EUREKA HEIGHTS, LP

INDEPENDENT AUDITORS' 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

SEPTEMBER 30, 2015

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Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

Members of American Institute of Certified Public Accountants • Georgia Society of Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Owner's Name:

Eureka Heights, LP

Project Name:

Eureka Heights Apartments

Project Number:

2013-017

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 Eureka Heights, LP ("the Owner") for Eureka Heights Apartments ("the Project") as of September 30, 2015. The Final Cost Certification is the responsibility of the Owner and the Owner's management. Our responsibility is to express an opinion on the Final Cost Certification based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the Final Cost Certification. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Final Cost Certification presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Final Cost Certification was 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 DCA, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion the Final Cost Certification presents fairly, in all material respects, the actual costs of \$8,578,894 and adjusted eligible basis of \$10,514,941 of the Owner for the Project as of September 30, 2015, on the basis of accounting described above.

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

3488 North Valdosta Road Valdosta. GA 31602 Phone: (229) 245-6040 / Toll Free: (877) 245-6040

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P.O. Box 2241 Valdosta, GA 31604-2241 We have no financial interest in the Project other than in the practice of our profession.

Henderson & Godbee, LLP

Certified Public Accountants

Valdosta, Georgia November 10, 2015

FINAL ALLOCATION APPLICATION

		PART THREE - SOURCES OF FUNDS	- Ейгека неідпіз						
1.	PERMANENT FINANCING			Interest	Term	Amort.	Annual Debt Svc		
	Financing Type	Name of Financing Entity	Principal Amount		(Years)	(Years)	Per Terms Given	Loan Type	Balloon?
	First Mortgage	Family Visions Outreach (AHP)	550,000	0.500%	20	20	28,904	Amortizing	Yes
	Second Mortgage				U.				
	Third Mortgage		x Cal ma	9.45	2 , V				
	Other Source (specify)			2		e i			* 1
	Other Source (specify)	* , , = =		-11.	,, ·				
	Deferred Developer Fees	Development Team	67,478	1 н					
	Federal Grant	m n if he to the							
	State, Local, or Private Grant								
	Federal Housing Credit Equity	Stratford Capital Group, LLC	5,475,107						
	State Housing Credit Equity	Gardner Capital/SCG Eureka-GA, LLC	2,486,309						
	Historic Credit Equity								
	Investment Earnings from Tax-Exempt Bonds	2 4 2 20 7 7 10 4 20 27	e = 11						
	Investment Earnings from Taxable Bonds		5 720 1 150						
	Income from Operations	y On Hace of the							
	Other Source (specify)		_ 10 0 E_3						
	Other Source (specify)								
	Other Source (specify)	3 V. (4:21)	a Lin aix						
	Total Permanent Financing:		8,578,894						
	Total Development Costs from Development Cost Schedu	ie:	8,578,894						
	Surplus/(Shortage) of Permanent Funds to Development C	Costs:	0						
	DCA HOME loan interest rate per Operating Year for Projects located in Rural Areas: Rate:	1-7 8 9 10	11 12	13	14	15			
VII.									
	Federal Housing Credit Equity total of \$5,475,107 is made Partner Gardner Capital/SCG Eureka-GA, LLC, respective	up of \$5,420,371 and \$54,736 from the lv.	Federal Investor	Limited P	artner Stra	atford Ca	pital Group, LLC ar	d the State Investo	or Limited
					S .				Se i
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108.19 per sq ft

6,312,946

l.

PART FOUR - USES OF FUNDS - Eureka Heights - 2013-017

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

PRE-DEVELOPMENT COSTS PRE-DEVELOPMENT COSTS	. DEVELOPMENT COST SCHEDULE	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Non-Depreciable
Property Appraisal 4,650 4,650 4,650 4,650 4,650 4,650 4,650 4,500 12,993 12,993 12,993 12,993 12,993 12,993 12,993 12,993 12,993 12,993 12,346 12,346 12,346 12,346 12,346 12,346 12,346 12,346 12,346 13,500 14,178 15,178		101AL 0001	D 4010			Rasis
Land	Property Appraisal Market Study Environmental Report(s) Soil Borings Boundary and Topographical Survey Zoning/Site Plan Fees	12,993 12,346 4,350 15,178	12,993 12,346 4,350 15,178	PRE-DEVELOI	PMENT COSTS	
Land	ACQUISITION			ACQUI	SITION	
Site Preparation (On-site) 1,245,139 1,245,139 1	Land Demolition Acquisition Legal Fees (if existing structures)			-		2,000
Unit/Building Construction/New Construction Unit/Building Construction/Rehab Project Amenities / Accessory Buildings Other: Site Lighting Subtotal CONTRACTOR SERVICES Builder's Overhead: 2.00% 108,689 108,689 4,189,322 4,189	Site Preparation (On-site)	2011;4,5 =	7. 4.1	SITE IMPRO		
Builder's Overhead: 2.00% 108,689 108,689 108,689	Unit/Building Construction/New Construction Unit/Building Construction/Rehab Project Amenities / Accessory Buildings	68,450	68,450	UNIT/BUILDING	10 × 10 × 10 × 10 × 10 × 10 × 10 × 10 ×	
Builder Profit: 6.00% 326,068 326,068 326,068 General Requirements 6.00% 326,068 326,068 Payment/performance bond or 49,210 letter-of-credit fee or premium Subtotal 810,035 Total Construction Costs 112,731.18 per unit	Builder's Overhead: 2.00% Builder Profit: 6.00% General Requirements 6.00% Payment/performance bond or letter-of-credit fee or premium	326,068 326,068 326,068 326,068 49,210 Subtotal 810,035	326,068 326,068 49,210		OR SERVICES	

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PART FOUR - USES OF FUNDS - Eureka Heights - 2013-017

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

DEVELOPMENT COST SCHEDULE	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Non-Depreciable Rasis
CONSTRUCTION PERIOD FINANCING			CONSTRUCTION PERIO	OD FINANCING	•
Construction Loan Fee	47,120	47,120	7 *		
Construction Loan Interest	90,571	54,188			36,383
Construction Legal Fees	33,281	33,281		т х	
Construction Period Real Estate Tax		34,4 - 7	L. A E E E.		
Construction Insurance	33,433	33,433			No. 1. Alternation
Bridge Loan Fee and Bridge Loan Interest		11., 12., 0.0			1. Bullion Same
Other: Inspection, Title, Bonds, Etc	30,836	30,836			.= 11
Subtotal	235,241	198,858	-	-	36,383
PROFESSIONAL SERVICES			PROFESSIONAL S	SERVICES	
Architectural Fee - Design	144,750	144,750	A1L ©		
Architectural Fee - Supervision	46,250	46,250			
Engineering	74,019	74,019	4 TT RA	2, 7	
Real Estate Attorney	74,949	74,949	102	2	
Accounting	17,500	15,500		in the second	2,000
Other: GreenBldg, Survey, Plan review, etc	45,398	45,398	1,77	. :	
Subtotal	402,866	400,866	-	-	2,000
LOCAL GOVERNMENT FEES			LOCAL GOVERNM	ENT FEES	
Building Permits	11,122	11,122	-y *		1. 4
Impact Fees	19,600	19,600			A Washing N
Water Tap Fees waived? Yes		. 9 % 0 %	<u>(</u>		25 Year
Sewer Tap Fees waived? Yes		31.3. 39	6 S_ 70 SE	31.55	
Real Estate Taxes					
Subtotal [30,722	30,722		-	-
PERMANENT FINANCING FEES			PERMANENT FINAN	ICING FEES	
Permanent Loan Fees					
Permanent Loan Legal Fees	40.000				0.000
Title and Recording Fees	18,602	8,619	2 7 8 7 8		9,983
As-Built Survey	7,326				7,326
Bond Issuance Premium Cost of Issuance / Underwriter's Discount					70 1.77
The state of the s					
Other: Subtotal	25,928	8,619			17,309
Subtotal	20,920	0,019			17,309

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PART FOUR - USES OF FUNDS - Eureka Heights - 2013-017

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

DEVELOPMENT COST SCHEDULE TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Non-Depreciable Rasis
DCA-RELATED COSTS 1,00 DCA Loan Application Fee 13,00 Tax Credit Application Fee 13,00 DCA Waiver Fees 6,50 LIHTC Allocation Processing Fee 44,678 51,06 LIHTC Compliance Monitoring Fee 39,200 44,80 DCA Front End Analysis Fee (when ID of Interest) 0 3,00 DCA Final Inspection Fee 3,00 3,00 Other: Subtotal 119,36	0 1 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	DCA-REL/	ATED COSTS	1,000 13,000 6,500 51,061 44,800 3,000
EQUITY COSTS 10,35 Partnership Organization Fees 10,05 Tax Credit Legal Opinion 10,00 Other: Syndicator Legal Fees 35,00 Subtotal 55,35	0	EQUIT	Y COSTS	10,350 10,000 35,000 55,350
DEVELOPER'S FEE 500,00 Developer's Overhead 500,00 Consultant's Fee 44,50 Developer's Fee 459,76 Subtotal 1,004,26	44,500 459,767	DEVELO	PER'S FEE	-
START-UP AND RESERVES Marketing 48,07 Rent -Up Reserves 100,00 Operating Deficit Reserve: 110,00 Replacement Reserve Furniture, Fixtures and Equipment 79,62 Other:	0	START-UP A	AND RESERVES	48,075 100,000 110,000
Subtotal 337,69 OTHER COSTS	79,620	OTHE	R COSTS	258,075
Relocation Other: Other: Subtotal	12.	O'NE		
TOTAL DEVELOPMENT COST 8,578,89	8,088,416			490,478
Per Unit 153,194.5 Per Square Foot 147.0	3			

PART FOUR - USES OF FUNDS - Eureka Heights - 2013-017

l.	TAX CREDIT CALCULATION - BASIS METHOD	New Construction	1 1 1	Rehabilitation	
	Subtractions From Eligible Basis	Basis	Basis	Basis	l
	Amount of federal grant(s) used to finance qualifying development costs	The second second	T =		1
	Amount of federal below market rate loan			****	
	Amount of nonqualified nonrecourse financing		-		
	Costs of Nonqualifying units of higher quality				ł
	Nonqualifying excess portion of higher quality units				
	Historic Tax Credit (Residential Portion Only)				
	Other				
	Total Subtractions From Basis:	0		0	
			1	0	l
	Eligible Basis Calculation				
	Total Basis	8,088,416	0	0	
	Less Total Subtractions From Basis (see above)	0		0	
	Total Eligible Basis	8,088,416	0	0	
	Eligible Basis Adjustment for DDA/QCT Location	130.00%			
	Adjusted Eligible Basis	10,514,941	0	0	
	Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%	
	Qualified Basis	10,514,941	0	0	
	Multiply Qualified Basis by Applicable Credit Percentage	9.00%		7/1	
	Maximum Tax Credit Amount	946,345	0	0	
	Total Basis Method Tax Credit Calculation		946,345		
ı.	TAX CREDIT CALCULATION - GAP METHOD				
	Equity Gap Calculation				
	Total Development Cost		8,578,894		
	Subtract Non-LIHTC (excluding deferred fee) Source of Funds		550,000		
	Equity Gap		8,028,894		
	Divide Equity Gap by 10		/ 10		
	Annual Equity Required		802,889 -	Federal	State
	Enter Final Federal and State Equity Factors (not including GP contribution	on)	1.2474	= 0.8579	+ 0.3895
	Total Gap Method Tax Credit Calculation		643,650		
V.	TAX CREDIT CARRYOVER ALLOCATION Allocation Year	r 2013	638,261	•	
'.	FINAL TAX CREDIT ALLOCATION REQUEST		638,261		
	I certify that all information provided above is true, correct, complete and reflects the	e full extent of all projec	ct costs and eligible basis which	apply (or are expected to	apply) to the above-
	mentioned development.		the distance		
		1)			

Owner Signature

Name - Please Type

12/3/15

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Eureka Heights - 2013-017 Cost Certification Date: 11/6/2015 Carryover Allocation Date: 1/28/2014 Project Address: 1060 West Washington Avenue, Ashburn GA 31714-5602 Type of Activity: New Construction

	1	Total				common	Space	employee	unio	-;	Data				0 111
	Durthalta a	Total	Total	Nbr	Low	D. 11-111-	007/	D	5.7.5	D. 41-111-	Date		-	FINAL T	
	Building	Nbr of	Residential	of Low	Income	Building's	QCT/ DDA	Building's	Building's	Building's	Placed	Applic.	Tax	Allocation	
D. N.P A. J. J	Identification	Residntl	Square	income	Square	Eligible		Adjusted	Applicable	Qualified	ln O	Credit	Credit	Building's	Tax Cred
Building Address 1060 West Washington Avenue Bldg A	Number CA 44 24704	Units	Footage	Units	Footage	Basis	Boost	Basis	Fraction	Basis	Service 5/07/00/45	%	Amount	Qualified Basis	Amount
	GA-14-21701	2	2,982	2	2,982	388,569	130%	505,140	100.00%	505,140	5/27/2015	9.00%	45,463	340,700	30,663
1060 West Washington Avenue Bldg B	GA-14-21702	1	1,491	1	1,491	194,285	130%	252,571	100.00%	252,571	5/27/2015	9.00%	22,731	170,344	15,331
060 West Washington Avenue Bldg C	GA-14-21703	8	8,248	8	8,248	1,074,755	130%	1,397,182	100.00%	1,397,182	6/30/2015	9.00%	125,746	942,322	84,809
060 West Washington Avenue Bldg D	GA-14-21704	8	8,248	-8	8,248	1,074,755	130%	1,397,182	100.00%	1,397,182	5/27/2015	9.00%	125,746	942,322	84,809
060 West Washington Avenue Bldg E	GA-14-21705	8	6,520	8	6,520	849,588	130%	1,104,464	100.00%	1,104,464	5/27/2015	9.00%	99,402	744,900	67,041
060 West Washington Avenue Bldg F	GA-14-21706	- 8	10,416	8	10,416	1,357,256	130%	1,764,432	100.00%	1,764,432	6/30/2015	9.00%	158,799	1,190,023	107,102
060 West Washington Avenue Bldg G	GA-14-21707	8	8,248	8	8,248	1,074,755	130%	1,397,182	100.00%	1,397,182	6/30/2015	9.00%	125,746	942,322	84,809
1060 West Washington Avenue Bldg H	GA-14-21708	8	10,416	8	10,416	1,357,256	130%	1,764,432	100.00%	1,764,432	6/30/2015	9.00%	158,799	1,190,023	107,102
1060 West Washington Avenue Bldg 1	GA-14-21709	2	2,522	2	2,522	328,629	130%	427,218	100.00%	427,218	5/27/2015	9.00%	38,450	288,133	25,932
1060 West Washington Avenue Bldg J	GA-14-21710	2	2,982	: 2	2,982	388,568	130%	505,138	100.00%	505,138	5/27/2015	9.00%	45,462	340,700	30,663
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