RETREAT AT MILLS CREEK, LP
FINAL COST CERTIFICATION
July 21, 2017
with
Report of Independent Auditors
Report of Independent Auditors

To the Partners of
Retreat at Mills Creek, LP
DCA# 2014-050:

Report on the Final Cost Certification

We have audited the costs included in the accompanying Georgia Department of Community Affairs (“DCA”) Certification of Actual Cost (the “Final Cost Certification”) as of July 21, 2017 for The Retreat at Mills Creek (the “Project”), prepared and executed by the management of Retreat at Mills Creek, LP (the “Partnership”).

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 accounting practices prescribed by the Internal Revenue Service, under the accrual method of accounting, and in accordance with the format and Qualified Allocation Plan rules set forth by the DCA, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of the Final Cost Certification that is free from material misstatement, whether due to fraud or error.

Auditors’ 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 from 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 auditors’ 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 auditors consider 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.

_Basis for Qualified Opinion_

We were unable to obtain evidence to support the actual funding of the reserves by the Partnership. The Partnership anticipates funding the lease-up reserve in the amount of $121,493 and operating deficit reserve in the amount of $252,587 (collectively, the “Reserves”).

_Qualified Opinion_

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the Final Cost Certification referred to above presents fairly, in all material respects, the total costs of $13,873,072 and eligible basis of $12,857,691 of the Partnership for the Project as of July 21, 2017 in accordance with the basis of accounting described above.

_Restriction on Use_

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

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

_{Signature}_

July 21, 2017
### CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

#### I. DEVELOPMENT COST SCHEDULE

<table>
<thead>
<tr>
<th></th>
<th>TOTAL COST</th>
<th>New Construction Basis</th>
<th>Acquisition Basis</th>
<th>Rehabilitation Basis</th>
<th>Amortizable or Non-Depreciable Basis</th>
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## Development Cost Schedule

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### DEVELOPMENT COST SCHEDULE

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<th>TOTAL COST</th>
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<th>Acquisition Basis</th>
<th>Rehabilitation Basis</th>
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## II. TAX CREDIT CALCULATION - BASIS METHOD

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<th>Item</th>
<th>New Construction Basis</th>
<th>4% Acquisition Basis</th>
<th>Rehabilitation Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtractions From Eligible Basis</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of federal grant(s) used to finance qualifying development costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of federal below market rate loan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of nonqualified nonrecourse financing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of Nonqualifying units of higher quality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonqualifying excess portion of higher quality units</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Historic Tax Credit (Residential Portion Only)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Subtractions From Basis:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Eligible Basis Calculation**

| Total Basis                                                      | 12,857,691 |          |          |
| Less Total Subtractions From Basis (see above)                   |            |          |          |
| Total Eligible Basis                                            | 12,857,691 |          |          |
| Eligible Basis Adjustment for DDA/QCT Location                  | 130.00%    |          |          |
| Adjusted Eligible Basis                                         | 16,714,998 |          |          |
| Multiply Adjusted Eligible Basis by Applicable Fraction          | 100.00%    |          |          |
| Qualified Basis                                                 | 16,714,998 |          |          |
| Multiply Qualified Basis by Applicable Credit Percentage          | 9.00%      |          |          |
| Maximum Tax Credit Amount                                        | 1,504,350  |          |          |
| **Total Basis Method Tax Credit Calculation**                    | 1,504,350  |          |          |

## III. TAX CREDIT CALCULATION - GAP METHOD

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Development Cost</td>
<td>13,873,072</td>
</tr>
<tr>
<td>Subtract Non-LUHTC (excluding deferred fee) Source of Funds</td>
<td>3,505,071</td>
</tr>
<tr>
<td>Equity Gap</td>
<td>10,368,001</td>
</tr>
<tr>
<td>Divide Equity Gap by 10</td>
<td>/ 10</td>
</tr>
<tr>
<td>Annual Equity Required</td>
<td>1,036,800</td>
</tr>
<tr>
<td>Enter Final Federal and State Equity Factors (not including GP contribution)</td>
<td>1,5100</td>
</tr>
<tr>
<td>Total Gap Method Tax Credit Calculation</td>
<td>686,623</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Federal</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0200</td>
<td>0.4900</td>
</tr>
</tbody>
</table>

## IV. TAX CREDIT CARRYOVER ALLOCATION

<table>
<thead>
<tr>
<th>Allocation Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>686,000</td>
</tr>
</tbody>
</table>

## V. FINAL TAX CREDIT ALLOCATION REQUEST

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**

10/26/17