

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
AND
INDEPENDENT AUDITOR'S REPORT
WATER TOWER PARK SENIOR VILLAGE, L.P.



Independent Auditor's Report

Owner's Name: Water Tower Park Senior Village, L.P.

Project Name: Water Tower Park Senior Village

Project Number: TCAA # 2014-018

We have audited the costs included in the accompanying Georgia Housing and Finance Agency ("GHFA") Final Cost Certification (the "Final Cost Certification") of Water Tower Park Senior Village, L.P. (the "Owner") for Water Tower Park Senior Village (the "Project") as of December 31, 2016.

Management's Responsibility

The Final Cost Certification is the responsibility of the Owner and the Owner's management. Management is responsible for the preparation and fair presentation of the Schedule in accordance with financial reporting provisions and qualification allocation plan rules established by GHFA. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule 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 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 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 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 assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Final Cost Certification presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

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 GHFA, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Opinion

In our opinion the Final Cost Certification presents fairly, in all material respects, the actual costs of \$10,875,637 and eligible basis of \$9,626,259 of the Owner for the Project as of December 31, 2016, on the basis of accounting described above.

Restrictions on Use

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

Other

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

Tidwell Group, LLC

Birmingham, Alabama
September 28, 2017

PART THREE - SOURCES OF FUNDS - Water Tower Park Senior Village - 2014-018

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	DCA HOME Loan	2,100,000	1.000%	30	30	81,053	DCA HOME IPS	Yes
Second Mortgage								
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	MV Residential Development, LLC	179,635	0.000%	10	10	17,963	Cash Flow	Yes
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	Regions Bank Community Investment Capital	6,251,467						
State Housing Credit Equity	MVM Water Tower-GA, LLC	2,344,535						
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:		10,875,637						
Total Development Costs from Development Cost Schedule:		10,875,637						
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

Debt Service is based on a set payment schedule, which declines over time. See HOME promissory note.

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	6,950	6,950			
Market Study	10,300	10,300			
Environmental Report(s)	72,980	72,980			
Soil Borings					
Boundary and Topographical Survey	8,716	8,716			
Zoning/Site Plan Fees	13,378	13,378			
Other:					
Subtotal	112,324	112,324	-	-	-
ACQUISITION					
Land	739,800				739,800
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures					
Subtotal	739,800		-		739,800
SITE IMPROVEMENTS					
Site Preparation (On-site)	1,454,752	1,454,752			
Site Preparation (Off-site)					
Subtotal	1,454,752	1,454,752	-	-	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	4,933,557	4,933,557			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
Subtotal	4,933,557	4,933,557	-	-	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	127,766.18	127,766			
Builder Profit: 6.00%	383,299	383,299			
General Requirements 6.00%	383,299	368,575			
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	879,640	879,640	-	-	-
<i>Total Construction Costs</i>	<i>100,943.74 per unit</i>				
	<i>7,267,949</i>				
					<i>103.53 per sq ft</i>

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
CONSTRUCTION PERIOD FINANCING					
Construction Loan Fee	10,450	6,096			4,354
Construction Loan Interest	84,985	73,596			11,389
Construction Legal Fees	134,651	134,651			
Construction Period Real Estate Tax	6,142	4,652			1,490
Construction Insurance	134,932	134,932			
Bridge Loan Fee and Bridge Loan Interest	35,500	20,708			14,792
Other:					
Subtotal	406,660	374,635	-	-	32,025
PROFESSIONAL SERVICES					
Architectural Fee - Design	265,758	265,758			
Architectural Fee - Supervision					
Engineering	59,469	59,469			
Real Estate Attorney					
Accounting	20,300	12,800			7,500
Other: Building Inspections	43,100	43,100			
Subtotal	388,627	381,127	-	-	7,500
LOCAL GOVERNMENT FEES					
Building Permits					
Impact Fees	108,382	108,382			
Water Tap Fees <i>waived?</i>					
Sewer Tap Fees <i>waived?</i>					
Real Estate Taxes					
Subtotal	108,382	108,382	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees					
Permanent Loan Legal Fees					
Title and Recording Fees	62,458	58,192			4,266
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other:					
Subtotal	62,458	58,192	-	-	4,266

PART FOUR - USES OF FUNDS - Water Tower Park Senior Village - 2014-018

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
DCA-RELATED COSTS		DCA-RELATED COSTS			
DCA Loan Application Fee	1,000				1,000
Tax Credit Application Fee	6,500				6,500
DCA Waiver Fees	1,500				1,500
LIHTC Allocation Processing Fee	49,733 56,837				56,837
LIHTC Compliance Monitoring Fee	50,400 57,600				57,600
DCA Front End Analysis Fee (when ID of Interest)	2,500				2,500
DCA Final Inspection Fee					
Other:					
Subtotal	125,937				125,937
EQUITY COSTS		EQUITY COSTS			
Partnership Organization Fees	1,472				1,472
Tax Credit Legal Opinion					
Other: <u>Related Party Interest</u>	4,479	4,479			
Subtotal	5,951	4,479	-	-	1,472
DEVELOPER'S FEE		DEVELOPER'S FEE			
Developer's Overhead					
Consultant's Fee					
Developer's Fee	1,255,747	1,255,747			
Subtotal	1,255,747	1,255,747	-	-	-
START-UP AND RESERVES		START-UP AND RESERVES			
Marketing	29,680				29,680
Rent -Up Reserves	75,878				75,878
Operating Deficit Reserve:	196,516				196,516
Replacement Reserve					
Furniture, Fixtures and Equipment	33,094	33,094			
Other: <u>Taxes and Insurance Escrow</u>	26,882				26,882
Subtotal	362,050	33,094	-	-	328,956
OTHER COSTS		OTHER COSTS			
Relocation					
Other: <u>Miscellaneous Development Costs</u>	9,422				9,422
Other: <u>Accessibility Review</u>	30,330	30,330			
	39,752	30,330	-	-	9,422
TOTAL DEVELOPMENT COST	10,875,637	9,626,259	-	-	1,249,378
Per Unit	151,050.52				
Per Square Foot	154.92				

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	9,626,259	0	0
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	9,626,259	0	0
Eligible Basis Adjustment for DDA/QCT Location	100.00%		
Adjusted Eligible Basis	9,626,259	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	9,626,259	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	866,363	0	0
Total Basis Method Tax Credit Calculation	866,363		

III. TAX CREDIT CALCULATION - GAP METHOD

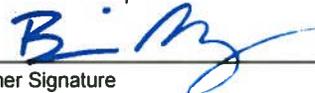
Equity Gap Calculation			
Total Development Cost	10,875,637		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	2,100,000		
Equity Gap	8,775,637		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	877,564		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.2100	=	Federal 0.8800 + State 0.3300
Total Gap Method Tax Credit Calculation	725,259		

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 are expected to apply) to the above-mentioned development.


 Owner Signature

Brian M. McGeary
 Name - Please Type

September 28, 2017
 Date

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

VI. OWNER COMMENTS AND CLARIFICATIONS

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Water Tower Park Senior Village - 2014-018

Cost Certification Date: **12/31/2016** Carryover Allocation Date: **1/27/2015** Project Address: **140 Senior Center Way, Gray, GA 31032**
 Type of Activity: **New Construction**

Please do NOT include common space employee units!

Building Address	Building Identification Number	Total Nbr of Residential Units	Total Residential Square Footage	Nbr of Low Income Units	Low Income Square Footage	Building's Eligible Basis	OCT/ 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
171 Senior Center Way Gray, GA 31032	GA-15-21801	4	3,413	4	3,413	401,460	100	401,460	100.00%	401,460	11/1/2016	9.00%	36,131	401,460	36,131
121 Senior Center Way Gray, GA 31032	GA-15-21802	4	3,413	4	3,413	401,460	100	401,460	100.00%	401,460	11/1/2016	9.00%	36,131	401,460	36,131
231 Senior Center Way Gray, GA 31032	GA-15-21803	4	3,413	4	3,413	401,460	100	401,460	100.00%	401,460	11/1/2016	9.00%	36,131	401,460	36,131
221 Senior Center Way Gray, GA 31032	GA-15-21804	4	3,413	4	3,413	401,460	100	401,460	100.00%	401,460	11/1/2016	9.00%	36,131	401,460	36,131
41 Senior Center Way Gray, GA 31032	GA-15-21805	4	3,413	4	3,413	401,460	100	401,460	100.00%	401,460	11/1/2016	9.00%	36,131	401,460	36,131
11 Senior Center Way Gray, GA 31032	GA-15-21806	4	3,414	4	3,414	401,578	100	401,578	100.00%	401,578	11/1/2016	9.00%	36,142	401,578	36,142
152 Senior Center Way Gray, GA 31032	GA-15-21807	4	3,886	4	3,886	457,098	100	457,098	100.00%	457,098	11/1/2016	9.00%	41,139	457,098	41,139
182 Senior Center Way Gray, GA 31032	GA-15-21808	4	3,886	4	3,886	457,098	100	457,098	100.00%	457,098	11/1/2016	9.00%	41,139	457,098	41,139
192 Senior Center Way Gray, GA 31032	GA-15-21809	4	3,886	4	3,886	457,098	100	457,098	100.00%	457,098	11/1/2016	9.00%	41,139	457,098	41,139
242 Senior Center Way Gray, GA 31032	GA-15-21810	4	3,886	4	3,886	457,098	100	457,098	100.00%	457,098	11/1/2016	9.00%	41,139	457,098	41,139
212 Senior Center Way Gray, GA 31032	GA-15-21811	4	3,886	4	3,886	457,098	100	457,098	100.00%	457,098	11/1/2016	9.00%	41,139	457,098	41,139
22 Senior Center Way Gray, GA 31032	GA-15-21812	4	3,886	4	3,886	457,098	100	457,098	100.00%	457,098	11/1/2016	9.00%	41,139	457,098	41,139
32 Senior Center Way Gray, GA 31032	GA-15-21813	4	3,886	4	3,886	457,098	100	457,098	100.00%	457,098	11/1/2016	9.00%	41,139	457,098	41,139
102 Senior Center Way Gray, GA 31032	GA-15-21814	4	3,886	4	3,886	457,098	100	457,098	100.00%	457,098	11/1/2016	9.00%	41,139	457,098	41,139
112 Senior Center Way Gray, GA 31032	GA-15-21815	4	3,886	4	3,886	457,098	100	457,098	100.00%	457,098	11/1/2016	9.00%	41,139	457,098	41,139
92 Senior Center Way Gray, GA 31032	GA-15-21816	4	3,886	4	3,886	457,098	100	457,098	100.00%	457,098	11/1/2016	9.00%	41,139	457,098	41,139
72 Senior Center Way Gray, GA 31032	GA-15-21817	4	3,886	4	3,886	457,098	100	457,098	100.00%	457,098	11/1/2016	9.00%	41,139	457,098	41,139
52 Senior Center Way Gray, GA 31032	GA-15-21818	4	3,886	4	3,886	457,098	100	457,098	100.00%	457,098	11/1/2016	9.00%	41,139	457,098	41,139
		72	67,111	72	67,111	7,894,054		7,894,054		7,894,054			710,465	7,894,054	710,465

