

GATEWAY PINES HAHIRA, L.P.

**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**

JANUARY 25, 2013

INDEPENDENT AUDITOR'S REPORT

Owner's Name: Gateway Pines Hahira, LP
Project Name: Gateway Pines
Project Number: TCAA # 2010-004

To the Partners
Gateway Pines Hahira, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Gateway Pines Hahira, LP (the "Owner") for Gateway Pines ("the Project") as of January 25, 2013.

Owner and Owner Management's Responsibility for the Schedule

The Owner and the Owner's management are responsible for the preparation and fair presentation of the Final Cost Certification in accordance with contractual agreements with the TCAA; this includes 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 the Owner and Owner's 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 opinion.

Opinion

In our opinion, the Final Cost Certification presents fairly, in all material respects, the actual costs of \$8,314,715, eligible basis of \$7,489,600, and adjusted eligible basis of \$9,481,834 of the Owner for the Project as of January 25, 2013, on the basis of accounting described below.

Basis of Accounting

The Final Cost Certification is 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 TCAA, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the provisions of the contractual agreements with TCAA, referred to above. Our opinion is not modified with respect to that matter.

Restriction on Use

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

We have no financial interest in the Project other than in the practice of our profession.

A handwritten signature in cursive script that reads "Halij, Project & Admin. LLP".

Atlanta, Georgia

January 28, 2013

PART FOUR - USES OF FUNDS - Gateway Pines Hahira - 2010-004

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
PRE-DEVELOPMENT COSTS					
Property Appraisal	6,800	6,800			
Market Study	4,950	4,950			
Environmental Report(s)	6,010	6,010			
Soil Borings	5,450	5,450			
Boundary and Topographical Survey	5,400	5,400			
Zoning/Site Plan Fees	2,679	2,679			
Other:	-				
Subtotal	31,289	31,289	-	-	-
ACQUISITION					
Land	474,110				474,110
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures					
Subtotal	474,110		-		474,110
SITE IMPROVEMENTS					
Site Preparation (On-site)	1,104,417	1,104,417			
Site Preparation (Off-site)					
Subtotal	1,104,417	1,104,417	-	-	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	3,985,380	3,985,380			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
Subtotal	3,985,380	3,985,380	-	-	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	101,796	101,796			
Builder Profit: 6.00%	305,388	305,388			
General Requirements 6.00%	305,388	190,392			
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	597,576	597,576	-	-	-
Total Construction Costs	99,778.48 per unit				
	5,687,373	89.61 per sq ft			

PART FOUR - USES OF FUNDS - Gateway Pines Hahira - 2010-004

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
CONSTRUCTION PERIOD FINANCING					
Construction Loan Fee	1,250	1,250			
Construction Loan Interest	168,603	158,291			10,312
Construction Legal Fees	785	785			
Construction Period Real Estate Tax	23,549	11,237			12,312
Construction Insurance	22,293	21,909			384
Bridge Loan Fee and Bridge Loan Interest	25,361	25,361			
Other: Construction Inspection	7,500	7,500			
Subtotal	249,341	226,333	-	-	23,008
PROFESSIONAL SERVICES					
Architectural Fee - Design	162,629	162,629			
Architectural Fee - Supervision					
Engineering	14,131	14,131			
Real Estate Attorney	62,421	62,421			
Accounting	25,170	25,170			
Other:					
Subtotal	264,351	264,351	-	-	-
LOCAL GOVERNMENT FEES					
Building Permits	15,049	15,049			
Impact Fees					
Water Tap Fees <i>waived?</i>	85,500	85,500			
Sewer Tap Fees <i>waived?</i>	85,500	85,500			
Real Estate Taxes					
Subtotal	186,049	186,049	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees					
Permanent Loan Legal Fees					
Title and Recording Fees	14,416	14,416			
As-Built Survey	7,500	7,500			
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other:					
Subtotal	21,916	21,916	-	-	-

PART FOUR - USES OF FUNDS - Gateway Pines Hahira - 2010-004

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
DCA-RELATED COSTS					
DCA Loan Application Fee	1,000				1,000
Tax Credit Application Fee	5,500				5,500
DCA Waiver Fees	1,500				1,500
LIHTC Allocation Processing Fee	59,305				59,305
LIHTC Compliance Monitoring Fee	39,900				39,900
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	3,000				3,000
Other:					
Subtotal	110,205				110,205
EQUITY COSTS					
Partnership Organization Fees	2,500				2,500
Tax Credit Legal Opinion					
Other: Syndicator Legal Fees	43,758				43,758
Subtotal	46,258	-	-	-	46,258
DEVELOPER'S FEE					
Developer's Overhead					
Consultant's Fee					
Developer's Fee	980,357	980,357			
Subtotal	980,357	980,357	-	-	-
START-UP AND RESERVES					
Marketing	6,344				6,344
Rent -Up Reserves	47,690				47,690
Operating Deficit Reserve:	117,500				117,500
Replacement Reserve					
Furniture, Fixtures and Equipment	70,147	70,147			
Other:					
Subtotal	241,681	70,147	-	-	171,534
OTHER COSTS					
Relocation					
Other: Accessibility Inspections	6,000	6,000			
Other: Energy Efficiency Sustainability Fee	15,785	15,785			
Subtotal	21,785	21,785	-	-	-
TOTAL DEVELOPMENT COST	8,314,715	7,489,600	-	-	825,115
Per Unit	145,872.20				
Per Square Foot	131.00				

PART FOUR - USES OF FUNDS - Gateway Pines Hahira - 2010-004

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	7,489,600	0	0
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	7,489,600	0	0
Eligible Basis Adjustment for DDA/QCT Location	126.60%		
Adjusted Eligible Basis	9,481,834	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	9,481,834	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	853,365	0	0
Total Basis Method Tax Credit Calculation	853,365		

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost	8,314,715		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	0		
Equity Gap	8,314,715		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	831,472		
Enter Final Federal and State Equity Factors (not including GP contribution)	0.9800	=	Federal
Total Gap Method Tax Credit Calculation	848,440		+ State
			0.7500 + 0.2300

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year 2010 847,221

V. FINAL TAX CREDIT ALLOCATION REQUEST

847,221

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

PART THREE - SOURCES OF FUNDS - Gateway Pines Hahira - 2010-004

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								
Second Mortgage								
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	McLain & Brown Construction Compa	13,219						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	Regions Bank	6,352,888						
State Housing Credit Equity	HG Gateway Pines, LLC	1,948,608						
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:		8,314,715						
Total Development Costs from Development Cost Schedule:		8,314,715						
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

