

PART FOUR - USES OF FUNDS - Cox Creek Apartments - 2014-508

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	0	766,086	951,709
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	766,086	951,709
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	766,086	951,709
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	0	766,086	951,709
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	24,668	30,645
Total Basis Method Tax Credit Calculation		55,313	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost	2,069,526		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,048,680		
Equity Gap	1,020,846		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	102,085		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.8191	=	Federal
Total Gap Method Tax Credit Calculation	56,118		1.2824
			+ State
			0.5367

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year 2015

V. FINAL TAX CREDIT ALLOCATION REQUEST

55,313

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

ELLIJAY COX CREEK, 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
AND
50% CALCULATION**

DECEMBER 31, 2015

INDEPENDENT AUDITOR'S REPORT

Owner's Name: Ellijay Cox Creek, LP
Project Name: Cox Creek Apartments
Project Number: TCAA # 2014-508

To the Partners
Ellijay Cox Creek, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Ellijay Cox Creek, LP (the "Owner") for Cox Creek Apartments ("the Project") as of December 31, 2015.

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 \$2,069,526 and eligible basis of \$1,717,795, and that fifty-six and zero-tenths percent 56.0% of the aggregate basis of the building and the land of \$1,806,320 were financed with tax-exempt bond proceeds of \$1,011,825 by the Owner for the Project as of December 31, 2015, 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 cursive script that reads "Halij, Aragata & Wynn, LLP".

Atlanta, Georgia

March 8, 2016

PART FOUR - USES OF FUNDS - Cox Creek Apartments - 2014-508

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	4,557			4,557	
Market Study	4,400			4,400	
Environmental Report(s)	6,400			6,400	
Soil Borings					
Boundary and Topographical Survey	11,569			11,569	
Zoning/Site Plan Fees					
Other: Accessibility Inspection	5,250			5,250	
Subtotal	32,176	-	-	32,176	-
ACQUISITION					
Land	88,525				88,525
Demolition					-
Acquisition Legal Fees (if existing structures)			-		
Existing Structures	666,162		666,162		
Subtotal	754,687	-	666,162	-	88,525
SITE IMPROVEMENTS					
Site Preparation (On-site)	80,220			80,220	
Site Preparation (Off-site)					
Subtotal	80,220	-	-	80,220	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	550,308			550,308	
Project Amenities / Accessory Buildings					
Other:					
Subtotal	550,308	-	-	550,308	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	12,611			11,792	
Builder Profit: 6.00%	37,832			35,374	
General Requirements 6.00%	37,832			18,791	
Payment/performance bond or letter-of-credit fee or premium	6,205			6,205	
Subtotal	72,162	-	-	72,162	-
Total Construction Costs	28,107.60 per unit				
	702,690				
	35.05 per sq ft				

PART FOUR - USES OF FUNDS - Cox Creek Apartments - 2014-508

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 PERIOD FINANCING		
Construction Loan Fee					
Construction Loan Interest					
Construction Legal Fees					
Construction Period Real Estate Tax					
Construction Insurance					
Bridge Loan Fee and Bridge Loan Interest	1,000			1,000	
Other: <u>Green Rebate Costs/Rehab inspection fees</u>	2,500			2,500	
Subtotal	3,500	-	-	3,500	-
PROFESSIONAL SERVICES			PROFESSIONAL SERVICES		
Architectural Fee - Design	20,000			20,000	
Architectural Fee - Supervision					
Engineering					
Real Estate Attorney	18,500			18,500	
Accounting	15,000			15,000	
Other: _____					
Subtotal	53,500	-	-	53,500	-
LOCAL GOVERNMENT FEES			LOCAL GOVERNMENT FEES		
Building Permits	372			372	
Impact Fees					
Water Tap Fees <i>waived?</i>					
Sewer Tap Fees <i>waived?</i>					
Real Estate Taxes					
Subtotal	372	-	-	372	-
PERMANENT FINANCING FEES			PERMANENT FINANCING FEES		
Permanent Loan Fees	28,168				28,168
Permanent Loan Legal Fees	14,833				14,833
Title and Recording Fees	5,382			5,382	
As-Built Survey	-			-	
Bond Issuance Premium	-			-	
Cost of Issuance / Underwriter's Discount	34,271			-	34,271
Other: _____				-	
Subtotal	82,654	-	-	5,382	77,272

PART FOUR - USES OF FUNDS - Cox Creek Apartments - 2014-508

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					-
Tax Credit Application Fee	5,000				5,000
DCA Waiver Fees	3,000				3,000
LIHTC Allocation Processing Fee	3,872 4,553				4,553
LIHTC Compliance Monitoring Fee	17,500 10,000				10,000
DCA Front End Analysis Fee (when ID of Interest)					-
DCA Final Inspection Fee					-
Other:					-
Subtotal	22,553				22,553
EQUITY COSTS		EQUITY COSTS			
Partnership Organization Fees					
Tax Credit Legal Opinion					
Other: Due Diligence Fee	15,000				15,000
Subtotal	15,000	-	-	-	15,000
DEVELOPER'S FEE		DEVELOPER'S FEE			
Developer's Overhead					
Consultant's Fee	23,000			23,000	
Developer's Fee	219,248		99,924	119,324	
Subtotal	242,248	-	99,924	142,324	-
START-UP AND RESERVES		START-UP AND RESERVES			
Marketing					-
Rent -Up Reserves					-
Operating Deficit Reserve:	68,338				68,338
Replacement Reserve	57,963				57,963
Furniture, Fixtures and Equipment	9,000			9,000	
Other: Rental Assistance Reserve	22,080				22,080
Subtotal	157,381	-	-	9,000	148,381
OTHER COSTS		OTHER COSTS			
Relocation	2,765			2,765	
Other:					
Other:	-			-	
Subtotal	2,765	-	-	2,765	-
TOTAL DEVELOPMENT COST	2,069,526	-	766,086	951,709	351,731
Per Unit	82,781.04				
Per Square Foot	103.22				

PART FOUR - USES OF FUNDS - Cox Creek Apartments - 2014-508

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	0	766,086	951,709
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	766,086	951,709
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	766,086	951,709
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	0	766,086	951,709
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	24,668	30,645
Total Basis Method Tax Credit Calculation		55,313	

III. TAX CREDIT CALCULATION - GAP METHOD

See modified version

Equity Gap Calculation			
Total Development Cost	2,069,526		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,048,680		
Equity Gap	1,020,846		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	102,085		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.7470	=	Federal
Total Gap Method Tax Credit Calculation	58,434		1.2150
		+	State
			0.5320

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year 2015

V. FINAL TAX CREDIT ALLOCATION REQUEST

55,313

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 - Cox Creek Apartments - 2014-508

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	538 Loan	268,700	4.800%	40	40	15,123	Amortizing	
Second Mortgage	515 USDA Loan	779,980	3.375%	30	50	32,316	Amortizing	
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Rea Ventures Group, LLC	14,624						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	CSG MT I, LLC	709,360						
State Housing Credit Equity	CSG SLP, LLC	296,862						
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:		2,069,526						
Total Development Costs from Development Cost Schedule:		2,069,526						
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 equity calculation reported in the sources of funds above is based on the blended rate in article v of the partnership agreement.

PART ELEVEN - 50% TEST - Cox Creek Apartments - 2014-508

Project Name: Cox Creek Apartments DCA Project Nbr: 2014-508

- 1.) Tax-exempt bond proceeds: 1011825

- 2.) Aggregate basis of building and land: 1806320

- 3.) Percentage of aggregate basis financed by tax-exempt bonds: 56.0%