

PART FOUR - USES OF FUNDS - Pinebrook Apartments - 2014-521

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	1,545,465	1,844,467
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	1,545,465	1,844,467
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	1,545,465	1,844,467
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	0	1,545,465	1,844,467
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	49,764	59,392
Total Basis Method Tax Credit Calculation		109,156	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost	4,038,421		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	2,129,960		
Equity Gap	1,908,461		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	190,846		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.6747	=	Federal
Total Gap Method Tax Credit Calculation	113,958		1.1032
			+ State
			0.5715

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

V. FINAL TAX CREDIT ALLOCATION REQUEST

109,156

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

PERRY PINEBROOK, 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 1, 2015



INDEPENDENT AUDITOR'S REPORT

Owner's Name: Perry Pinebrook, LP
Project Name: Pinebrook Apartments
Project Number: TCAA # 2014-521

To the Partners
Perry Pinebrook, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Perry Pinebrook, LP (the "Owner") for Pinebrook Apartments ("the Project") as of December 1, 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 \$4,038,421 and eligible basis of \$3,389,932, and that fifty-six and five-tenths percent 56.5% of the aggregate basis of the building and the land of \$3,592,698 were financed with tax-exempt bond proceeds of \$2,031,279 by the Owner for the Project as of December 1, 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, Prager & Pappas, LLP".

Atlanta, Georgia

March 10, 2016

PART FOUR - USES OF FUNDS - Pinebrook Apartments - 2014-521

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)	6,600			6,600	
Soil Borings				-	
Boundary and Topographical Survey	9,052			9,052	
Zoning/Site Plan Fees				-	
Other: Accessibility inspection	5,250			5,250	
Subtotal	29,859	-	-	29,859	-
ACQUISITION					
Land	202,766				202,766
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures	1,343,883		1,343,883		
Subtotal	1,546,649	-	1,343,883	-	202,766
SITE IMPROVEMENTS					
Site Preparation (On-site)	134,490			134,490	
Site Preparation (Off-site)					
Subtotal	134,490	-	-	134,490	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	1,101,533			1,101,533	
Project Amenities / Accessory Buildings					
Other:					
Subtotal	1,101,533	-	-	1,101,533	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	24,720			24,720	
Builder Profit: 6.00%	74,161			74,096	
General Requirements 6.00%	74,161			74,161	
Payment/performance bond or letter-of-credit fee or premium	11,610			11,610	
Subtotal	184,587	-	-	184,587	-
Total Construction Costs	27,319.42 per unit				
	1,420,610				
	34.31 per sq ft				

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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: Rehab inspection/Green cost review	9,369			9,369	-
Subtotal	10,369	-	-	10,369	-
PROFESSIONAL SERVICES			PROFESSIONAL SERVICES		
Architectural Fee - Design	25,400			25,400	-
Architectural Fee - Supervision				-	-
Engineering				-	-
Real Estate Attorney	18,500			18,500	-
Accounting	15,000			15,000	-
Other:				-	-
Subtotal	58,900	-	-	58,900	-
LOCAL GOVERNMENT FEES			LOCAL GOVERNMENT FEES		
Building Permits					
Impact Fees					
Water Tap Fees <i>waived?</i>					
Sewer Tap Fees <i>waived?</i>					
Real Estate Taxes					
Subtotal	-	-	-	-	-
PERMANENT FINANCING FEES			PERMANENT FINANCING FEES		
Permanent Loan Fees	32,390				32,390
Permanent Loan Legal Fees	14,833				14,833
Title and Recording Fees	10,822			10,822	
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	49,338				49,338
Other:					-
Subtotal	107,384	-	-	10,822	96,562

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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					
Tax Credit Application Fee	5,000				5,000
DCA Waiver Fees	3,000				3,000
LIHTC Allocation Processing Fee	7,641 9,074				9,074
LIHTC Compliance Monitoring Fee	36,400 20,800				20,800
DCA Front End Analysis Fee (when ID of Interest)					-
DCA Final Inspection Fee					-
Other:					
Subtotal	37,874				37,874
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	465,953		201,582	264,371	
Subtotal	488,953	-	201,582	287,371	-
START-UP AND RESERVES		START-UP AND RESERVES			
Marketing					
Rent -Up Reserves					
Operating Deficit Reserve:	143,501				143,501
Replacement Reserve	56,558				56,558
Furniture, Fixtures and Equipment	12,047			12,047	-
Other: Rental assistance reserve/Rd operating funds	96,228				96,228
Subtotal	308,334	-	-	12,047	296,287
OTHER COSTS		OTHER COSTS			
Relocation	14,489			14,489	
Other:					
Other:					
Subtotal	14,489	-	-	14,489	-
TOTAL DEVELOPMENT COST	4,038,421	-	1,545,465	1,844,467	648,489
Per Unit	77,661.93				
Per Square Foot	97.55				

PART FOUR - USES OF FUNDS - Pinebrook Apartments - 2014-521

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

II. TAX CREDIT CALCULATION - BASIS METHOD

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Subtractions From Eligible Basis			
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Amount of federal below market rate loan			
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Nonqualifying excess portion of higher quality units			
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Other			
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Eligible Basis Calculation			
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Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	1,545,465	1,844,467
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	0	1,545,465	1,844,467
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	49,764	59,392
Total Basis Method Tax Credit Calculation		109,156	

III. TAX CREDIT CALCULATION - GAP METHOD

See modified version

Equity Gap Calculation			
Total Development Cost	4,038,421		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	2,129,960		
Equity Gap	1,908,461		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	190,846		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.6590	=	Federal
Total Gap Method Tax Credit Calculation	115,037		1.0950
			+ State
			0.5640

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

V. FINAL TAX CREDIT ALLOCATION REQUEST

109,156

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 - Pinebrook Apartments - 2014-521

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	737,800	4.800%	40	40	41,526		
Second Mortgage	515 USDA Loan	1,339,710	3.375%	30	50	55,507		
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Rea Ventures Group, LLC	80,410						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	CSG MT I, LLC	1,204,220						
State Housing Credit Equity	CSG SLP, LLC	623,831						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify)	Ga Power Rebate	52,450						
Other Source (specify)								
Other Source (specify)								
Total Permanent Financing:		4,038,421						
Total Development Costs from Development Cost Schedule:		4,038,421						
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 - Pinebrook Apartments - 2014-521

Project Name: **Pinebrook Apartments** DCA Project Nbr: **2014-521**

- 1.) Tax-exempt bond proceeds: 2031279

- 2.) Aggregate basis of building and land: 3592698

- 3.) Percentage of aggregate basis financed by tax-exempt bonds: 56.5%