

**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
Greensboro Mill, LP
December 31, 2016**

Greensboro Mill, LP

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Independent Auditor's ReportOwner's Name: Greensboro Mill, LPProject Name: Mary-Leila LoftsProject Number: 2013-052

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 Greensboro Mill, LP (the "Owner") for Mary-Leila Lofts ("the Project") as of December 31, 2016.

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 \$14,288,909 and eligible basis of \$10,448,340 the Owner for the Project as of December 31, 2016, 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 adjusted 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 have no financial interest in the Project other than in the practice of our profession.

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

Atlanta, Georgia
February 6, 2017

PART FOUR - USES OF FUNDS - Greensboro Mill, LP - 2013-068

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	3,500			3,500	
Market Study	6,250			6,250	
Environmental Report(s)	417,937			417,937	
Soil Borings	2,505			2,505	
Boundary and Topographical Survey	17,315			17,315	
Zoning/Site Plan Fees					
Other: <u>Historical Consultant, Physical Needs</u>	64,871			64,871	
Subtotal	512,378	-	-	512,378	-
ACQUISITION					
Land	71,200				71,200
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures	300,000				300,000
Subtotal	371,200		-		371,200
SITE IMPROVEMENTS					
Site Preparation (On-site)	2,428,294			1,847,282	581,012
Site Preparation (Off-site)					
Subtotal	2,428,294	-	-	1,847,282	581,012
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	6,968,788			6,968,788	
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other: _____					
Subtotal	6,968,788	-	-	6,968,788	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	187,942			-	
Builder Profit: 6.00%	563,825			-	
General Requirements 6.00%	563,825			619,815	
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	619,815	-	-	619,815	-
<i>Total Construction Costs</i>	<i>141,083.06 per unit</i>				
	<i>10,016,897</i>				<i>138.57 per sq ft</i>

See Independent Auditor's Report.

I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING					
Construction Loan Fee	69,000			5,250	63,750
Construction Loan Interest	230,971			230,971	-
Construction Legal Fees					
Construction Period Real Estate Tax	6,059			5,154	905
Construction Insurance	93,814			83,554	10,260
Bridge Loan Fee and Bridge Loan Interest					
Other: Inspection Fees	4,308			4,308	
Subtotal	404,152	-	-	329,237	74,915
PROFESSIONAL SERVICES					
Architectural Fee - Design	227,610			227,610	
Architectural Fee - Supervision	62,325			62,325	
Engineering	71,188			71,188	
Real Estate Attorney	136,528			121,274	15,254
Accounting	44,850			44,450	400
Other: _____					
Subtotal	542,501	-	-	526,847	15,654
LOCAL GOVERNMENT FEES					
Building Permits	41,067			41,067	
Impact Fees					
Water Tap Fees <i>waived?</i>	82,925			82,925	
Sewer Tap Fees <i>waived?</i>					
Real Estate Taxes					
Subtotal	123,992	-	-	123,992	-
PERMANENT FINANCING FEES					
Permanent Loan Fees					
Permanent Loan Legal Fees					
Title and Recording Fees	29,175			29,063	112
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other: _____					
Subtotal	29,175	-	-	29,063	112

See Independent Auditor's Report.

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	6,500				6,500
DCA Waiver Fees	4,500				4,500
LIHTC Allocation Processing Fee	64,620 73,852				73,852
LIHTC Compliance Monitoring Fee	49,700 56,800				56,800
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	3,000				3,000
Other: Project award change fee	1,500				1,500
Subtotal	146,152				146,152
EQUITY COSTS					
Partnership Organization Fees	145				145
Tax Credit Legal Opinion					
Other:					
Subtotal	145	-	-	-	145
DEVELOPER'S FEE					
Developer's Overhead					
Consultant's Fee	165,000			165,000	
Developer's Fee	1,291,000			1,291,000	
Subtotal	1,456,000	-	-	1,456,000	-
START-UP AND RESERVES					
Marketing	46,949				46,949
Rent -Up Reserves	60,442				60,442
Operating Deficit Reserve:	169,852				169,852
Replacement Reserve					
Furniture, Fixtures and Equipment	68,954			68,954	
Other: Solar PV System	293,801			293,801	
Subtotal	639,998	-	-	362,755	277,243
OTHER COSTS					
Relocation					
Other: Green Building consultant & program cert fee	32,478			32,478	
Other: Accessibility inspection, Material testing	13,841			13,841	
Subtotal	46,319	-	-	46,319	-
TOTAL DEVELOPMENT COST	14,288,909	-	-	12,822,476	1,466,433
Per Unit	201,252.24				
Per Square Foot	197.67				

See Independent Auditor's Report.

II. TAX CREDIT CALCULATION - BASIS METHOD

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 Solar Credit Reduction/45L Credit Reduction
Total Subtractions From Basis:

	New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
			2,188,066
			186,070
Total Subtractions From Basis:	0		2,374,136

Eligible Basis Calculation

Total Basis
 Less Total Subtractions From Basis (see above)
 Total Eligible Basis
 Eligible Basis Adjustment for DDA/QCT Location
 Adjusted Eligible Basis
 Multiply Adjusted Eligible Basis by Applicable Fraction
 Qualified Basis
 Multiply Qualified Basis by Applicable Credit Percentage
 Maximum Tax Credit Amount
 Total Basis Method Tax Credit Calculation

	0	0	12,822,476
	0		2,374,136
	0	0	10,448,340
	130.00%		130.00%
	0	0	13,582,842
	100.00%	100.00%	100.00%
	0	0	13,582,842
		0.00%	9.00%
	0	0	1,222,456
Total Basis Method Tax Credit Calculation	1,222,456		

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

Total Development Cost
 Subtract Non-LIHTC (excluding deferred fee) Source of Funds
 Equity Gap
 Divide Equity Gap by 10
 Annual Equity Required
 Enter Final Federal and State Equity Factors (**not including GP contribution**)
 Total Gap Method Tax Credit Calculation

	14,288,909		
	1,049,451		
	13,239,458		
	/ 10		
	1,323,946		
	1.1201	=	Federal
	1,182,004		0.8601
			+ State
			0.2600

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

Chase Northcutt

Name - Please Type

2/7/2017

Date

See Independent Auditor's Report.

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Greensboro Mill, LP - 2013-068

Cost Certification Date: **12/31/2016** Carryover Allocation Date: **1/28/2014** Project Address: **316 N. West Street , Greensboro GA 30642-1044**
 Type of Activity: **Rehabilitation**

Please do NOT include common space employee units!

Building Address	Building Identification Number	Total Nbr of Residentl Units	Total Residential Square Footage	Nbr of Low Income Units	Low Income Square Footage	Building's Eligible Basis	QCT/ DDA Boost	Building's Adjusted Basis	Building's Applicable Fraction	Building's Qualified Basis	Date Placed In Service	Applic. Credit %	Tax Credit Amount	FINAL Tax Credit Allocation Request	
														Building's Qualified Basis	Tax Credit Amount
316 N. West Street, Greensboro, GA 30642	GA-14-25201	30	26,532	30	26,532	3,834,980	130%	4,985,474	100.00%	4,985,474	9/29/2016	9.00%	448,693	3,764,822	338,834
316 N. West Street, Greensboro, GA 30642	GA-14-25202	41	45,754	41	45,754	6,613,360	130%	8,597,368	100.00%	8,597,368	8/30/2016	9.00%	773,763	6,492,378	584,314
		71	72,286	71	72,286	10,448,340		13,582,842		13,582,842			1,222,456	10,257,200	923,148

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