

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
Mercy Housing Georgia 13, LP
November 30, 2015

Mercy Housing Georgia 13, LP

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Independent Auditor's Report

Owner's Name: Mercy Housing Georgia 13, LP
Project Name: Savannah Gardens Phase IV
Project Number: 2012-008

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 Fund Sources and Project Subsidy, and the building allocation of Qualified Basis Worksheet (the "Final Cost Certification") of Mercy Housing Georgia 13, LP (the "Owner") for Savannah Gardens Phase IV ("the Project") as of November 30, 2015.

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 \$16,406,896 and adjusted eligible basis of \$13,136,380 of the Owner for the Project as of November 30, 2015, in accordance with financial reporting provisions and qualified allocation plan rules established by DCA.

Basis of Accounting

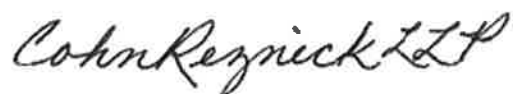
We draw attention to the financial reporting provisions of DCA, which require the Owner to account for actual costs and eligible basis in accordance with the basis of accounting the Owner uses for income tax purposes and to comply with the provisions of DCA's qualified allocation plan, which is a basis 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 certify that we have no financial interest in this project other than in the practice of our profession.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Charlotte, North Carolina
February 6, 2016

Project Name	Savannah Gardens IV	DCA Project Number	2012-008
Date of Final Allocation Application	6/11/12	Date of Architectural Clearance	3/17/15
Start of First Year of Credit	1/1/15	Date of Compliance Clearance	

Accountant Completing Cost Certification

Name	Nicholas S. Mathias, CPA			
Address	525 N. Tryon St. Suite 1000			
City	Charlotte	State	NC	Zip 28202
Title	Principal	E-mail	Nic.Mathias@CohnReznick.com	
Office Phone	(704) 900-2013	Ext.	NA	Fax (704) 332-6444
				Direct Line (704) 900-2013

Owner Contact for Application Review

Name	Mercy Housing Georgia 13, LP Attn: Tina Lowe			
Address	260 Peachtree St., Suite 1800			
City	Atlanta,	State	GA	Zip 30303
Title	SVP of Real Estate	E-mail	tlowe@mercyhousing.org	
Office Phone	(404) 418-6199	Ext.	NA	Fax (404) 881-1191
				Direct Line (404) 418-6199
				Cellular (404) 418-6199

I. Project Location				Scattered Site?	No
Street Address	514 Pennsylvania Ave			Acreage	4.958
City	Savannah	Zip+4	31404	Census Tract #	36.01
Within City Limits?	Yes	County	Chatham	QCT/DDA?	No
In USDA Rural Area?	No	MSA name, if applicable			

II. Project Description

A. Type of Activity: Indicate number of units in each category that applies: New Construction **114** Acq/Rhb **-** Rehab **-**

B. Buildings

Number of Residential Buildings	21
Number of Non-Residential Buildings	-
Total Number of Buildings	21

C. Unit Breakdown

Number of Low Income Units	90	(Include manager units that are income restricted)
Number of Market Rate Units	23	
Total Residential Units	113	
Common Space Units	1	(no rent may be charged)
Total Units	114	

D. Unit Area

Total Low Income Residential Square Footage	100,130
Total Market Rate Residential Square Footage	25,158
Total Residential Square Footage	125,288
Total Common Space Square Footage	1,058
Total Square Footage	126,344

E. Targeted Population

Family	
Number of Units Reserved for Special Needs	0
Number of Units Equipped for Mobility Impaired	7
Number of Units Equipped for Sight/Hearing Impaired	3

III. Tax Exempt Bond Financed Project

Issuer:	
Inducement Date:	
Applicable QAP:	

IV. Low Income Targeting

Number of 30% Units	0
Number of 50% Units	23
Number of 60% Units	67
Number of PBRA Units	0

V. Government Funding Sources (check all that apply)

Tax Credits	<input checked="" type="checkbox"/>	USDA 515	<input type="checkbox"/>	CDBG	<input type="checkbox"/>	AHP	<input type="checkbox"/>	Historic Rehab Credits	<input type="checkbox"/>
HOME	<input type="checkbox"/>	USDA 538	<input type="checkbox"/>	HUD	<input type="checkbox"/>			FHA Insured Mortgage	<input type="checkbox"/>
Tax Exempt Bonds	<input type="checkbox"/>	FHLB	<input type="checkbox"/>	Other	<input type="checkbox"/>	(describe)			
Taxable Bonds	<input type="checkbox"/>	HOPE VI	<input type="checkbox"/>	Other	<input type="checkbox"/>	(describe)			

VI. Owner Certification

Deeper Targeting	<input type="checkbox"/>
Government Financial Assistance	<input type="checkbox"/>

VII. OWNER COMMENTS AND CLARIFICATIONS

Please note this property is made up of 21 one buildings, 12 three story garden apartment buildings and 9 duplex buildings. The 9 duplex units consist of a total of 18 units while the 12, three story garden buildings make up 96 units. Commercial spaces are located on the ground level of buildings 2500 and 2800.

I. OWNERSHIP INFORMATION

A. OWNERSHIP ENTITY

Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

Mercy Housing Georgia 13, LP				(Enter name as it will appear on all legal documents)			
260 Peachtree St Suite 1800				Federal Tax ID Nbr: 45-5108221			
Atlanta, GA	State	ga	Zip	30303			
Tina Lowe	Title	SVP of Real Estate		E-mail tlowe@mercyhousing.org			
(404) 418-6199	Fax	(404) 881-1191	Direct Line	(404) 418-6199 Cellular			

B. PARTNERSHIP INFORMATION

1. GENERAL PARTNER(S)

a. Managing Gen'l Partner
Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

MHSE Savannah Gardens Phase IV GP, LLC				Federal Tax ID Nbr: 27-2884476			
260 Peachtree St Suite 1800							
Atlanta	State	Ga	Zip	30303			
Tina Lowe	Title	SVP of Real estate		E-mail tlowe@mercyhousing.org			
(404) 418-6199	Fax	(404) 881-1191	Direct Line	(404) 418-6199 Cellular			

b. Other General Partner
Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

				Federal Tax ID Nbr:			
	State		Zip				
	Title			E-mail			
	Fax		Direct Line	Cellular			

2. LIMITED PARTNERS

a. Federal Limited Partner
Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

SunTrust Community Capital				Federal Tax ID Nbr: 58-2391673			
25 Park Place 18th Floor							
Atlanta	State	GA	Zip	30303			
Brian Womble	Title	First VP		E-mail brian.womble@suntrust.com			
(404) 588-8775	Fax	(404) 824-6025	Direct Line	(404) 588-8775 Cellular			

b. State Limited Partner
Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

SunTrust Community Capital				Federal Tax ID Nbr: 58-2391673			
25 Park Place 18th Floor							
Atlanta	State	GA	Zip	30303			
Brian Womble	Title	First VP		E-mail brian.womble@suntrust.com			
(404) 588-8775	Fax	(404) 824-6025	Direct Line	(404) 588-8775 Cellular			

3. NONPROFIT SPONSOR

Nonprofit Sponsor*
Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

Mercy Community Housing Georgia, Inc				Federal Tax ID Nbr: 58-2434289			
260 Peachtree St, Suite 1800							
Atlanta	State	GA	Zip	30303			
Tina Lowe	Title	SVP of Real Estate		E-mail tlowe@mercyhousing.org			
(404) 418-6199	Fax	(404) 824-6025	Direct Line	(404) 418-6199 Cellular			

II. DEVELOPER(S)

A. DEVELOPER

Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

Mercy Housing Southeast				Federal Tax ID Nbr: 56-1993872			
260 Peachtree St, Suite 1800							
Atlanta	State	GA	Zip	30303			
Tina Lowe	Title	SVP of Real Estate		E-mail tlowe@mercyhousing.org			
(404) 418-6199	Fax	(404) 881-1191	Direct Line	(404) 418-6199 Cellular (404) 418-6199			

B. CO-DEVELOPER 1

Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

				Federal Tax ID Nbr:			
	State		Zip				
	Title			E-mail			
	Fax		Direct Line	Cellular			

C. CO-DEVELOPER 2

Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

				Federal Tax ID Nbr:			
	State		Zip				
	Title			E-mail			
	Fax		Direct Line	Cellular			

D. DEVELOPMENT CONSULTANT

Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

				Federal Tax ID Nbr:			
	State		Zip				
	Title			E-mail			
	Fax		Direct Line	Cellular			

III. OTHER PROJECT TEAM MEMBERS

A. OWNERSHIP CONSULTANT

Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

Federal Tax ID Nbr:			
State	Zip		
Title	E-mail		
Fax	Direct Line	Cellular	

B. GENERAL CONTRACTOR

Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

Federal Tax ID Nbr:		26-3189928	
State	GA	Zip	31406
Title	President	E-mail	mike@norsouth.com
Fax	(912) 644-6969	Direct Line	(912) 644-6969
		Cellular	

C. MANAGEMENT COMPANY

Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

Federal Tax ID Nbr:		62-0376108	
State	GA	Zip	30303
Title	regional vp	E-mail	ssmitley@mercyhousing.org
Fax	(404) 975-4194	Direct Line	(404) 975-4194
		Cellular	

D. ATTORNEY

Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

Federal Tax ID Nbr:		58-2211993	
State	GA	Zip	31401
Title	Partner	E-mail	thenneman@huntemaclean.com
Fax	(912) 944-1635	Direct Line	(912) 944-1635
		Cellular	

E. ACCOUNTANT

Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

Federal Tax ID Nbr:		58-0946915	
State	NC	Zip	28202
Title	Principal	E-mail	tom.fassett@reznickgroup.com
Fax	(704) 295-9300	Direct Line	(704) 295-9300
		Cellular	

F. ARCHITECT

Office Street Address
City
Name of Principal
10-Digit Office Phone / Ext.

Federal Tax ID Nbr:		58-1478866	
State	GA	Zip	30030
Title	VP	E-mail	mriley@martinriley.com
Fax	(404) 373-2800	Direct Line	
		Cellular	

IV. OTHER REQUIRED INFORMATION (Answer each of the 6 questions below for each participant listed below.)

Participant	1. Is this entity a MBE / WBE?	2. Has any person, principal, or agent for this entity ever been convicted of a felony (Yes or No)? If yes, attach explanation.	3. Does this entity have an identity of interest with any other entity in this chart? If yes, attach explanation.	4. Does this entity have an identity of interest with any member, officer, or employee of DCA? If yes, attach explanation.	5. Has this entity ever been debarred or suspended from any local, state, or federal housing program? If yes, attach explanation.	6. Applicable Organizational Type (For Profit, Nonprofit, CHDO)	7. Project Ownership Percentage
Managing General Partner	No	No	Yes	No	No	For Profit	0.010%
Other General Partner 1							
Other General Partner 2							
Federal Limited Partner	No	No	No	No	No	For Profit	99.800%
State Limited Partner	No	No	No	No	No	For Profit	0.010%
Nonprofit Sponsor	No	No	Yes	No	No	Nonprofit	0.000%
Developer	No	No	Yes	No	No	Nonprofit	0.000%
Co-Developer 1							
Co-Developer 2							
Owner Consultant							
Developer Consultant							
Contractor	No	No	No	No	No	For Profit	0.000%
Management Company	No	No	Yes	No	No	Nonprofit	0.000%

V. OWNER COMMENTS AND CLARIFICATIONS

For liability and tax reasons, MHSE Savannah Gardens Phase IV GP, LLC is a for profit corporation. However, Mercy Community Housing Georgia, Inc. is the sole Member and Non-Profit Sponsor of the General Partner.

I. PERMANENT FINANCING

Financing Type	Name of Financing Entity	Principal Amount	Interest Rate	Term (Years)	Amort. (Years)	Annual Debt Svc Per Terms Given	Loan Type	Balloon?
First Mortgage	Prudential First Mortgage	5,200,000	4.790%	42	42	287,716	Amortizing	No
Second Mortgage	CHSA	195,000	0.000%	41	41	4,756	Cash Flow	No
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Mercy Housing Southeast	1,392,997	0.000%	15	15	92,866	Cash Flow	No
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	STCC Savannah Gardens IV, L.L.C.	6,839,215						
State Housing Credit Equity	STCC Savannah Gardens IV, L.L.C.	2,779,684						
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:		16,406,896						
Total Development Costs from Development Cost Schedule:		16,406,896						
Surplus/(Shortage) of Permanent Funds to Development Costs:		0						

DCA HOME loan interest rate per Operating Year for Projects located in Rural Areas:

Year:	1-7	8	9	10	11	12	13	14	15
Rate:									

VII. OWNER COMMENTS AND CLARIFICATIONS

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	5,250	5,078			172
Market Study	10,748	10,396			352
Environmental Report(s)	26,176	25,320			856
Soil Borings	-	-			-
Boundary and Topographical Survey	6,100	5,900			200
Zoning/Site Plan Fees	-	-			-
Other: Front End Cost Review	-	-			-
Subtotal	48,274	46,694	-	-	1,580
ACQUISITION					
Land	1,140,000				1,140,000
Demolition	-				-
Acquisition Legal Fees (if existing structures)	7,500				7,500
Existing Structures	-				-
Subtotal	1,147,500	-	-	-	1,147,500
SITE IMPROVEMENTS					
Site Preparation (On-site)	953,727	796,559			157,168
Site Preparation (Off-site)	450,938	243,416			207,522
Subtotal	1,404,665	1,039,975	-	-	364,690
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	7,742,733	7,489,481			253,252
Unit/Building Construction/Rehab	-	-			-
Project Amenities / Accessory Buildings	-	-			-
Other: Furniture, Fixtures and Equipment within the contract	637,739	616,880			20,859
Subtotal	8,380,472	8,106,361	-	-	274,111
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	195,703	180,551			5,906
Builder Profit: 6.00%	587,108	541,653			17,717
General Requirements 6.00%	587,108	234,224			7,661
Payment/performance bond or letter-of-credit fee or premium		133,393			4,363
Subtotal	1,089,821	1,054,174	-	-	35,647
Total Construction Costs	95,394.37 per unit				
	10,874,958	86.07 per sq ft			

DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non Depreciable Basis
CONSTRUCTION PERIOD FINANCING					
Construction Loan Fee	160,352	50,309			110,043
Construction Loan Interest	513,625	269,604			244,021
Construction Legal Fees	97,500	5,836			91,664
Construction Period Real Estate Tax	25,379	13,678			11,701
Construction Insurance	61,555	61,555			-
Bridge Loan Fee and Bridge Loan Interest	-	-			-
Other: Letter of Credit Interest	13,287	13,287			-
Subtotal	871,698	414,269	-	-	457,429
PROFESSIONAL SERVICES					
Architectural Fee - Design	290,500	280,998			9,502
Architectural Fee - Supervision	-	-			-
Engineering	167,772	162,284			5,488
Real Estate Attorney	7,500	7,255			245
Accounting	38,045	16,800			21,245
Other: Green Building/Inspection Fees	-	-			-
Subtotal	503,817	467,337	-	-	36,480
LOCAL GOVERNMENT FEES					
Building Permits	143,753	139,051			4,702
Impact Fees	-	-			-
Water Tap Fees <i>waived?</i>	-	-			-
Sewer Tap Fees <i>waived?</i>	-	-			-
Real Estate Taxes	9,249	8,946			303
Subtotal	153,002	147,997	-	-	5,005
PERMANENT FINANCING FEES					
Permanent Loan Fees	2,100				2,100
Permanent Loan Legal Fees	750				750
Title and Recording Fees	184,849	24,446			160,403
As-Built Survey	-	-			-
Bond Issuance Premium	-	-			-
Cost of Issuance / Underwriter's Discount	-	-			-
Other: MIP & MAP processing fee	49,895	30,810			19,085
Subtotal	237,594	55,256	-	-	182,338

I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non Depreciable Basis
DCA-RELATED COSTS					
DCA Loan Application Fee	-				-
Tax Credit Application Fee	9,405				9,405
DCA Waiver Fees	-				-
LIHTC Allocation Processing Fee	51,208	58,523			58,523
LIHTC Compliance Monitoring Fee	68,400	91,200			91,200
DCA Front End Analysis Fee (when ID of Interest)	-				-
DCA Final Inspection Fee	3,000				3,000
Other: Other (Specify)	-				-
Subtotal	162,128				162,128
EQUITY COSTS					
Partnership Organization Fees	830				830
Tax Credit Legal Opinion	-				-
Other: syndication Legal Fees	22,500	-			22,500
Subtotal	23,330				23,330
DEVELOPER'S FEE					
Developer's Overhead	-				-
Consultant's Fee	-				-
Developer's Fee	1,800,000	1,741,125			58,875
Subtotal	1,800,000	1,741,125			58,875
START-UP AND RESERVES					
Marketing	8,819				8,819
Rent -Up Reserves	122,359				122,359
Operating Deficit Reserve:	-				-
Replacement Reserve	389,529				389,529
Furniture, Fixtures and Equipment	42,612	42,612			-
Other: Other Lease Up Costs	-				-
Subtotal	563,319	42,612			520,707
OTHER COSTS					
Relocation	-				-
Other: Other Lender Inspection	21,276	20,580			696
Other: Other Lender Due Diligence	-				-
Subtotal	21,276	20,580			696
TOTAL DEVELOPMENT COST	16,406,896	13,136,380			3,270,516
Per Unit	143,920.14				
Per Square Foot	129.86				

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			
Total Subtractions From Basis:	0		0
Eligible Basis Calculation			
Total Basis	13,136,380	0	0
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	13,136,380	0	0
Eligible Basis Adjustment for DDA/QCT Location	100.00%		100.00%
Adjusted Eligible Basis	13,136,380	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction		83.17%	83.17%
Qualified Basis	10,925,549	0	0
Multiply Qualified Basis by Applicable Credit Percentage		9.00%	
Maximum Tax Credit Amount	983,299	0	0
Total Basis Method Tax Credit Calculation		983,299	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

Total Development Cost	16,406,896		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	5,395,000		
Equity Gap	11,011,896		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	1,101,190		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.2000	=	Federal 0.9300 + State 0.2700
Total Gap Method Tax Credit Calculation	917,658		

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

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 _____

VI. OWNER COMMENTS AND CLARIFICATIONS

I. UTILITY ALLOWANCE SCHEDULE #1

Source of Utility Allowances
 Date of Utility Allowances

Utility	Fuel	Paid By (check one):		Tenant-Paid Utility Allowances by Unit Size				
		Tenant	Owner	0 BR	1 BR	2 BR	3 BR	4 BR
Heat	Natural Gas							
Heat	Electric							
Heat	Propane							
Heat	78% + AFUE Gas							
Heat	Electric Heat Pump	X			2	2	2	
Air Conditioning	Electric	X			11	13	16	
Cooking	Natural Gas							
Cooking	Electric	X			6	6	7	
Cooking	Propane							
Hot Water	Natural Gas							
Hot Water	Electric	X			24	28	35	
Hot Water	Propane							
Lights	Electric	X			31	35	41	
Water & Sewer	Submetered?	No	X		33	41	55	
Refuse Collection			X					
Total Utility Allowance by Unit Size				0	107	125	156	0

Election to use Electric Utility Provider's Allowance as outlined in the QAP (TAX CREDIT ONLY)
**Elderly allowances cannot be used except at properties that have 100% PBRA and satisfy the DCA definition of "elderly"*

OWNER COMMENTS AND CLARIFICATIONS

II. UTILITY ALLOWANCE SCHEDULE #2

Source of Utility Allowances
 Date of Utility Allowances

Utility	Fuel	Paid By (check one):		Tenant-Paid Utility Allowances by Unit Size				
		Tenant	Owner	0 BR	1 BR	2 BR	3 BR	4 BR
Heat	Natural Gas							
Heat	Electric							
Heat	Propane							
Heat	78% + AFUE Gas							
Heat	Electric Heat Pump							
Air Conditioning	Electric							
Cooking	Natural Gas							
Cooking	Electric							
Cooking	Propane							
Hot Water	Natural Gas							
Hot Water	Electric							
Hot Water	Propane							
Lights	Electric							
Water & Sewer	Submetered?							
Refuse Collection								
Total Utility Allowance by Unit Size				0	0	0	0	0

Election to use Electric Utility Provider's Allowance as outlined in the QAP (TAX CREDIT ONLY)
**Elderly allowances cannot be used except at properties that have 100% PBRA and satisfy the DCA definition of "elderly"*

OWNER COMMENTS AND CLARIFICATIONS

I. RENT SCHEDULE

Please do not copy and paste cells or rows in this Rent Schedule!

No. of Bedrms	No. of Bathrms	Unit Count	Unit Area	Unit Rent Type	Gross Rent Limit	Gross Rent	Utility Allowance	PBRA Type	Net Rent Per Unit	Net Rent Total	Employee Unit	Building Type	Type of Activity
1	1.0	2	717	50% AMI	570	570	113		457	914	No	3+ Story	New Construction
1	1.0	1	886	50% AMI	570	570	113		457	457	No	3+ Story	New Construction
2	2.0	8	1,040	50% AMI	685	685	133		552	4,416	No	3+ Story	New Construction
2	2.0	5	1,108	50% AMI	685	685	133		552	2,760	No	3+ Story	New Construction
3	2.0	3	1,184	50% AMI	790	790	167		623	1,869	No	3+ Story	New Construction
3	2.0	1	1,252	50% AMI	790	790	167		623	623	No	3+ Story	New Construction
3	2.0	3	1,333	50% AMI	790	790	199		591	1,773	No	Duplex	New Construction
1	1.0	3	717	60% AMI	684	684	113		571	1,713	No	3+ Story	New Construction
1	1.0	1	805	60% AMI	684	684	113		571	571	No	3+ Story	New Construction
1	1.0	2	886	60% AMI	684	684	113		571	1,142	No	3+ Story	New Construction
2	2.0	24	1,040	60% AMI	802	802	133		669	16,056	No	3+ Story	New Construction
2	2.0	11	1,108	60% AMI	802	802	133		669	7,359	No	3+ Story	New Construction
2	2.0	4	1,150	60% AMI	802	802	133		669	2,676	No	3+ Story	New Construction
3	2.0	7	1,184	60% AMI	948	948	167		781	5,467	No	3+ Story	New Construction
3	2.0	2	1,252	60% AMI	948	948	167		781	1,562	No	3+ Story	New Construction
3	2.0	11	1,333	60% AMI	948	948	199		749	8,239	No	Duplex	New Construction
3	2.0	2	1,608	60% AMI	948	948	167		781	1,562	No	3+ Story	New Construction
1	1.0	1	805	Market	733	675			675	675	No	3+ Story	New Construction
1	1.0	1	876	Market	733	675			675	675	No	3+ Story	New Construction
1	1.0	1	717	Market	733	675			675	675	No	3+ Story	New Construction
2	2.0	8	1,040	Market	816	775			775	6,200	No	3+ Story	New Construction
2	2.0	1	1,056	Market	816	775			775	775	No	3+ Story	New Construction
2	2.0	4	1,108	Market	816	775			775	3,100	No	3+ Story	New Construction
3	2.0	2	1,184	Market	1,083	875			875	1,750	No	3+ Story	New Construction
3	2.0	1	1,252	Market	1,083	875			875	875	No	3+ Story	New Construction
3	2.0	4	1,333	Market	1,083	875			875	3,500	No	Duplex	New Construction
2	2.0	1	1,056						-	-	Common	3+ Story	New Construction
TOTAL		114	126,344							ANNUAL TOTAL	928,608		

II. UNIT SUMMARY

Low-Income Units

60% AMI
50% AMI
30% AMI
Total

Market Rate Units

Total Residential Units

Common Space Units

Total Units

Low Income Residential Square Footage

60% AMI
50% AMI
30% AMI
Total

Total Market Rate Residential Square Footage

Total Residential Square Footage

Total Common Space Square Footage

Total Square Footage

New Construction Units

Acquisition/Rehabilitation Units

Rehabilitation Units

Efficiency	1BR	2BR	3BR	4BR	Total	
-	8	39	22	-	67	(include mgr units that are income restricted)
-	3	13	7	-	23	
-	-	-	-	-	-	
-	9	52	29	-	90	
-	3	13	7	-	23	
-	12	65	36	-	113	
-	-	1	-	-	1	(no rent may be charged)
-	12	66	36	-	114	
-	4,728	41,748	28,671	-	75,147	
-	2,320	13,860	8,803	-	24,983	
-	-	-	-	-	-	
-	7,048	55,608	37,474	-	100,130	
-	2,398	13,808	8,952	-	25,158	
-	9,446	69,416	46,426	-	125,288	
-	-	1,056	-	-	1,056	
-	9,446	70,472	46,426	-	126,344	
-	12	66	36	-	114	
-	-	-	-	-	-	
-	-	-	-	-	-	

III. ANCILLARY AND OTHER INCOME (annual amounts)

Ancillary Income

18,572.16

Limited to 2% of potential gross income

Other Income (by Year)

	1	2	3	4	5	6	7	8	9	10
Property Tax Abatement	16,527	16,868	17,498	18,146	18,814	15,602	16,168	12,564	8,677	4,493
Property Tax Exemption										
Operating Subsidy										
Other:										
Total	16,527	16,868	17,498	18,146	18,814	15,602	16,168	12,564	8,677	4,493

	11	12	13	14	15
Property Tax Abatement					
Property Tax Exemption					
Operating Subsidy					
Other:					
Total	-	-	-	-	-

IV. ANNUAL OPERATING EXPENSE BUDGET

On-Site Staff Costs

Management Salaries & Benefits	76,010
Maintenance Salaries & Benefits	62,570
Support Services Salaries & Benefits	20,000
Other	
Subtotal	158,580

On-Site Office Costs

Office Supplies & Postage	12,415
Telephone	4,800
Travel	
Leased Furniture / Equipment	3,000
Activities Supplies / Overhead Cost	11,381
Other	
Subtotal	31,596

Maintenance Expenses

Contracted Repairs	4,700
General Repairs	
Grounds Maintenance	27,400
Extermination	2,640
Maintenance Supplies	6,000
Elevator Maintenance	
Redecorating	3,600
Other	
Subtotal	44,340

On-Site Security

Contracted Guard	
Electronic Alarm System	900
Subtotal	900

Professional Services

Legal	1,500
Accounting	25,600
Advertising	1,800
Other	
Subtotal	28,900

Utilities

Electricity	30,730
Natural Gas	
Water & Sewer	18,200
Trash Collection	22,000
Other	2,400
Subtotal	73,330

Taxes and Insurance

Real Estate Taxes	79,784
Insurance	34,870
Other	
Subtotal	114,654

Management Fee

	49,340
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Other

	0
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TOTAL OPERATING EXPENSES	4,400.35 per unit	501,640
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Replacement Reserve	- per unit	
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TOTAL ANNUAL EXPENSES		501,640
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V. OWNER COMMENTS AND CLARIFICATIONS

1.)

I. OPERATING ASSUMPTIONS

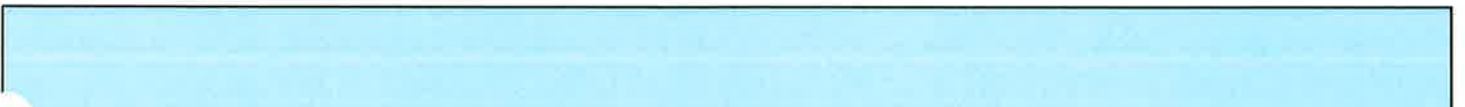
Revenue Growth	2.00%	Asset Management Fee	5,700	Yr 1 Asset Mgt Fee Percentage of EGI:	-0.00635165
Expense Growth	3.00%	Incentive Management Fee	-	Yr 1 Incent Mgt Fee Percentage of EGI:	0
- serves Growth	3.00%	Property Mgt Fee Growth (choose only one option):		Yr 1 Prop Mgt Fee Percentage of EGI:	-0.054999721
- vacancy & Collection Loss	7.00%	Expense Growth Rate (3.00%)	No		
Ancillary Income Limit	2.00%	Percent of Effective Gross Income	Yes	If Percent of EGI, indicate percentage:	5.500%

II. OPERATING PRO FORMA

Year	1	2	3	4	5	6	7	8	9	10
Revenues	928,608	947,180	966,124	985,446	1,005,155	1,025,258	1,045,763	1,066,879	1,088,012	1,109,773
Ancillary Income	18,572	18,944	19,322	19,709	20,103	20,505	20,915	21,334	21,760	22,195
Vacancy	(66,303)	(67,629)	(68,981)	(70,361)	(71,768)	(73,203)	(74,668)	(76,161)	(77,684)	(79,238)
Other Income	16,527	16,868	17,498	18,146	18,814	15,602	16,168	12,564	8,677	4,493
Expenses less Mgt Fee	(452,300)	(465,869)	(479,845)	(494,240)	(509,068)	(524,340)	(540,070)	(556,272)	(572,960)	(590,149)
Property Mgmt	(49,357)	(50,345)	(51,368)	(52,412)	(53,477)	(54,349)	(55,450)	(56,343)	(57,242)	(58,147)
Reserves	-	-	-	-	-	-	-	-	-	-
NOI	395,748	399,149	402,750	406,288	409,760	409,473	412,659	411,800	410,563	408,927
D/S First Mortgage	(287,716)	(287,716)	(287,716)	(287,716)	(287,716)	(287,716)	(287,716)	(287,716)	(287,716)	(287,716)
D/S Second Mortgage	(4,755)	(4,755)	(4,755)	(4,755)	(4,755)	(4,755)	(4,755)	(4,755)	(4,755)	(4,755)
D/S Third Mortgage	-	-	-	-	-	-	-	-	-	-
D/S	-	-	-	-	-	-	-	-	-	-
D/S	-	-	-	-	-	-	-	-	-	-
DCA HOME Cash Reserv.	-	-	-	-	-	-	-	-	-	-
DDF	(92,866)	(92,866)	(92,866)	(92,866)	(92,866)	(92,866)	(92,866)	(92,866)	(92,866)	(92,866)
Asset Mgmt	(5,700)	(5,700)	(5,700)	(5,700)	(5,700)	(5,700)	(5,700)	(5,700)	(5,700)	(5,700)
Incentive Mgmt	-	-	-	-	-	-	-	-	-	-
Cash Flow	4,709	8,111	11,712	15,250	18,721	18,435	21,621	20,762	19,525	17,889
DCR First Mortgage	1.38	1.39	1.40	1.41	1.42	1.42	1.43	1.43	1.43	1.42
DCR Second Mortgage	1.35	1.36	1.38	1.39	1.40	1.40	1.41	1.41	1.40	1.40
DCR Third Mortgage	-	-	-	-	-	-	-	-	-	-
DCR	-	-	-	-	-	-	-	-	-	-
DCR	-	-	-	-	-	-	-	-	-	-
First Mortgage Balance	5,160,505	5,119,075	5,075,618	5,030,032	4,982,214	4,932,054	4,879,439	4,824,247	4,766,353	4,705,624
Second Mortgage Balance	190,244	185,488	180,732	175,976	171,220	166,463	161,707	156,951	152,195	147,439
Third Mortgage Balance	-	-	-	-	-	-	-	-	-	-
Balance	-	-	-	-	-	-	-	-	-	-
Balance	-	-	-	-	-	-	-	-	-	-
DDF Balance	1,300,131	1,207,284	1,114,398	1,021,531	928,665	835,798	742,932	650,065	557,199	464,332

Year	11	12	13	14	15
Revenues	1,131,968	1,154,607	1,177,699	1,201,253	1,225,279
Ancillary Income	22,639	23,092	23,554	24,025	24,506
Vacancy	(80,823)	(82,439)	(84,088)	(85,769)	(87,485)
Other Income	-	-	-	-	-
Expenses less Mgt Fee	(607,853)	(626,089)	(644,872)	(664,218)	(684,144)
Property Mgmt	(59,058)	(60,239)	(61,444)	(62,673)	(63,926)
Reserves	-	-	-	-	-
NOI	406,873	408,933	410,850	412,618	414,229
D/S First Mortgage	(287,716)	(287,716)	(287,716)	(287,716)	(287,716)
D/S Second Mortgage	(4,755)	(4,755)	(4,755)	(4,755)	(4,755)
D/S Third Mortgage	-	-	-	-	-
D/S	-	-	-	-	-
D/S	-	-	-	-	-
DCA HOME Cash Reserv.	-	-	-	-	-
DDF	(92,866)	(92,866)	(92,866)	(92,866)	(92,866)
Asset Mgmt	(5,700)	(5,700)	(5,700)	(5,700)	(5,700)
Incentive Mgmt	-	-	-	-	-
Cash Flow	15,835	17,894	19,812	21,580	23,191
DCR First Mortgage	1.41	1.42	1.43	1.43	1.44
DCR Second Mortgage	1.39	1.40	1.40	1.41	1.42
DCR Third Mortgage	-	-	-	-	-
DCR	-	-	-	-	-
DCR	-	-	-	-	-
First Mortgage Balance	4,641,921	4,575,099	4,505,005	4,431,478	4,354,352
Second Mortgage Balance	142,883	137,927	133,171	128,415	123,659
Third Mortgage Balance	-	-	-	-	-
Balance	-	-	-	-	-
Balance	-	-	-	-	-
DDF Balance	371,488	278,599	185,733	92,866	(0)

III. OWNER COMMENTS AND CLARIFICATIONS



Project Name: Savannah Gardens IV

DCA Project Nbr: 2012-008

Provide a narrative description of significant changes that have occurred in the project since full application.

Development Costs

Describe circumstances that caused significant cost overruns. For example, start of construction delayed (give reason), storm water regulatory changes, building code changes, impervious surface or open space ordinance changes.

When we broke ground on this phase of development we ran into cost overages associated with unsuitable soils. We experienced over \$405k of unsuitable soils which was comprised of inorganic materials, abandoned gas lines, a soils that were not stable enough to place our foundations. Once we removed the bad soils we had to bring in engineer grade soil to then place our foundations. This resulted in a close to 30 day delay in the project.

Operating Costs

Describe circumstances that caused a significant increase in expense items or introduced expenses not originally projected. For example, large increase in property taxes or insurance, or property now paying for water and sewer.

Georgia Department of Community Affairs
Office of Affordable Housing
Final Allocation Application
OWNER CERTIFICATION

Name of Ownership Entity: Mercy Housing Georgia 13, LP ("Owner")
Tax ID Number: 45-5108221

The undersigned SVP Real Estate of the Owner, in connection with the award and allocation by the Georgia Department of Community Affairs ("GDCA") of low income housing credits ("Allocation") hereby certifies on behalf of the Owner as follows:

- (a) The Owner (i) is validly existing and qualified to transact business under the laws of Georgia, (ii) has the full power and authority to own its properties and assets and to carry on its business as now being conducted, and (iii) has the full legal right, power and authority to execute and deliver this document.
- (b) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner, threatened against or affecting it or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted or would materially adversely affect its financial condition or which would impair the use of the Project as contemplated by this document.
- (c) The information contained herein is accurate.

The Owner authorized the GDCA to utilize this information to calculate the amount of federal low-income housing tax credits and acknowledges that the following constitute conditions to the Allocation:

- (1) accuracy of the facts and compliance with representations contained in the Allocation documentation and the Project's application for low-income housing tax credits ("Application"),
- (2) completion of construction as depicted on the site layout, floor plan and elevations submitted with the Application,
- (3) adherence to the Qualified Allocation Plan for the year in which the credits were awarded, and
- (4) provision and maintenance of those certain unit and project amenities for the benefit of the tenants described in the Application.

The Owner's or Project's failure to comply with all such conditions without prior written authorization from the GDCA will entitle the GDCA, in its discretion, to deem the Allocation to be cancelled by mutual consent. After any such cancellation, Owner acknowledges that neither it nor the Project will have any right to claim Credits pursuant to the Allocation. The GDCA reserves the right, in its discretion, to modify and/or waive any such failed condition.

Mercy Housing Georgia 13, LP
a GA Limited Partnership
(state)

By: MHSE Savannah Gardens Phase IV GP
Its' General Partner

By: Tina Lowe
(signature)

ATTEST: (if applicable)

[Corporate Seal]
(if applicable)

Name: Tina Lowe
Title: SVP Real Estate
Date: Tina Lowe 3/1/16

Secretary

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