

SAWMILL LANDING, 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
AUGUST 31, 2017**

INDEPENDENT AUDITOR'S REPORT

Owner's Name: Sawmill Landing, LP
Project Name: Sawmill Landing
Project Number: TCAA # 2014-004

To the Partners
Sawmill Landing, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Sawmill Landing, LP (the "Owner") for Sawmill Landing ("the Project") as of August 31, 2017.

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 \$9,518,356, eligible basis of \$8,838,626 and adjusted eligible basis of \$10,694,737 of the Owner for the Project as of August 31, 2017, on the basis of accounting described below.

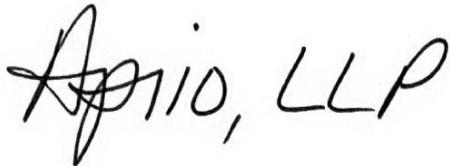
Basis of Accounting

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 black ink that reads "Aprio, LLP". The signature is written in a cursive, flowing style with some overlapping letters.

Atlanta, Georgia

September 22, 2017

PART FOUR - USES OF FUNDS - Sawmill Landing - 2014-004

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 Basis
PRE-DEVELOPMENT COSTS					
Property Appraisal					
Market Study	6,830	6,830			
Environmental Report(s)	5,232	5,232			
Soil Borings	6,250	6,250			
Boundary and Topographical Survey	7,949	7,949			
Zoning/Site Plan Fees					
Other: Accessibility Plan Review/Inspections/Construction	38,069	38,069			
Subtotal	64,330	64,330	-	-	-
ACQUISITION					
Land	112,000				112,000
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures					
Subtotal	112,000		-		112,000
SITE IMPROVEMENTS					
Site Preparation (On-site)	983,862	983,862			
Site Preparation (Off-site)					
Subtotal	983,862	983,862	-	-	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	4,813,277	4,813,277			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
Subtotal	4,813,277	4,813,277	-	-	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	115,943	115,943			
Builder Profit: 6.00%	347,828	347,828			
General Requirements 6.00%	347,828	347,828			
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	811,599	811,599	-	-	-
Total Construction Costs	110,145.63 per unit				
	6,608,738	91.41 per sq ft			

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	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING					
Construction Loan Fee	66,830	66,830			
Construction Loan Interest	489,640	383,477			106,163
Construction Legal Fees					
Construction Period Real Estate Tax	15,133	15,133			
Construction Insurance	61,074	52,738			8,336
Bridge Loan Fee and Bridge Loan Interest					
Other:					
Subtotal	632,677	518,178	-	-	114,499
PROFESSIONAL SERVICES					
Architectural Fee - Design	120,000	120,000			
Architectural Fee - Supervision	30,000	30,000			
Engineering	48,492	48,492			
Real Estate Attorney	7,509	3,754			3,755
Accounting	24,250	24,250			-
Other: Earthcraft	33,700	33,700			
Subtotal	263,951	260,196	-	-	3,755
LOCAL GOVERNMENT FEES					
Building Permits	35,566	35,566			
Impact Fees					
Water Tap Fees <i>waived?</i>	43,280	43,280			
Sewer Tap Fees <i>waived?</i>	43,280	43,280			
Real Estate Taxes					
Subtotal	122,126	122,126	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees	4,800				4,800
Permanent Loan Legal Fees	5,000				5,000
Title and Recording Fees	38,497	38,497			
As-Built Survey	4,260	4,260			
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other: Radon Testing	2,500	2,500			
Subtotal	55,057	45,257	-	-	9,800

PART FOUR - USES OF FUNDS - Sawmill Landing - 2014-004

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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-RELATED COSTS			
DCA Loan Application Fee	6,500				6,500
Tax Credit Application Fee					
DCA Waiver Fees					
LIHTC Allocation Processing Fee	55,011 62,869				62,869
LIHTC Compliance Monitoring Fee	42,000 48,000				48,000
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	3,000				3,000
Other:					
Subtotal	120,369				120,369
EQUITY COSTS		EQUITY COSTS			
Partnership Organization Fees					
Tax Credit Legal Opinion					
Other:					
Subtotal	-	-	-	-	-
DEVELOPER'S FEE		DEVELOPER'S FEE			
Developer's Overhead					
Consultant's Fee					
Developer's Fee	1,181,000	1,181,000			
Subtotal	1,181,000	1,181,000	-	-	-
START-UP AND RESERVES		START-UP AND RESERVES			
Marketing	10,000				10,000
Rent -Up Reserves	117,500				117,500
Operating Deficit Reserve:	151,807				151,807
Replacement Reserve	15,000				15,000
Furniture, Fixtures and Equipment	38,801	38,801			
Other: Tax and Insurance Escrow	25,000				25,000
Subtotal	358,108	38,801	-	-	319,307
OTHER COSTS		OTHER COSTS			
Relocation					
Other:					
Other:					
Subtotal	-	-	-	-	-
TOTAL DEVELOPMENT COST	9,518,356	8,838,626	-	-	679,730
Per Unit	158,639.27				
Per Square Foot	131.66				

PART FOUR - USES OF FUNDS - Sawmill Landing - 2014-004

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	8,838,626	0	0
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	8,838,626	0	0
Eligible Basis Adjustment for DDA/QCT Location	121.00%		
Adjusted Eligible Basis	10,694,737	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	10,694,737	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	962,526	0	0
Total Basis Method Tax Credit Calculation	962,526		

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost	9,518,356		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	480,110		
Equity Gap	9,038,246		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	903,825		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.1500	=	Federal
Total Gap Method Tax Credit Calculation	785,934		0.8500
			+ State
			0.3000

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year 2015 785,867

V. FINAL TAX CREDIT ALLOCATION REQUEST

785,867

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 - Sawmill Landing - 2014-004

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	Sterling Bank	480,000	5.750%	18	30	33,614	Amortizing	
Second Mortgage								
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	W.H. Gross Construction	2,112						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	Tax Credit Holdings - Sawmill, LLC	6,611,734						
State Housing Credit Equity	Tax Credit Holdings - Sawmill, LLC	2,424,400						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify) General Partner	WHG-Pembroke Tax Credit, LLC	100						
Other Source (specify) Special Limited Partner	Tax Credit Holdings - Sawmill, LLC	10						
Other Source (specify)								
Total Permanent Financing:		9,518,356						
Total Development Costs from Development Cost Schedule:		9,518,356						
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

The State Housing Credit Equity amount above includes \$66,799 related to the State Limited Partner's 1% share of the federal tax credits.

