

**SUMMER BREEZE PARK, LP**

**INDEPENDENT AUDITOR'S REPORT  
CERTIFICATION OF ACTUAL COSTS AND OPINION AS  
TO ELIGIBLE BASIS AND OWNER'S CERTIFICATION  
OF FUNDING SOURCES AND PROJECT SUBSIDY**

**NOVEMBER 15, 2016**

## INDEPENDENT AUDITOR'S REPORT

Owner's Name: Summer Breeze Park, LP  
Project Name: Summer Breeze Park

To the Partners  
Summer Breeze Park, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Summer Breeze Park, LP (the "Owner") for Summer Breeze Park ("the Project") as of November 15, 2016.

### **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 \$10,385,976 and eligible basis of \$9,294,559 of the Owner for the Project as of November 15, 2016, 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 "Halij, Auguste & Partners LLP". The signature is written in a cursive, flowing style.

Atlanta, Georgia

November 28, 2016



PART FOUR - USES OF FUNDS - Summer Breeze Park - 2014-030

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
<b>CONSTRUCTION PERIOD FINANCING</b>					
Construction Loan Fee					
Construction Loan Interest					
Construction Legal Fees	73,750	73,750			
Construction Period Real Estate Tax	3,897	2,957			940
Construction Insurance	33,350	25,309			8,041
Bridge Loan Fee and Bridge Loan Interest					
Other: Accessibility(4,400), Earthcraft(33,453)	37,853	37,853			
<b>Subtotal</b>	<b>148,850</b>	<b>139,870</b>	<b>-</b>	<b>-</b>	<b>8,980</b>
<b>PROFESSIONAL SERVICES</b>					
Architectural Fee - Design	164,160	164,160			
Architectural Fee - Supervision	38,988	38,988			
Engineering	13,342	13,342			
Real Estate Attorney	77,216	77,216			
Accounting	26,200	26,200			
Other: MaterialTesting(12,281), Radon(2,850)	15,131	15,131			
<b>Subtotal</b>	<b>335,037</b>	<b>335,037</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LOCAL GOVERNMENT FEES</b>					
Building Permits	32,758	32,758			
Impact Fees					
Water Tap Fees <i>waived?</i>	<i>No</i>				
Sewer Tap Fees <i>waived?</i>	<i>No</i>	43,800			
Real Estate Taxes					
<b>Subtotal</b>	<b>76,558</b>	<b>76,558</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PERMANENT FINANCING FEES</b>					
Permanent Loan Fees					
Permanent Loan Legal Fees	7,375				7,375
Title and Recording Fees	19,122	19,122			
As-Built Survey	14,000	14,000			
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other: Utility Model(500), State Fire Mar.(2,091)	2,591	2,591			
<b>Subtotal</b>	<b>43,088</b>	<b>35,713</b>	<b>-</b>	<b>-</b>	<b>7,375</b>

PART FOUR - USES OF FUNDS - Summer Breeze Park - 2014-030

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
<b>DCA-RELATED COSTS</b>				<b>DCA-RELATED COSTS</b>		
DCA Loan Application Fee		2,000				2,000
Tax Credit Application Fee		6,500				6,500
DCA Waiver Fees		1,500				1,500
LIHTC Allocation Processing Fee	47,895	54,737				54,737
LIHTC Compliance Monitoring Fee	50,400	57,600				57,600
DCA Front End Analysis Fee (when ID of Interest)						
DCA Final Inspection Fee						
Other:						
	<b>Subtotal</b>	122,337				122,337
<b>EQUITY COSTS</b>				<b>EQUITY COSTS</b>		
Partnership Organization Fees						
Tax Credit Legal Opinion		2,500				2,500
Other: Raymond James		50,000				50,000
	<b>Subtotal</b>	52,500	-	-	-	52,500
<b>DEVELOPER'S FEE</b>				<b>DEVELOPER'S FEE</b>		
Developer's Overhead		260,000	260,000			
Consultant's Fee						
Developer's Fee		1,040,000	1,040,000			
	<b>Subtotal</b>	1,300,000	1,300,000	-	-	-
<b>START-UP AND RESERVES</b>				<b>START-UP AND RESERVES</b>		
Marketing		20,000				20,000
Rent -Up Reserves		72,017				72,017
Operating Deficit Reserve:		182,000				182,000
Replacement Reserve						
Furniture, Fixtures and Equipment		20,000	20,000			
Other: Inspections		25,595	25,595			
	<b>Subtotal</b>	319,612	45,595	-	-	274,017
<b>OTHER COSTS</b>				<b>OTHER COSTS</b>		
Relocation						
Other: T & I Escrow		104,600				104,600
Other: Bank Fees		258				258
	<b>Subtotal</b>	104,858	-	-	-	104,858
<b>TOTAL DEVELOPMENT COST</b>		<b>10,385,976</b>	<b>9,294,559</b>	<b>-</b>	<b>-</b>	<b>1,091,417</b>
<b>Per Unit</b>		144,249.67				
<b>Per Square Foot</b>		136.77				

**PART FOUR - USES OF FUNDS - Summer Breeze Park - 2014-030**

**CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS**

**II. TAX CREDIT CALCULATION - BASIS METHOD**

	New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
<b>Subtractions From Eligible Basis</b>			
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			
<b>Total Subtractions From Basis:</b>	<b>0</b>		<b>0</b>
<b>Eligible Basis Calculation</b>			
Total Basis	9,294,559	0	0
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	9,294,559	0	0
Eligible Basis Adjustment for DDA/QCT Location	100.00%		
Adjusted Eligible Basis	9,294,559	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Qualified Basis	9,294,559	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	836,510	0	0
<b>Total Basis Method Tax Credit Calculation</b>	<b>836,510</b>		

**III. TAX CREDIT CALCULATION - GAP METHOD**

<b>Equity Gap Calculation</b>			
Total Development Cost	10,385,976		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	2,500,000		
Equity Gap	7,885,976		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	788,598		
Enter Final Federal and State Equity Factors ( <b>not including GP contribution</b> )	1.1500	=	Federal
Total Gap Method Tax Credit Calculation	<b>685,737</b>		+ State
			0.8000 + 0.3500

**IV. TAX CREDIT CARRYOVER ALLOCATION**

Allocation Year 2014 684,210

**V. FINAL TAX CREDIT ALLOCATION REQUEST**

684,210

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 FOUR - USES OF FUNDS - Summer Breeze Park - 2014-030

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

VI. OWNER COMMENTS AND CLARIFICATIONS

The total construction contract was for \$7,252,157, plus the off site work completed by Mack Homes Enterprises in the amount of \$191,850 for off site water supply, plus the payment and performance bond in the amount of \$63,101.

**PART THREE - SOURCES OF FUNDS - Summer Breeze Park - 2014-030**

**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	2,500,000	1.000%	20			Cash Flow	Yes
Second Mortgage								
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Deferred Developer Fee	4,480						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	Raymond Jaems	5,486,212						
State Housing Credit Equity	Raymond Jaems	2,395,284						
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:		<b>10,385,976</b>						
Total Development Costs from Development Cost Schedule:		<b>10,385,976</b>						
Surplus/(Shortage) of Permanent Funds to Development Costs:		<b>0</b>						

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**

