

Ashleigh Place, LLC

Schedules of Certification of Actual Cost and Opinion as to
Eligible Basis and Building by Building Credit Allocation
Together with Independent Auditors' Report



Independent Auditors' Report

Owner's Name: Ashleigh Place, LLC
Project Name: Ashleigh Place Senior Apartments
Project Number: TCAA #2013-038

We have audited the costs included in the accompanying Georgia Department of Community Affairs ("DCA") Final Cost Certification Schedules of Certification of Actual Cost and Opinion as to Eligible Basis and the Building by Building Credit Allocation (the "Schedules") of Ashleigh Place, LLC (the "Owner") for Ashleigh Place Senior Apartments ("the Project") as of January 31, 2016.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of the Schedules in accordance with accounting principles 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedules that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on the Schedules 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 Schedules are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the Schedules. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Schedules, 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 Schedules 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 Schedules.

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 Schedules present fairly, in all material respects, the actual costs of \$11,985,219 and eligible basis of \$10,273,931 of the Owner for the Project as of January 31, 2016, on the basis of accounting described below.



Basis of Accounting

The accompanying Schedules were 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.

Restrictions on Use

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.

Dixon Hughes Goodman LLP

**High Point, North Carolina
February 9, 2016**

PART FOUR - USES OF FUNDS - Ashleigh Place Senior Apartments - 2013-038

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	7,900				
Market Study	10,675	10,675			
Environmental Report(s)	15,785	15,785			
Soil Borings					
Boundary and Topographical Survey					
Zoning/Site Plan Fees					
Other:					
Subtotal	34,360	26,460	-	-	-
ACQUISITION					
Land	736,716				
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures					
Subtotal	736,716		-		-
SITE IMPROVEMENTS					
Site Preparation (On-site)	1,234,623	1,033,095			
Site Preparation (Off-site)					
Subtotal	1,234,623	1,033,095	-	-	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	5,748,701	5,748,701			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
Subtotal	5,748,701	5,748,701	-	-	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	139,666	258,040	139,666		
Builder Profit: 6.00%	418,999	258,040	258,040		
General Requirements 6.00%	418,999	387,059	387,059		
Payment/performance bond or letter-of-credit fee or premium	46,089	46,089	46,089		
Subtotal	949,228	830,854	-	-	-
<i>Total Construction Costs</i>	<i>99,156.90 per unit</i>				
	<i>7,932,552</i>	<i>113.32 per sq ft</i>			

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	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING		CONSTRUCTION PERIOD FINANCING			
Construction Loan Fee	75,000	75,000			
Construction Loan Interest	128,085	106,591			
Construction Legal Fees	21,763	21,763			
Construction Period Real Estate Tax	8,937	8,118			
Construction Insurance	75,070	65,042			
Bridge Loan Fee and Bridge Loan Interest					
Other: Construction Loan Inspection/ Title & Recording	61,285	57,052			
Subtotal	370,141	333,566	-	-	-
PROFESSIONAL SERVICES		PROFESSIONAL SERVICES			
Architectural Fee - Design	168,022	168,022			
Architectural Fee - Supervision	41,960	41,960			
Engineering	85,362	85,362			
Real Estate Attorney	128,964	75,300			
Accounting	10,050	9,800			
Other: Green Certification	29,905	26,105			
Subtotal	464,262	406,548	-	-	-
LOCAL GOVERNMENT FEES		LOCAL GOVERNMENT FEES			
Building Permits					
Impact Fees					
Water Tap Fees <i>waived?</i>	143,761	143,761			
Sewer Tap Fees <i>waived?</i>	143,761	143,761			
Real Estate Taxes					
Subtotal	287,522	287,522	-	-	-
PERMANENT FINANCING FEES		PERMANENT FINANCING FEES			
Permanent Loan Fees					
Permanent Loan Legal Fees					
Title and Recording Fees	535				
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other:					
Subtotal	535	-	-	-	-

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	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
DCA-RELATED COSTS		DCA-RELATED COSTS			
DCA Loan Application Fee	2,000				
Tax Credit Application Fee	6,500				
DCA Waiver Fees					
LIHTC Allocation Processing Fee	52,955 60,520				
LIHTC Compliance Monitoring Fee	56,000 64,000				
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee					
Other:					
Subtotal	133,020				-
EQUITY COSTS		EQUITY COSTS			
Partnership Organization Fees	8,345				
Tax Credit Legal Opinion					
Other:					
Subtotal	8,345	-	-	-	-
DEVELOPER'S FEE		DEVELOPER'S FEE			
Developer's Overhead	259,760	259,760			
Consultant's Fee	-				
Developer's Fee	1,039,040	1,039,040			
Subtotal	1,298,800	1,298,800	-	-	-
START-UP AND RESERVES		START-UP AND RESERVES			
Marketing	156,038				
Rent -Up Reserves					
Operating Deficit Reserve:	250,250				
Replacement Reserve					
Furniture, Fixtures and Equipment	13,133	8,840			
Other:					
Subtotal	419,421	8,840	-	-	-
OTHER COSTS		OTHER COSTS			
Relocation					
Other: Patient Guided Health Solutions	299,545	299,545			
Other:					
Subtotal	299,545	299,545	-	-	-
TOTAL DEVELOPMENT COST	11,985,219	10,273,931	-	-	-
Per Unit	149,815.24				
Per Square Foot	170.92				

PART FOUR - USES OF FUNDS - Ashleigh Place Senior Apartments - 2013-038

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

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	10,273,931	0	0
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	10,273,931	0	0
Eligible Basis Adjustment for DDA/QCT Location	100.00%		
Adjusted Eligible Basis	10,273,931	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	10,273,931	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	924,654	0	0
Total Basis Method Tax Credit Calculation	924,654		

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost	11,985,219		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	2,400,000		
Equity Gap	9,585,219		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	958,522		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.2670	=	Federal
Total Gap Method Tax Credit Calculation	756,529		+ State
			0.8691 + 0.3979

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year 2013 756,505

V. FINAL TAX CREDIT ALLOCATION REQUEST

756,505

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

