusted eligible basis in accordance with the basis of accounting the Owner uses for income tax purposes and to comply with the provisions of DCA's qualified allocation plan, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restriction on Use

Our report is intended solely for the information and use of the Owner and DCA and is not intended to be and should not be used by anyone other than these specified parties.

Other

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

CohnReynickZLP

Atlanta, Georgia October 3, 2016

PART THREE - SOURCES OF FUNDS - Allen Road - 2013-027

PERMANENT FINANCING								Interest	Term	Amort.	Annual Debt Svc		
Financing Type	Na	ame of Fir	nancing E	ntity	Principal Amount		Rate	(Years)	(Years)	Per Terms Given	Loan Type	Balloon?	
First Mortgage	st Mortgage				nt Trust	2,83	37,000	5.570%	18	30	194,796	Amortizing	
Second Mortgage		Housing	Authority	of Fulton	County	20	5,000	1.000%	45	45	5,659	Cash Flow	
Third Mortgage													
Other Source (specify)													
Other Source (specify)													
Deferred Developer Fees		The Ben	oit Group	Dev Com	p, LLC	29	91,221						
Federal Grant													
State, Local, or Private Grant													
Federal Housing Credit Equity		Raymon	d James	- Federal		5,21	1,969						
State Housing Credit Equity		Raymond James - State			1,95	5,716							
Historic Credit Equity													
Investment Earnings from Tax-Exempt Bo	onds												
Investment Earnings from Taxable Bonds													
Income from Operations		TBG Allen Road Senior, LP				3	32,504						
Other Source (specify)													
Other Source (specify)													
Other Source (specify)													
Total Permanent Financing:		•				10,533,4	¥10						
Total Development Costs from Developme	lule:				10,533,410								
Surplus/(Shortage) of Permanent Funds to Development					0								
DCA HOME loan interest rate per	Year:	1 -7	8	9	10	11	12	13	14	15			
Operating Year for Projects located in Rural Areas:	Rate:]		

VII. OWNER COMMENTS AND CLARIFICATIONS

See Independent Auditor's Report.

PART FOUR - USES OF FUNDS - Allen Road - 2013-027

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						
PRE-DEVELOPMENT COSTS				PRE-DEVELOPMENT COSTS								
Property Appraisal		9,000			9,000							
Market Study		10,612			10,612							
Environmental Report(s)		22,125			22,125							
Soil Borings												
Boundary and Topographical Survey		15,864			15,864							
Zoning/Site Plan Fees												
Other: Other Predevelopment Cost		1,574			1,074	500						
Other: Green Building Fees		59,194			59,194							
	Subtotal	118,369	-	-	117,869	500						
ACQUISITION				ACQUIS	SITION							
Land		100,000				100,000						
Demolition												
Acquisition Legal Fees (if existing structures)											
Existing Structures												
	Subtotal	100,000		-		100,000						
SITE IMPROVEMENTS				SITE IMPRO	OVEMENTS							
Site Preparation (On-site)		278,398			278,398							
Site Preparation (Off-site)												
	Subtotal	278,398	-	-	278,398	-						
UNIT/BUILDING CONSTRUCTION				UNIT/BUILDING (CONSTRUCTION							
Unit/Building Construction/New Construction												
Unit/Building Construction/Rehab		5,313,898			5,313,898							
Project Amenities / Accessory Buildings												
Other:												
	Subtotal	5,313,898	-	-	5,313,898	-						
CONTRACTOR SERVICES				CONTRACTO	R SERVICES							
Builder's Overhead: 2.00%	111,846	111,368			111,368							
Builder Profit: 6.00%	335,538	334,917			334,917							
General Requirements 6.00%	335,538	336,802			336,637	165						
Payment/performance bond or												
letter-of-credit fee or premium	Subtotal	783,087	-	-	782,922	165						
Total Construction Costs 63,753.83 per												
6,375,383 121.17 per	r sq ft											

DEVELOPMENT COST SCHEDULE	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING			CONSTRUCTION F	PERIOD FINANCING	
Construction Loan Fee	163,369			35,970	127,399
Construction Loan Interest	179,208			140,202	39,006
Construction Legal Fees	102,774			75,145	27,629
Construction Period Real Estate Tax				-	
Construction Insurance	41,303			23,588	17,715
Bridge Loan Fee and Bridge Loan Interest				· · · · ·	,
Other: Letter of Credit Fees	13,809			6,187	7,622
	Subtotal 500,463	-	-	281,092	219,371
		ļJ	ļ]	·	,
PROFESSIONAL SERVICES			PROFESSION	IAL SERVICES	
Architectural Fee - Design	315,358			315,358	
Architectural Fee - Supervision					
Engineering	12,534			12,534	
Real Estate Attorney					-
Accounting	21,450			20,600	850
Other: Inspection Fees	23,700			23,700	
Other: Hard Cost-Outside of Contract	261,261			261,261	-
Other: Accessibility Fees	1,750			1,750	
Other: Consulting	33,932			33,932	
	Subtotal 669,985	-	-	669,135	850
LOCAL GOVERNMENT FEES				RNMENT FEES	
Building Permits	7,704			7,704	
Impact Fees				.,	
Water Tap Fees waived?					
Sewer Tap Fees waived?					
Real Estate Taxes					
	Subtotal 7,704		-	7,704	-
PERMANENT FINANCING FEES			PERMANENT F	INANCING FEES	05.44
Permanent Loan Fees	95,110				95,110
Permanent Loan Legal Fees					
Title and Recording Fees	41,320			40,890	430
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other: Perm Loan Interest	2,050			2,050	-
	Subtotal 138,480	-	-	42,940	95,540

DEVELOPMENT COST SCHEDULE	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
DCA-RELATED COSTS			DCA-RELA	TED COSTS	
DCA Loan Application Fee					
Tax Credit Application Fee	6,500				6,500
DCA Waiver Fees	6,500				6,500
LIHTC Allocation Processing Fee 44,405	50,748				50,748
LIHTC Compliance Monitoring Fee 70,000	80,000				80,000
DCA Front End Analysis Fee (when ID of Interest)	1,500				1,500
DCA Final Inspection Fee	3,000				3,000
Other: Amendments to Application	1,500				1,500
Subtotal	149,748				149,748
EQUITY COSTS			EQUIT	COSTS	
Partnership Organization Fees	50,000				50,000
Tax Credit Legal Opinion					
Other:					
Subtotal	50,000	-	-	-	50,000
DEVELOPER'S FEE			DEVELO	PER'S FEE	
Developer's Overhead					
Consultant's Fee					
Developer's Fee	1,235,256			1,235,256	
Subtotal	1,235,256	-	-	1,235,256	-
START-UP AND RESERVES			START-UP A	ND RESERVES	
Marketing					-
Rent -Up Reserves					
Operating Deficit Reserve:	320,245				320,245
Replacement Reserve	34,731				34,731
Furniture, Fixtures and Equipment	165,353			160,489	4,864
Other: Construction Escrow	-				-
Subtotal	520,329	-	-	160,489	359,840
OTHER COSTS				COSTS	
Relocation	584,722			584,722	
Other: Soft Cost	82,971			-	82,971
Other:					
Subtotal	667,693	-	-	584,722	82,971
TOTAL DEVELOPMENT COST	10,533,410		-	9,474,425	1,058,985
Per Unit	105,334.10				
Per Square Foot	200.19				

II.	TAX CREDIT CALCULATION - BASIS METHOD	T CALCULATION - BASIS METHOD New Construction Basis Basis						
	Subtractions From Eligible Basis		1 !					
	Amount of federal grant(s) used to finance qualifying development costs]					
	Amount of federal below market rate loan		1					
	Amount of nonqualified nonrecourse financing		1					
	Costs of Nonqualifying units of higher quality		1					
	Nonqualifying excess portion of higher quality units		1					
	Historic Tax Credit (Residential Portion Only)							
	Other		1					
	Total Subtractions From Basis:	0	1			0		
	Eligible Basis Calculation							
	Total Basis	0	1	0		9,474,425		
	Less Total Subtractions From Basis (see above)	0	1			0		
	Total Eligible Basis	0	1	0		9,474,425		
	Eligible Basis Adjustment for DDA/QCT Location	0.00%	1			100.00%		
	Adjusted Eligible Basis	0	1	0		9,474,425		
	Multiply Adjusted Eligible Basis by Applicable Fraction	99.00%		99.00%		99.00%		
	Qualified Basis	0		0		9,379,681		
	Multiply Qualified Basis by Applicable Credit Percentage	0.00%				9.00%		
	Maximum Tax Credit Amount	0		0		844,171		
	Total Basis Method Tax Credit Calculation			844,171		•		
Ш.	TAX CREDIT CALCULATION - GAP METHOD							
	Equity Gap Calculation							
	Total Development Cost		1	0,533,410				
	Subtract Non-LIHTC (excluding deferred fee) Source of Funds			3,074,504				
	Equity Gap			7,458,906				
	Divide Equity Gap by 10		L	/ 10				
	Annual Equity Required			745.891		Federal		State
	Enter Final Federal and State Equity Factors (not including GP contributi	on)		1.1300	=	0.8300	+ [0.3000
	Total Gap Method Tax Credit Calculation)		660,080	_		•	
IV.	TAX CREDIT CARRYOVER ALLOCATION Allocation Year	2014		634,355				
v.	FINAL TAX CREDIT ALLOCATION REQUEST	·		634,355				

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 abovementioned development.

Owner Signature

Name - Please Type

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Allen Road - 2013-027																
Cost Certification Date:]	Carryove	r Alloc	ation Date	3/5/20	14	Project A	ddress:	144 Allen I	Road Ne, S	andy S	prings GA	30328	
Type of Activity:	Rehabilita	tion]												
		1					common	space	e employe	e units!				1		
			Total	Total	Nbr	Low		001				Date		Ŧ		
		Building	Nbr of			Income	Building's	QCT/	Building's			Placed	Applic.	Tax	Allocation	
Building Address		Identification Number	Residni Units	t Square Footage	Income Units	Square Footage	Eligible Basis	DDA Boost	Adjusted Basis	Applicable Fraction	Qualified Basis	In Service	Credit %	Credit Amount	Building's Jualified Basis	Tax Credit Amount
144 Allen Rd Ne, Atlanta, GA 3	0328	Number	100	52,616	99	52,096	9,474,425	100%	9,474,425	99.00%	9,379,681	1/1/2016	9.00%	844,171	7,048,389	634,355
			100	52,010	,,,	52,070	7,474,423	10070	7,474,423	77.0070	7,377,001	1/ 1/2010	7.0070	044,171	7,040,307	004,000
			100	52,616	99	52,096	9,474,425		9,474,425		9,379,681			844,171	7,048,389	634,355
			100	52,010	77	52,090	7,474,423		7,474,420	1	7,3/7,001			044,171	1,040,309	034,300

See Independent Auditor's Report.

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