

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
Baker Village Apartments III, L.P.
December 31, 2013

Baker Village Apartments III, L.P.

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Independent Auditor's Report

Owner's Name: Baker Village Apartments III, L.P.

Project Name: Baker Village III (Arbor Pointe III)

Project Number: 2010-025

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 Baker Village Apartments III, L.P. (the "Owner") for Baker Village III (Arbor Pointe III) ("the Project") as of December 31, 2013.

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 \$15,178,833 and eligible basis of \$12,976,855 of the Owner for the Project as of December 31, 2013, 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
March 11, 2014

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	HACG Authority	920,000	6.750%	42	40	66,611	Cash Flow	Yes
Second Mortgage								
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	New Affordable Housing Partners, LLC & Housing Authority of Columbus, GA	216,116	0.000%	0	0	0		
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	Community Equity Funds XVI Limited Partnership	10,603,803						
State Housing Credit Equity	Georgia Fund 2011 V, LLC	3,437,500						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify)	HACG Baker Village III GP, Inc.	1,414						
Other Source (specify)								
Other Source (specify)								
Total Permanent Financing:		15,178,833						
Total Development Costs from Development Cost Schedule:		15,178,833						
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:									

Note 1: During construction, the interest rate on the HACG loans is LIBOR + 300 basis points. All advances made under the loans post-conversion are subject to the 6.75 percent interest rate.

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	5,373	5,373			
Environmental Report(s)	4,868	4,868			
Soil Borings	5,375	5,375			
Boundary and Topographical Survey					
Zoning/Site Plan Fees					
Other:					
	Subtotal	15,616			
ACQUISITION					
Land					
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures					
	Subtotal				
SITE IMPROVEMENTS					
Site Preparation (On-site)	2,426,645	1,506,645			920,000
Site Preparation (Off-site)					
	Subtotal	2,426,645			920,000
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	6,633,807	6,633,807			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
	Subtotal	6,633,807			
CONTRACTOR SERVICES					
Builder's Overhead:	181,209	161,369			
Builder Profit:	543,627	371,546			
General Requirements	543,627	484,105			
Payment/performance bond or letter-of-credit fee or premium					
	Subtotal	1,017,020			
Total Construction Costs	10,077,472	83,978.93 per unit			
		90.95 per sq ft			

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	67,036	49,586			17,450
Construction Loan Interest	231,057	60,725			170,332
Construction Legal Fees					29,649
Construction Period Real Estate Tax	34,102	4,453			11,566
Construction Insurance	153,127	141,561			
Bridge Loan Fee and Bridge Loan Interest					
Other: Bank Charge	338				338
Subtotal	485,660	286,325	-	-	229,335
PROFESSIONAL SERVICES					
Architectural Fee - Design	354,573	354,573			
Architectural Fee - Supervision	126,390	126,390			
Engineering	68,223	68,223			
Real Estate Attorney	154,232	119,216			35,016
Accounting	78,800	78,800			
Other: UFAS Consultant Fees, EarthCraft Cert fees	125,751	125,751			
Subtotal	907,969	872,953	-	-	35,016
LOCAL GOVERNMENT FEES					
Building Permits					
Impact Fees					
Water Tap Fees					
Sewer Tap Fees					
Real Estate Taxes					
Subtotal	-	-	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees	46,678				46,678
Permanent Loan Legal Fees					
Title and Recording Fees	22,192	22,192			
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other:					
Subtotal	68,870	22,192	-	-	46,678

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	4,000				4,000
DCA Waiver Fees	1,500				1,500
LIHTC Allocation Processing Fee	87,500				87,500
LIHTC Compliance Monitoring Fee	84,000				84,000
DCA Front End Analysis Fee (when ID of Interest)	-				-
DCA Final Inspection Fee	3,000				3,000
Other:					
Subtotal	180,000				180,000
EQUITY COSTS					
Partnership Organization Fees					
Tax Credit Legal Opinion					
Other:					
Subtotal	-				-
DEVELOPER'S FEE					
Developer's Overhead	380,000	380,000			
Consultant's Fee	1,520,000	1,520,000			
Developer's Fee	1,900,000	1,900,000			
Subtotal	3,800,000				-
START-UP AND RESERVES					
Marketing	42,916				42,916
Rent -Up Reserves	173,528				173,528
Operating Deficit Reserve:					
Lender Reserve	320,000				320,000
Furniture, Fixtures and Equipment	100,000				100,000
Other: Asset Management Fee Reserve	543,217	541,633			1,584
Replacement Reserve	105,750				105,750
Other:	45,000				45,000
Subtotal	1,330,411				788,778
OTHER COSTS					
Relocation					
Other: Landscaping Costs	212,835	210,664			2,171
Other:					
Subtotal	212,835				2,171
TOTAL DEVELOPMENT COST	15,178,833	12,976,855	-	-	2,201,978
Per Unit	126,490.28				

See Independent Auditor's Report.

II. TAX CREDIT CALCULATION - BASIS METHOD

Subtractions From Eligible Basis
 Amount of federal grants 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

New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
0	0	0
12,978,855	0	0
0	0	0
12,978,855	0	0
130.00%	0	0
18,989,912	0	0
100.00%	0	0
19,869,912	0	0
9.00%	0	0
1,518,292	1,518,292	0

Total Subtractions From Basis:

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

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation
 Total Development Cost
 Subtract Non-Tax Credit (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

15,178,833	
921,414	
14,257,419	
/ 10	
1,425,742	
1,1400	
1,258,651	
1,258,650	
1,250,900	

Federal 0.8650 + State 0.2750 =

IV. TAX CREDIT CARRYOVER ALLOCATION

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 J. Len Williams, President Date 4/4/14

Name - Please Type

Date

Cost Certification Date: 12/31/2013
 Type of Activity: New Construction
 Carryover Allocation Date: 2/24/2011
 Project Address: 1455 Fort Benning Road, Columbus, GA 31903-2204

Building Address	Building Identification Number	Total Nbr of Residual Units	Total Residual 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
1454 Cupola Place	GA-10-02501	4	3,712	4	3,712	434,716	130%	565,130	100.00%	565,130	2/27/2013	9.00%	50,861	465,266	41,874
1454 Cupola Place	GA-10-02502	8	7,332	8	7,332	858,659	130%	1,116,257	100.00%	1,116,257	2/27/2013	9.00%	100,463	919,011	82,711
1454 Cupola Place	GA-10-02503	4	3,712	4	3,712	434,716	130%	565,131	100.00%	565,131	1/30/2013	9.00%	50,861	465,266	41,874
1454 Cupola Place	GA-10-02504	4	3,712	4	3,712	434,716	130%	565,131	100.00%	565,131	1/30/2013	9.00%	50,862	465,278	41,875
1454 Cupola Place	GA-10-02505	4	3,712	4	3,712	434,716	130%	565,131	100.00%	565,131	1/30/2013	9.00%	50,862	465,278	41,875
1454 Cupola Place	GA-10-02506	4	3,712	4	3,712	434,716	130%	565,131	100.00%	565,131	1/30/2013	9.00%	50,862	465,267	41,874
1454 Cupola Place	GA-10-02507	4	3,712	4	3,712	434,717	130%	565,132	100.00%	565,132	1/30/2013	9.00%	50,862	465,267	41,874
1454 Cupola Place	GA-10-02508	8	7,332	8	7,332	858,659	130%	1,116,257	100.00%	1,116,257	1/30/2013	9.00%	100,463	919,011	82,711
1454 Cupola Place	GA-10-02509	4	3,712	4	3,712	434,717	130%	565,132	100.00%	565,132	1/30/2013	9.00%	50,862	465,267	41,874
1454 Cupola Place	GA-10-02510	4	3,712	4	3,712	434,717	130%	565,132	100.00%	565,132	1/30/2013	9.00%	50,862	465,267	41,874
1454 Cupola Place	GA-10-02511	4	3,712	4	3,712	434,717	130%	565,132	100.00%	565,132	1/30/2013	9.00%	50,862	465,267	41,874
1454 Cupola Place	GA-10-02512	4	3,712	4	3,712	434,717	130%	565,132	100.00%	565,132	1/30/2013	9.00%	50,862	465,267	41,874
1454 Cupola Place	GA-10-02513	8	7,332	8	7,332	858,659	130%	1,116,257	100.00%	1,116,257	2/27/2013	9.00%	100,463	919,011	82,711
1454 Cupola Place	GA-10-02514	4	3,712	4	3,712	434,717	130%	565,132	100.00%	565,132	2/27/2013	9.00%	50,862	465,267	41,874
1454 Cupola Place	GA-10-02515	4	3,712	4	3,712	434,717	130%	565,132	100.00%	565,132	2/27/2013	9.00%	50,862	465,267	41,874
1454 Cupola Place	GA-10-02516	4	3,712	4	3,712	434,717	130%	565,132	100.00%	565,132	2/27/2013	9.00%	50,862	465,267	41,874
1454 Cupola Place	GA-10-02517	4	3,712	4	3,712	434,717	130%	565,132	100.00%	565,132	3/6/2013	9.00%	50,862	465,267	41,874
1454 Cupola Place	GA-10-02518	8	7,332	8	7,332	858,659	130%	1,116,257	100.00%	1,116,257	3/6/2013	9.00%	100,463	919,011	82,711
1454 Cupola Place	GA-10-02519	4	3,712	4	3,712	434,717	130%	565,132	100.00%	565,132	3/6/2013	9.00%	50,862	465,267	41,874
1454 Cupola Place	GA-10-02520	4	3,712	4	3,712	434,717	130%	565,132	100.00%	565,132	1/30/2013	9.00%	50,862	465,267	41,874
1454 Cupola Place	GA-10-02521	8	7,332	8	7,332	858,659	130%	1,116,257	100.00%	1,116,257	1/30/2013	9.00%	100,463	919,011	82,711
1454 Cupola Place	GA-10-02522	4	3,712	4	3,712	434,717	130%	565,132	100.00%	565,132	1/30/2013	9.00%	50,862	465,267	41,874
1454 Cupola Place	GA-10-02523	4	3,712	4	3,712	434,717	130%	565,132	100.00%	565,132	1/30/2013	9.00%	50,862	465,267	41,874
1454 Cupola Place	GA-10-02524	8	7,332	8	7,332	858,659	130%	1,116,257	100.00%	1,116,257	1/30/2013	9.00%	100,463	919,011	82,711
		120	110,808	120	110,808	12,976,855		16,869,912		16,869,912			1,518,292	13,888,892	1,250,000

Please do NOT include common space employee units!