

**SILVER LAKES LIMITED PARTNERSHIP
DBA SILVER LAKES**

**FINAL COST CERTIFICATION
DECEMBER 31, 2016**

SILVER LAKES LIMITED PARTNERSHIP
DBA SILVER LAKES
FOR THE PERIOD ENDED DECEMBER 31, 2016

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Stemen, Mertens, Stickler, CPAs & Associates
 (A Limited Liability Company)
Certified Public Accountants

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Independent Auditor's Report

February 7, 2017

Owner's Name: Silver Lakes Limited Partnership
 Project Name: Silver Lakes
 Project Number: TCAA # 2014-014

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Silver Lakes Limited Partnership (the "Owner") for Silver Lakes (the "Project") as of December 31, 2016. The Final Cost Certification is the responsibility of the Owner and the Owner's management. Our responsibility is to express an opinion of the Final Cost Certification based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the Final Cost Certification. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Final Cost Certification presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Final Cost Certification was 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 comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the Final Cost Certification presents fairly, in all material respects, the actual costs of \$7,762,852, adjusted eligible basis of \$6,979,516 and Qualified Basis of \$6,979,516 of the Owner for the Project as of December 31, 2016 on the basis of accounting described above.

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.

Stemen, Mertens, Stickler, CPAs & Associates
 Certified Public Accountants
 Columbus, Ohio

**SILVER LAKES LIMITED PARTNERSHIP
DBA SILVER LAKES
USES OF FUNDS
DECEMBER 31, 2016**

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		PRE-DEVELOPMENT COSTS			
Property Appraisal	8,500	8,500		-	
Market Study	4,500	4,500		-	
Environmental Report(s)	36,813	36,813		-	
Soil Borings	-	-		-	
Boundary and Topographical Survey	6,400	6,400		-	
Zoning/Site Plan Fees	-	-		-	
Other: C.N.A	1,950	1,950		-	
Subtotal	58,163	58,163	-	-	-
ACQUISITION		ACQUISITION			
Land	350,000				350,000
Demolition	-				
Acquisition Legal Fees (if existing structures)	-				
Existing Structures	-		-		
Subtotal	350,000		-		350,000
SITE IMPROVEMENTS		SITE IMPROVEMENTS			
Site Preparation (On-site)	974,369	974,369		-	
Site Preparation (Off-site)	-	-		-	
Subtotal	974,369	974,369	-	-	-
UNIT/BUILDING CONSTRUCTION		UNIT/BUILDING CONSTRUCTION			
Unit/Building Construction/New Construction	3,908,757	3,908,757		-	
Unit/Building Construction/Rehab	-	-		-	
Project Amenities / Accessory Buildings	-	-		-	
Other:	-	-		-	
Subtotal	3,908,757	3,908,757	-	-	-
CONTRACTOR SERVICES		CONTRACTOR SERVICES			
Builder's Overhead 2.00%	97,663	89,671		-	
Builder Profit: 6.00%	292,988	269,012		-	
General Requirements 6.00%	292,988	269,012		-	
Payment/performance bond or letter-of-credit fee or premium	-	-		-	
Subtotal	627,695	627,695	-	-	-
<i>Total Constructi 125,245.93 per unit</i> <i>5,510,821 159.29 per sq ft</i>					
CONSTRUCTION PERIOD FINANCING		CONSTRUCTION PERIOD FINANCING			
Construction Loan Fee	42,345	42,345		-	
Construction Loan Interest	146,173	36,999		-	109,174
Construction Legal Fees	84,980	84,980		-	
Construction Period Real Estate Tax	1,508	1,508		-	
Construction Insurance	20,891	20,891		-	
Bridge Loan Fee and Bridge Loan Interest	-	-		-	
Other:	-	-		-	
Subtotal	295,897	186,723	-	-	109,174

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USES OF FUNDS
DECEMBER 31, 2016**

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

I. DEVELOPMENT COST SCHEDULE (CONT.)

TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non- Depreciable Basis
PROFESSIONAL SERVICES		PROFESSIONAL SERVICES		
Architectural Fee - Design	191,146	191,146	-	
Architectural Fee - Supervision	-	-	-	
Engineering	57,336	57,336	-	
Real Estate Attorney	-	-	-	
Accounting	10,371	-	-	10,371
Other: <u>Inspection Fees/LEED Consultant</u>	60,968	60,968	-	
Subtotal	319,821	309,450	-	10,371
LOCAL GOVERNMENT FEES		LOCAL GOVERNMENT FEES		
Building Permits	20,741	20,741	-	
Impact Fees	-	-	-	
Water Tap Fees <i>waived?</i>	115,000	115,000	-	
Sewer Tap Fee: <i>waived?</i>	-	-	-	
Real Estate Taxes	-	-	-	
Subtotal	135,741	135,741	-	-
PERMANENT FINANCING FEES		PERMANENT FINANCING FEES		
Permanent Loan Fees	35,000			35,000
Permanent Loan Legal Fees	-			
Title and Recording Fees	24,162	24,162	-	
As-Built Survey	-	-	-	
Bond Issuance Premium	-	-	-	
Cost of Issuance / Underwriter's Discount	-	-	-	
Other: _____	-	-	-	
Subtotal	59,162	24,162	-	35,000
DCA-RELATED COSTS		DCA-RELATED COSTS		
DCA Loan Application Fee	-			
Tax Credit Application Fee	10,000			10,000
DCA Waiver Fees	-			
LIHTC Allocation Processing Fee	37,097	37,097		37,097
LIHTC Compliance Monitoring Fe	35,200	35,200		35,200
DCA Front End Analysis Fee (when ID of Interest)	-			
DCA Final Inspection Fee	3,000			3,000
Other: _____	-			
Subtotal	85,297			85,297
EQUITY COSTS		EQUITY COSTS		
Partnership Organization Fees	892			892
Tax Credit Legal Opinion	-			-
Other: _____	-	-	-	
Subtotal	892	-	-	892

SILVER LAKES LIMITED PARTNERSHIP
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USES OF FUNDS
DECEMBER 31, 2016

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

I. DEVELOPMENT COST SCHEDULE (CONT.)

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non- Depreciable Basis
DEVELOPER'S FEE					
Developer's Overhead	-	-	-	-	
Consultant's Fee	-	-		-	
Developer's Fee	707,956	707,956		-	
Subtotal	707,956	707,956	-	-	-
START-UP AND RESERVES					
Marketing	17,296				17,296
Rent -Up Reserves	40,000				40,000
Operating Deficit Reserve:	114,406				114,406
Replacement Reserve	-				-
Furniture, Fixtures and Equipment	46,500	46,500		-	
Other: T & I Escrow	20,900	-		-	20,900
Subtotal	239,102	46,500	-	-	192,602
OTHER COSTS					
Relocation	-	-			-
Other: Organization	-	-		-	-
Other:	-	-		-	-
Subtotal	-	-	-	-	-
TOTAL DEVELOPMENT COST	7,762,852	6,979,516	-	-	783,336
Per Unit	176,428.45				
Per Square Foot	224.39				

**SILVER LAKES LIMITED PARTNERSHIP
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USES OF FUNDS
DECEMBER 31, 2016**

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

II. TAX CREDIT CALCULATION - BASIS METHOD

	New Construction	4% Acquisition	Rehabilitation Basis
Subtractions From Eligible Basis			
Amount of federal grant(s) used to finance qualifying dev. 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	6,979,516	0	0
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	6,979,516	0	0
Eligible Basis Adjustment for DDA/QCT Location	100.00%		100.00%
Adjusted Eligible Basis	6,979,516	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	6,979,516	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%	3.26%	9.00%
Maximum Tax Credit Amount	628,156	0	0
Total Basis Method Tax Credit Calculation	628,156		

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost	7,762,852		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,000,100		
Equity Gap	6,762,752		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	676,275		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.4000	=	Federal State
Total Gap Method Tax Credit Calculation	483,054		0.9000 + 0.5000

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



Owner Signature

Jeffrey J. Woda,
Managing Member of the Sole Member
of the Administering General Partner 2/10/17
Name - Please Type Date

**SILVER LAKES LIMITED PARTNERSHIP
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SOURCES OF FUNDS
DECEMBER 31, 2016**

PERMANENT FINANCING

Financing Type	Name of Financing Entity	Principal Amount	Int. Rate	Term (Yrs)	Amort. (Yrs)	Annual Debt Svc Per Terms	Loan Type	Balloon?
First Mortgage	DCA HOME	1,000,000	1.00%	20	20	55,187	Amortizing	No
Second Mortgage								
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	TWG Inc. & PSLD, LLC	271,632	0.00%	15	15		Cash Flow	Yes
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	US Bancorp Comm Dev	4,172,565						
State Housing Credit Equity	USB Georgia State Inv I, LLC	2,318,555						
Historic Credit Equity								
Invest. Earnings from Tax-Exempt Bonds								
Invest. Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify)	GP Equity	50						
Other Source (specify)	GP Equity	50						
Other Source (specify)	Silver Lakes GP, LLC							
	Parallel Silver Lakes, LLC							
Total Permanent Financing:		7,762,852						
Total Development Costs from Development Cost Schedule:		7,762,852						
Surplus/(Shortage) of Permanent Funds to Development Costs:		0						

SILVER LAKES LIMITED PARTNERSHIP
DBA SILVER LAKES
NOTES TO THE FINAL COST CERTIFICATION
DECEMBER 31, 2016

Note 1. Organization

Silver Lakes Limited Partnership ("the Owner") DBA Silver Lakes was formed on August 17, 2011 under the laws of the State of Georgia and is governed by the Third Amended and Restated Limited Partnership Agreement ("the Limited Partnership Agreement") dated August 12, 2015. The Owner was formed for the purpose of developing, owning, constructing and operating a 44-unit apartment community located in Madison, Georgia .

Note 2. Significant Accounting Policies

Basis of Accounting

The Owner uses the accrual basis of accounting. The major accounting policies affecting the Final Cost Certification are:

1. The Final Cost Certification includes only the Partnership assets related to the development of Silver Lakes.
2. The recording of eligible vs. depreciable basis as determined by Internal Revenue Code Section 42.

Basis of Presentation

The Final Cost Certification of the Partnership has been prepared in conformity with the accounting requirements prescribed in the Georgia Department of Community Affairs ("GDCA") Low-Income Housing Tax Credit Program 2014 Qualified Allocation Plan. The accompanying Final Cost Certification is not prepared in accordance with accounting principles generally accepted in the United States of America, where Internal Revenue Code Section 42 guidelines or requirements differ. Therefore, the Final Cost Certification is not intended to represent the total development costs of the Partnership presented in accordance with accounting principals generally accepted in the United States of America.

Estimates

The preparation of the Final Cost Certification, in conformity with the basis of accounting described in the previous paragraphs, requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Note 3. Related Party Transactions

Development Agreement

The Owner has entered into a development agreement with Parallel Silver Lakes Developer, LLC and The Woda Group, Inc. (the "Developer") (an affiliate to the Partners) to provide certain development services and guarantees for the completion of the development of the apartment community.