

MOUNTAIN VIEW SENIOR RESIDENCES, LP
FINAL COST CERTIFICATION
For the year ended December 31, 2015
with
Report of Independent Auditors



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To the Partners of
Mountain View Senior Residences, LP
The View
DCA # 2013-011:

Report on the Final Cost Certification

We have audited the costs included in the accompanying Georgia Department of Community Affairs (“DCA”) final cost certification (the “Final Cost Certification”) as of December 31, 2015 for The View (the “Project”), prepared and executed by the management of Mountain View Senior Residences, 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 examine evidence to support the actual funding of the reserves by the Partnership. The Partnership anticipates funding the lease-up reserve in the amount of \$84,184, operating deficit reserve in the amount of \$232,765, and interest reserve in the amount of \$200,000 (collectively, the "Reserves"). As of December 31 2015, lease-up reserve and interest reserve have been funded in the amount of \$61,573 and \$53,088, respectively.

Qualified Opinion

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had we been able to obtain sufficient appropriate audit evidence to support the funding of the Reserves, as discussed in the Basis for **Qualified Opinion paragraph, the Final Cost Certification presents fairly, in all material respects, the total costs of \$11,566,336 and eligible basis of \$9,961,509 of the Partnership for the Project as of December 31, 2015,** on 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.

Nowgradac & Company LLP

February 9, 2016

PART FOUR - USES OF FUNDS - THE VIEW - 2013-011

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	-	-	-	-	-
Market Study	10,040	10,040	-	-	-
Environmental Report(s)	16,724	16,724	-	-	-
Soil Borings	28,415	28,415	-	-	-
Boundary and Topographical Survey	-	-	-	-	-
Zoning/Site Plan Fees	-	-	-	-	-
Other:	-	-	-	-	-
Subtotal	55,179	55,179	-	-	-
ACQUISITION					
Land	75	-	-	-	75
Demolition	-	-	-	-	-
Acquisition Legal Fees (if existing structures)	-	-	-	-	-
Existing Structures	-	-	-	-	-
Subtotal	75	-	-	-	75
SITE IMPROVEMENTS					
Site Preparation (On-site)	1,050,329	447,429	-	-	602,900
Site Preparation (Off-site)	-	-	-	-	-
Subtotal	1,050,329	447,429	-	-	602,900
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	6,317,305	6,317,305	-	-	-
Unit/Building Construction/Rehab	-	-	-	-	-
Project Amenities / Accessory Buildings	-	-	-	-	-
Other:	-	-	-	-	-
Subtotal	6,317,305	6,317,305	-	-	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	147,352	139,865	-	-	-
Builder Profit: 6.00%	442,058	419,595	-	-	-
General Requirements 6.00%	442,058	419,595	-	-	-
Payment/performance bond or letter-of-credit fee or premium	62,130	62,130	-	-	-
Subtotal	1,041,185	1,041,185	-	-	-
Total Construction Costs	105,110.24 per unit				
	8,408,819				
	125.71 per sq ft				

I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING					
Construction Loan Fee	41,000	41,000	-	-	-
Construction Loan Interest	-	-	-	-	-
Construction Legal Fees	58,893	58,893	-	-	-
Construction Period Real Estate Tax	-	-	-	-	-
Construction Insurance	17,994	17,994	-	-	-
Bridge Loan Fee and Bridge Loan Interest	-	-	-	-	-
Other: Construction Loan Inspection, Loan Costs	20,450	19,650	-	-	800
Subtotal	138,337	137,537	-	-	800
PROFESSIONAL SERVICES					
Architectural Fee - Design	293,812	293,812	-	-	-
Architectural Fee - Supervision	-	-	-	-	-
Engineering	83,352	83,352	-	-	-
Real Estate Attorney	-	-	-	-	-
Accounting	25,813	25,813	-	-	-
Other: Earthcraft Fees	35,033	35,033	-	-	-
Subtotal	438,010	438,010	-	-	-
LOCAL GOVERNMENT FEES					
Building Permits	32,226	32,226	-	-	-
Impact Fees	126,754	126,754	-	-	-
Water Tap Fees <i>waived?</i>	<i>No</i>	-	-	-	-
Sewer Tap Fees <i>waived?</i>	<i>No</i>	-	-	-	-
Real Estate Taxes	-	-	-	-	-
Subtotal	158,980	158,980	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees	7,000	-	-	-	7,000
Permanent Loan Legal Fees	74,824	-	-	-	74,824
Title and Recording Fees	38,176	-	-	-	38,176
As-Built Survey	-	-	-	-	-
Bond Issuance Premium	-	-	-	-	-
Cost of Issuance / Underwriter's Discount	-	-	-	-	-
Other: Conversion Fee, Lender Commitment Fee	26,000	-	-	-	26,000
Subtotal	146,000	-	-	-	146,000

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	8,200				8,200
DCA Waiver Fees	-				-
LIHTC Allocation Processing Fee	40,187 45,928				45,928
LIHTC Compliance Monitoring Fee	64,000 64,000				64,000
DCA Front End Analysis Fee (when ID of Interest)	-				-
DCA Final Inspection Fee	3,000				3,000
Other:	-				-
Subtotal	121,128				121,128
EQUITY COSTS					
Partnership Organization Fees	46,826				46,826
Tax Credit Legal Opinion	-				-
Other: Syndication Legal Fees	63,488				63,488
Subtotal	110,314				110,314
DEVELOPER'S FEE					
Developer's Overhead	-				-
Consultant's Fee	-				-
Developer's Fee	1,365,884				-
Subtotal	1,365,884				
START-UP AND RESERVES					
Marketing	4,616				4,616
Rent -Up Reserves	84,184				84,184
Operating Deficit Reserve:	232,765				232,765
Replacement Reserve	-				-
Furniture, Fixtures and Equipment	102,045				102,045
Other: Interest Reserve	200,000				200,000
Subtotal	623,610				623,610
OTHER COSTS					
Relocation	-				-
Other:	-				-
Other:	-				-
Subtotal	-				-
TOTAL DEVELOPMENT COST	11,566,336	9,961,509			1,604,827
Per Unit	144,579				
Per Square Foot	172.92				

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:	-		-
Eligible Basis Calculation			
Total Basis	9,961,509	-	-
Less Total Subtractions From Basis (see above)	-		-
Total Eligible Basis	9,961,509	-	-
Eligible Basis Adjustment for DDA/QCT Location	100.00%		100.00%
Adjusted Eligible Basis	9,961,509	-	-
Multiply Adjusted Eligible Basis by Applicable Fraction	92.29%	92.29%	92.29%
Qualified Basis	9,193,211	-	-
Multiply Qualified Basis by Applicable Credit Percentage	9.00%	0.00%	0.00%
Maximum Tax Credit Amount	827,389	-	-
Total Basis Method Tax Credit Calculation		827,389	

III. TAX CREDIT CALCULATION - GAP METHOD

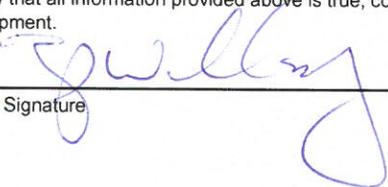
Equity Gap Calculation			
Total Development Cost	11,566,336		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	3,300,000		
Equity Gap	8,266,336		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	826,634		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.3700	=	Federal
Total Gap Method Tax Credit Calculation	603,382		0.9800 + State 0.3900

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year	2013	574,096
		574,096

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 E.P. Walker, Jr.

Date 2/15/2016

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - THE VIEW - 2013-011

Cost Certification Date: 2/9/2016

Carryover Allocation Date: 1/28/2014

Project Address: 901 4th Street, Stone Mountain, GA 30083-3620

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - THE VIEW - 2013-011

Cost Certification Date:

2/9/2016

Carryover Allocation Date:

1/28/2014

Project Address:

901 4th Street, Stone Mountain, GA 30083-3620

