SUMMER BREEZE PARK, LP

INDEPENDENT AUDITOR'S REPORT CERTIFICATION OF ACTUAL COSTS AND OPINION AS TO ELIGIBLE BASIS AND OWNER'S CERTIFICATION OF FUNDING SOURCES AND PROJECT SUBSIDY

NOVEMBER 15, 2016



INDEPENDENT AUDITOR'S REPORT

Owner's Name: Summer Breeze Park, LP Project Name: Summer Breeze Park

To the Partners Summer Breeze Park, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Summer Breeze Park, LP (the "Owner") for Summer Breeze Park ("the Project") as of November 15, 2016.

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 \$10,385,976 and eligible basis of \$9,294,559 of the Owner for the Project as of November 15, 2016, 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.

Atlanta, Georgia

November 28, 2016

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

DEVELOPMENT COST SCHEDULE	_					Amortizable or
		TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Non-Depreciable Basis
PRE-DEVELOPMENT COSTS	_	_	-	PRE-DEVE	LOPMENT COSTS	-
Property Appraisal		6,500	6,500	1112 2212		
Market Study		5,250	5,250			
Environmental Report(s)		12,100	12,100			
Soil Borings		7,350	7,350			
Boundary and Topographical Survey		15,328	15,328			
Zoning/Site Plan Fees						
Other: Off Site Utility Locating	_	4,500				4,500
	Subtotal	51,028	46,528	-	-	4,500
ACQUISITION				ACC	QUISITION	
Land		325,000				325,000
Demolition						
Acquisition Legal Fees (if existing structures	s)					
Existing Structures						
	Subtotal	325,000		-		325,000
SITE IMPROVEMENTS				SITE IM	PROVEMENTS	
Site Preparation (On-site)						
Site Preparation (Off-site)		191,850				191,850
, , ,	Subtotal	191,850	-	-	-	191,850
UNIT/BUILDING CONSTRUCTION				UNIT/BUIL DIN	NG CONSTRUCTION	
Unit/Building Construction/New Construction	n	6,384,626	6,384,626	<u> </u>		
Unit/Building Construction/Rehab		.,,				
Project Amenities / Accessory Buildings	•					
Other:						
	Subtotal	6,384,626	6,384,626	-	-	-
CONTRACTOR SERVICES				CONTRAC	CTOR SERVICES	
Builder's Overhead: 2.00%	131,530	127,231	127,231	•		
Builder Profit: 6.00%	394,589	381,584	381,584			
General Requirements 6.00%	394,589	358,716	358,716			
Payment/performance bond or	·	63,101	63,101			
letter-of-credit fee or premium	Subtotal	930,632	930,632	-	-	-
Total Construction Costs 104,265.39 7,507,108 98.86	per unit per sq ft					

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

I. DEVELOPMENT COST SCHED	ULE	ı					Amortizable or
				New Construction	Acquisition	Rehabilitation	Non-Depreciable
			TOTAL COST	Basis	Basis	Basis	Basis
		'					
CONSTRUCTION REPLOD FINA	NONO				CONSTRUCTION DE	DIOD FINANCINO	
CONSTRUCTION PERIOD FINA	INCING				CONSTRUCTION PE	RIOD FINANCING	
Construction Loan Fee							
Construction Loan Interest			70.750	70.750			
Construction Legal Fees	_		73,750	73,750			2.12
Construction Period Real Estate	Тах		3,897	2,957			940
Construction Insurance			33,350	25,309			8,041
Bridge Loan Fee and Bridge Loa							
Other: Accessibility(4,400), Eart	hcraft(33,453)		37,853	37,853			
		Subtotal	148,850	139,870	-	=	8,980
PROFESSIONAL SERVICES			164,160	164,160	PROFESSIONA	AL SERVICES	
Architectural Fee - Design			-	-			
Architectural Fee - Supervision			38,988	38,988			
Engineering			13,342	13,342			
Real Estate Attorney			77,216	77,216			
Accounting			26,200	26,200			
Other: MaterialTesting(12,281),	Radon(2,850)		15,131	15,131			
		Subtotal	335,037	335,037	-	-	-
LOCAL GOVERNMENT FEES					LOCAL GOVER	NMENT FEES	
Building Permits			32,758	32,758			
Impact Fees							
Water Tap Fees waive	d? No						
Sewer Tap Fees waive			43,800	43,800			
Real Estate Taxes			,	10,000			
rtodi Zotato Taxoo		Subtotal	76,558	76,558	-	-	-
PERMANENT FINANCING FEE			-,		PERMANENT FIN	IANCINO FEEC	
Permanent Loan Fees	•				PERMANENT FIN	IANCING FEES	
			7,375				7,375
Permanent Loan Legal Fees			19,122	19,122			1,375
Title and Recording Fees			19,122	14,000			
As-Built Survey			14,000	14,000			
Bond Issuance Premium	Diagonat						
Cost of Issuance / Underwriter's			0.504	2.504			
Other: Utility Model(500), State	Fire Mar.(2,091)		2,591	2,591			7.075
		Subtotal	43,088	35,713	-	-	7,375

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

									Amortizable or
DEVELOPMENT COST SCHEDULE			New Construction Basis		Acquisition Basis		Rehabilitation Basis		Non-Depreciable
		TOTAL COST	Dasis		Dasis		Dasis		Basis
		TOTAL COST		J		ļ		J	
DCA-RELATED COSTS					DCA-RE	LATED	COSTS		
DCA Loan Application Fee		2,000							2,000
Tax Credit Application Fee		6,500							6,500
DCA Waiver Fees		1,500							1,500
LIHTC Allocation Processing Fee	47,895	54,737							54,737
LIHTC Compliance Monitoring Fee	50,400	57,600							57,600
DCA Front End Analysis Fee (when ID of Interest)									
DCA Final Inspection Fee									
Other:	Subtotal	122,337							122,337
	Subtotal	122,331							122,337
EQUITY COSTS					EQU	JITY CO	STS		
Partnership Organization Fees									
Tax Credit Legal Opinion		2,500		1				1	2,500
Other: Raymond James		50,000							50,000
	Subtotal	52,500	-		-		-		52,500
DEVELOPER'S FEE					DEVE	LOPER'	S FEE		
Developer's Overhead		260,000	260,000						
Consultant's Fee									
Developer's Fee		1,040,000	1,040,000						
	Subtotal	1,300,000	1,300,000		-		-		-
START-UP AND RESERVES					START-U	AND R	RESERVES		
Marketing		20,000							20,000
Rent -Up Reserves		72,017							72,017
Operating Deficit Reserve:		182,000							182,000
Replacement Reserve		22.222		1				1	
Furniture, Fixtures and Equipment		20,000	20,000			•			
Other: Inspections	Cubtatal	25,595	25,595						074.047
	Subtotal	319,612	45,595		-		-		274,017
OTHER COSTS				1	OTH	IER CO	STS	1	
Relocation		404.000							404.000
Other: T & I Escrow		104,600							104,600
Other: Bank Fees	Cubtatal	258 104,858							258 104,858
	Subtotal]	-		-]	
TOTAL DEVELOPMENT COST		10,385,976	9,294,559		-		-		1,091,417
Per Unit		144,249.67							
Per Square Foot		136.77							
•									

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS **TAX CREDIT CALCULATION - BASIS METHOD** New Construction 4% Acquisition Rehabilitation Basis **Basis 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 **Total Subtractions From Basis:** 0 0 **Eligible Basis Calculation Total Basis** 9.294.559 0 0 Less Total Subtractions From Basis (see above) 0 0 9,294,559 0 0 **Total Eligible Basis** 100.00% Eligible Basis Adjustment for DDA/QCT Location Adjusted Eligible Basis 9,294,559 0 0 Multiply Adjusted Eligible Basis by Applicable Fraction 100.00% 100.00% 100.00% **Qualified Basis** 9.294.559 0 0 9.00% Multiply Qualified Basis by Applicable Credit Percentage Maximum Tax Credit Amount 836,510 0 0 836.510 Total Basis Method Tax Credit Calculation III. TAX CREDIT CALCULATION - GAP METHOD **Equity Gap Calculation** 10.385.976 **Total Development Cost** 2.500.000 Subtract Non-LIHTC (excluding deferred fee) Source of Funds Equity Gap 7,885,976 / 10 Divide Equity Gap by 10 788,598 Annual Equity Required Federal State 0.8000 0.3500 Enter Final Federal and State Equity Factors (not including GP contribution) 1.1500 Total Gap Method Tax Credit Calculation 685,737 IV. TAX CREDIT CARRYOVER ALLOCATION Allocation Year 2014 684.210 **FINAL TAX CREDIT ALLOCATION REQUEST** 684.210 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

OAH Final Allocation Application

Name - Please Type

Date

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

VI. OWNER COMMENTS AND CLARIFICATIONS

The total construction contract was for \$7,252,157, plus the off site work completed by Mack Homes Enterprises in the amount of \$191,850 for off site water supply, plus the payment and performance bond in the amount of \$63,101.

PART THREE - SOURCES OF FUNDS - Summer Breeze Park - 2014-030

PERMANENT FINANCING			Interest	Term	Amort.	Annual Debt Svc		
Financing Type	Name of Financing Entity	Principal Amount	Rate	(Years)	(Years)	Per Terms Given	Loan Type	Balloon?
First Mortgage	DCA HOME	2,500,000	1.000%	20			Cash Flow	Yes
Second Mortgage								
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Deferred Developer Fee	4,480						
Federal Grant						•		
State, Local, or Private Grant								
Federal Housing Credit Equity	Raymond Jaems	5,486,212						
State Housing Credit Equity	Raymond Jaems	2,395,284						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify)								
Other Source (specify)								
Other Source (specify)								
Total Permanent Financing:		10,385,976						
Total Development Costs from Development Cost Schedu	e:	10,385,976						
Surplus/(Shortage) of Permanent Funds to Development C	Costs:	0						
DCA HOME loan interest rate per Year:	1 -7 8 9 10	11 12	13	14	15			
Operating Year for Projects located in Rate:								
Rural Areas:			•	•	•	_		

VII. OWNER COMMENTS AND CLARIFICATIONS

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Summer Breeze Park - 2014-030

Cost Certification Date:	11/15/2016	Carryover Allocation Date:	1/27/2015	Project Address:	14 Summer Breeze Lane, Ringgold GA 30736
Type of Activity:	New Construction				

Please do NOT include common space employee units!															
		Total	Total	Nbr	Low						Date			FINAL Tax Credi	t Allocation
	Building	Nbr of	Residential	of Low	Income	Building's	QCT/	Building's	Building's	Building's	Placed	Applic.	Tax	Reques	st
	Identification	Residntl	Square	Income	Square	Eligible	DDA	Adjusted	Applicable	Qualified	In	Credit	Credit	Building's	Tax Credit
Building Address	<u>Number</u>	<u>Units</u>	<u>Footage</u>	<u>Units</u>	<u>Footage</u>	<u>Basis</u>	Boost	<u>Basis</u>	<u>Fraction</u>	<u>Basis</u>	<u>Service</u>	<u>%</u>	<u>Amount</u>	Qualified Basis	<u>Amount</u>
100 Summer Breeze Ln.,Ringgold,GA 30736	GA-15-23001	12	12,738	12	12,738	1,559,356	1	1,559,356	100.00%	1,559,356	10/3/2016	9.00%	140,342	1,275,448	114,790
200 Summer Breeze Ln.,Ringgold,GA 30736	GA-15-23002	12	14,712	12	14,712	1,801,008	1	1,801,008	100.00%	1,801,008	10/3/2016	9.00%	162,091	1,473,103	132,579
300 Summer Breeze Ln.,Ringgold,GA 30736	GA-15-23003	12	11,341	12	11,341	1,388,338	1	1,388,338	100.00%	1,388,338	10/3/2016	9.00%	124,950	1,135,570	102,201
400 Sunny Ln,Ringgold, Ga 30736	GA-15-23004	12	12,738	12	12,738	1,559,356	1	1,559,356	100.00%	1,559,356	10/3/2016	9.00%	140,342	1,275,448	114,790
500 Sunny Ln,Ringgold, Ga 30736	GA-15-23005	12	14,592	12	14,592	1,786,318	1	1,786,318	100.00%	1,786,318	10/3/2016	9.00%	160,769	1,461,092	131,498
600 Sunny Ln,Ringgold, Ga 30736	GA-15-23006	12	9,804	12	9,804	1,200,183	1	1,200,183	100.00%	1,200,183	10/3/2016	9.00%	108,016	981,670	88,350
		72	75,925	72	75,925	9,294,559		9,294,559		9,294,559			836,510	7,602,331	684,210
		12	10,920	ΙZ	10,720	7,274,009		7,274,009		7,274,009			030,310	1,002,331	004,210