

SILVERWOOD PLACE, 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**

MAY 15, 2013



HABIF, AROGETI & WYNNE, LLP

Certified Public Accountants and Business Advisors

INDEPENDENT AUDITORS' REPORT

Owner's Name: Silverwood Place, LP
Project Name: Silverwood Place Apartments
Project Number: TCAA # 2010-040

To the Partners
Silverwood Place, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Silverwood Place, LP (the "Owner") for Silverwood Place Apartments ("the Project") as of May 15, 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.

Auditors' 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 auditors' 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 \$7,113,239, eligible basis of \$6,432,094, and adjusted eligible basis of \$8,361,772 of the Owner for the Project as of May 15, 2013, on the basis of accounting described below.

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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

May 15, 2013

PART FOUR - USES OF FUNDS - Silverwood Place - 2010-040

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	6,388	6,388			
Market Study	15,741	15,741			
Environmental Report(s)	5,600	5,600			
Soil Borings	11,750	11,750			
Boundary and Topographical Survey					
Zoning/Site Plan Fees	30,674	30,674			
Other: 3rd Party Inspection Fees	70,153	70,153			
Subtotal					
ACQUISITION					
Land	410,000				410,000
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures	410,000				410,000
Subtotal					
SITE IMPROVEMENTS					
Site Preparation (On-site)	1,116,144	1,116,144			
Site Preparation (Off-site)	1,116,144	1,116,144			
Subtotal					
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	3,295,150	3,295,150			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
Subtotal					
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	88,226	88,226			
Builder Profit: 6.00%	264,678	(77,964)			
General Requirements	264,678	250,220			
Payment/performance bond or letter-of-credit fee or premium		260,482			
Subtotal					
Total Construction Costs	4,671,776	97,328.67 per unit			
		79.51 per sq ft			

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I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING					
Construction Loan Fee	55,000	55,000			55,000
Construction Loan Interest	141,068	133,856			7,212
Construction Legal Fees	19,910	19,910			
Construction Period Real Estate Tax	6,737	6,737			
Construction Insurance	16,313	16,313			
Bridge Loan Fee and Bridge Loan Interest					
Other:					
Subtotal	239,028	231,816	-	-	7,212
PROFESSIONAL SERVICES					
Architectural Fee - Design	80,159	80,159			
Architectural Fee - Supervision	19,632	19,632			
Engineering	83,386	83,386			
Real Estate Attorney	37,533	37,533			
Accounting	12,200	12,200			
Other:					
Subtotal	232,910	232,910	-	-	-
LOCAL GOVERNMENT FEES					
Building Permits	26,560	26,560			
Impact Fees	256,384	256,384			
Water Tap Fees	37,250	37,250			
Sewer Tap Fees	9,800	9,800			
Real Estate Taxes					
waived?					
waived?					
Subtotal	329,994	329,994	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees					
Permanent Loan Legal Fees					
Title and Recording Fees	18,995	18,995			
As-Built Survey	8,600	8,600			
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other:					
Subtotal	27,595	27,595	-	-	-

PART FOUR - USES OF FUNDS - Silverwood Place - 2010-040

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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	4,000				4,000
Tax Credit Application Fee					50,606
DCA Waiver Fees	50,606				33,600
LIHTC Allocation Processing Fee	33,600				
LIHTC Compliance Monitoring Fee					3,000
DCA Front End Analysis Fee (when ID of Interest)	3,000				1,500
DCA Final Inspection Fee	1,500				92,706
Other: DCA Concept Change Fee	92,706				
Subtotal					
EQUITY COSTS					
Partnership Organization Fees	18,889				18,889
Tax Credit Legal Opinion	6,394				6,394
Other:					25,283
Subtotal					
DEVELOPER'S FEE					
Developer's Overhead	122,738				
Consultant's Fee	695,512				
Developer's Fee	818,250				
Subtotal					
START-UP AND RESERVES					
Marketing					
Rent -Up Reserves	44,808				44,808
Operating Deficit Reserve:					89,616
Replacement Reserve	11,520				11,520
Furniture, Fixtures and Equipment	49,600				
Other:					
Subtotal					
OTHER COSTS					
Relocation					
Other:					
Other:					
Subtotal					
TOTAL DEVELOPMENT COST	7,113,239	6,432,094	-	-	681,145
Per Unit	148,192.48				
Per Square Foot	121.06				

PART FOUR - USES OF FUNDS - Silverwood Place - 2010-040

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

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

	New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
	0		
Total Subtractions From Basis:			
	0		0

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

6,432,094	0		0
0			
6,432,094	0		
130.00%			
8,361,722	0		
100.00%			100.00%
8,361,722	0		
9.00%			
752,555	0		0
752,555			

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

- Total Development Cost
- Subtract Non-LHTC (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

7,113,239			
110			
7,113,129	/	10	
711,313			Federal
0.9546	=	0.6976	+ State
745,142			0.2570

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

2010

722,938

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

John H. Collins

Name - Please Type

May 15, 2013

Date

