

**Independent Auditor's 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**

Mills Creek Crossing, LP

December 31, 2016

Mills Creek Crossing, LP

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Independent Auditor's Report

Owner's Name: Mills Creek Crossing, LP
Project Name: Mills Creek Crossing
Project Number: 2014HN-505

We have audited the costs included in the accompanying Georgia Department of Community Affairs ("DCA") Certification of Actual Cost and opinion as to Eligible Basis, the Owner's Certification of Funding Sources and Project Subsidy, and the building allocation of Qualified Basis Worksheet (the "Final Cost Certification") of Mills Creek Crossing, LP (the "Owner") for Mills Creek Crossing ("the Project") as of December 31, 2016.

Management's Responsibility for the Final Cost Certification

Management is responsible for the preparation and fair presentation of the Final Cost Certification in accordance with financial reporting provisions and qualified allocation plan rules established by DCA. Management is also responsible for 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 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 audit opinion.

Opinion

In our opinion, the Final Cost Certification referred to above presents fairly, in all material respects, the actual costs of \$29,528,815 and eligible basis of \$26,472,214 of the Owner for the Project as of December 31, 2016, in accordance with financial reporting provisions and qualified allocation plan rules established by DCA.

Basis of Accounting

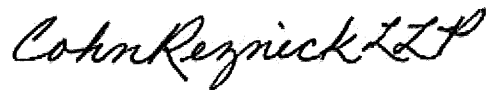
We draw attention to the financial reporting provisions of DCA, which require the Owner to account for actual costs and adjusted eligible basis in accordance with the basis of accounting the Owner uses for income tax purposes and to comply with the provisions of DCA's qualified allocation plan, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restriction on Use

Our report is intended solely for the information and use of the Owner and DCA and is not intended to be and should not be used by anyone other than these specified parties.

Other

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

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Atlanta, Georgia
May 9, 2017

PART THREE - SOURCES OF FUNDS - Mills Creek Crossing, LP - 2014HN-505

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?
		Principal Amount	Interest Rate						
First Mortgage	Bank of America	8,260,800	4.780%	27	30		518,901	Amortizing	No
Second Mortgage	DCA HOME	4,250,000	1.000%	20	0			Cash Flow	
Third Mortgage	Housing Authority of DeKalb County	3,300,000	2.910%	40	0			Cash Flow	
Other Source (specify)									
Other Source (specify)									
Deferred Developer Fees	NorSouth Development Company of Georgia, LLC	1,224,990							
Federal Grant									
State, Local, or Private Grant									
Federal Housing Credit Equity	STCC Mills Creek Crossing, LLC	8,613,357							
State Housing Credit Equity	CSG Mills Creek, LLC	3,778,379							
Historic Credit Equity									
Investment Earnings from Tax-Exempt Bonds									
Investment Earnings from Taxable Bonds									
Income from Operations	Mills Creek Crossing, LP	29,633							
Other Source (specify)	Georgia Power	71,656							
Other Source (specify)									
Other Source (specify)									
Total Permanent Financing:		29,528,815							
Total Development Costs from Development Cost Schedule:		29,528,815							
Surplus/(Shortage) of Permanent Funds to Development Costs:		0							

DCA HOME loan interest rate per Operating Year for Projects located in Rural Areas:	1-7	8	9	10	11	12	13	14	15

VII. OWNER COMMENTS AND CLARIFICATIONS

See Independent Auditor's Report.

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	8,000	8,000			
Market Study	6,725	6,725			
Environmental Report(s)	80,699	80,699			
Soil Borings	39,358	39,358			
Boundary and Topographical Survey	20,993	20,993			
Zoning/Site Plan Fees					
Other: Noise Study, Testing, Inspections & Pre Constr Reimbursable	289,515	289,515			
Subtotal	445,290	445,290			
ACQUISITION					
Land	75				75
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures	75				75
Subtotal					
SITE IMPROVEMENTS					
Site Preparation (On-site)	3,552,726	2,993,892			558,834
Site Preparation (Off-site)		2,993,892			558,834
Subtotal	3,552,726	2,993,892			558,834
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	15,516,254	15,444,598			71,656
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
Subtotal	15,516,254	15,444,598			71,656
CONTRACTOR SERVICES					
Builder's Overhead:	381,380	131,738			
Builder Profit:	1,144,139				
General Requirements	1,144,139	615,888			
Payment/performance bond or letter-of-credit fee or premium		747,626			
Total Construction Costs	99,083.03 per unit				
19,816,606	87.34 per sq ft				

I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortization of Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING					
Construction Loan Fee	428,103	127,062			301,041
Construction Loan Interest	501,087	482,585			18,502
Construction Legal Fees					
Construction Period Real Estate Tax	259,451	241,601			17,850
Construction Insurance	21,423	21,423			6,356
Bridge Loan Fee and Bridge Loan Interest	46,605	40,249			343,749
Other: Title/Recording Fees, Flood Determ Report & Bank Charges	1,256,669	912,920			
Subtotal			-		
PROFESSIONAL SERVICES					
Architectural Fee - Design	456,397	456,397			
Architectural Fee - Supervision	130,184	130,184			
Engineering	263,688	162,684			101,004
Real Estate Attorney	33,605	32,355			1,250
Accounting	8,750	8,750			
Other: Consulting	892,624	790,370			102,254
Subtotal			-		
LOCAL GOVERNMENT FEES					
Building Permits	180,167	180,167			
Impact Fees	2,324,462	1,908,153			416,309
Water Tap Fees	30,700	30,700			
Sewer Tap Fees	215,432	215,432			
Real Estate Taxes	2,750,761	2,334,452			416,309
Subtotal			-		
PERMANENT FINANCING FEES					
Permanent Loan Fees					
Permanent Loan Legal Fees					
Title and Recording Fees					
As-Built Survey					
Bond Issuance Premium	85,000	36,616			48,384
Cost of Issuance / Underwriter's Discount					
Other:					
Subtotal	85,000	36,616	-		48,384

I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
DCA-RELATED COSTS					
DCA Loan Application Fee	500				500
Tax Credit Application Fee	5,000				5,000
DCA Waiver Fees					-
LIHTC Allocation Processing Fee	69,610				70,667
LIHTC Compliance Monitoring Fee	160,000				160,000
DCA Front End Analysis Fee (when ID of Interest)					-
DCA Final Inspection Fee	3,000				3,000
Other:					-
Subtotal	239,167				239,167
EQUITY COSTS					
Partnership Organization Fees					
Tax Credit Legal Opinion					
Other:					
Subtotal	-				-
DEVELOPER'S FEE					
Developer's Overhead					
Consultant's Fee	2,600,000				
Developer's Fee	2,600,000				
Subtotal	2,600,000				-
START-UP AND RESERVES					
Marketing	76,868				76,868
Rent -Up Reserves	161,902				161,902
Operating Deficit Reserve:					
Replacement Reserve	715,279				715,279
Furniture, Fixtures and Equipment	209,469				
Other:					
Subtotal	1,163,518				954,049
OTHER COSTS					
Relocation					
Other: Interest Reserve	279,105				279,105
Other:					
Subtotal	279,105				279,105
TOTAL DEVELOPMENT COST	29,528,815	26,515,233	-	-	3,013,582
Per Unit	147,644.08				
Per Square Foot	130.15				

II. TAX CREDIT CALCULATION - BASIS METHOD

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

	New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
	43,019		
	43,019		0
Total Subtractions From Basis:	43,019		0

Eligible Basis Calculation

Total Basis
 Less Total Subtractions From Basis (see above)
 Total Eligible Basis
 Eligible Basis Adjustment for DDA/QCT Location
 Adjusted Eligible Basis
 Multiply Adjusted Eligible Basis by Applicable Fraction
 Qualified Basis
 Multiply Qualified Basis by Applicable Credit Percentage
 Maximum Tax Credit Amount
 Total Basis Method Tax Credit Calculation

	26,515,233	0	0
	43,019	0	0
	26,472,214	0	0
	130.00%		
	34,413,878	0	0
	79.65%	79.65%	79.65%
	27,409,459	0	0
	3.17%		
	870,123	0	0
		870,123	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

Total Development Cost
 Subtract Non-LHTC (excluding deferred fee) Source of Funds
 Equity Gap
 Divide Equity Gap by 10
 Annual Equity Required
 Enter Final Federal and State Equity Factors (not including GP contribution)
 Total Gap Method Tax Credit Calculation

	29,528,815		
	15,912,089		
	13,616,726		
	/ 10		
	1,361,673	Federal	State
	1,4190	0.9900	0.4290
	959,600	=	+

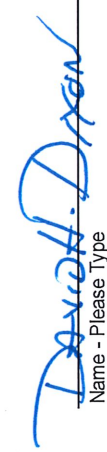
IV. TAX CREDIT CARRYOVER ALLOCATION

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


 Name - P lease Type

5-16-17
 Date

See Independent Auditor's Report.

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Mills Creek Crossing, LP - 2014HN-505

Cost Certification Date: 12/31/2016
 Type of Activity: New Construction

Carryover Allocation Date: []

Project Address: 3175 Mills Creek Circle, Scottdale GA 30079

Please do NOT include common space employee units!

Building Address	Building Identification Number	Total Nbr of Resident Units	Total Residential Square Footage	Nbr of Low Income Units	Low Income Square Footage	Building's Eligible Basis	QCT/ DPA 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	Tax Credit Amount
3175 Mills Creek Circle, Building 200	GA-14HN-50501	8	10,572	8	10,572	1,240,506	130%	1,240,506	100.00%	1,612,658	5/11/2016	3.18%	51,283	1,612,658	51,283
3175 Mills Creek Circle, Building 300	GA-14HN-50502	4	5,286	2	2,643	620,252	130%	620,252	50.00%	403,164	5/26/2016	3.18%	12,821	403,164	12,821
3175 Mills Creek Circle, Building 400	GA-14HN-50503	8	10,572	6	7,929	1,240,506	130%	1,240,506	75.00%	1,209,494	5/12/2016	3.18%	38,462	1,209,494	38,462
3175 Mills Creek Circle, Building 500	GA-14HN-50504	8	10,572	6	7,929	1,240,506	130%	1,240,506	75.00%	1,209,494	5/12/2016	3.18%	38,462	1,209,494	38,462
3175 Mills Creek Circle, Building 600	GA-14HN-50505	8	10,572	6	7,929	1,240,506	130%	1,240,506	75.00%	1,209,494	6/28/2016	3.18%	38,462	1,209,494	38,462
3175 Mills Creek Circle, Building 700	GA-14HN-50506	4	5,286	2	2,643	620,252	130%	620,252	50.00%	403,164	6/28/2016	3.18%	12,821	403,164	12,821
3175 Mills Creek Circle, Building 800	GA-14HN-50507	24	24,540	20	20,175	2,879,494	130%	2,879,494	82.21%	3,077,504	7/15/2016	3.18%	97,865	3,077,504	97,865
3175 Mills Creek Circle, Building 900	GA-14HN-50508	24	27,948	21	24,468	3,279,384	130%	3,279,384	87.50%	3,730,300	7/19/2016	3.18%	118,624	3,730,300	118,624
3175 Mills Creek Circle, Building 1000	GA-14HN-50509	24	24,540	18	18,405	2,879,494	130%	2,879,494	75.00%	2,807,507	7/25/2016	3.18%	89,279	2,807,507	89,279
3175 Mills Creek Circle, Building 2000	GA-14HN-50510	20	20,495	16	16,387	2,404,858	130%	2,404,858	79.96%	2,499,680	8/17/2016	3.15%	78,740	2,499,680	78,740
3175 Mills Creek Circle, Building 3000	GA-14HN-50511	20	20,495	16	16,387	2,404,858	130%	2,404,858	79.96%	2,499,680	8/8/2016	3.15%	78,740	2,499,680	78,740
3175 Mills Creek Circle, Building 4000	GA-14HN-50512	24	27,948	18	20,961	3,279,384	130%	3,279,384	75.00%	3,197,400	5/27/2016	3.18%	101,677	3,197,400	101,677
3175 Mills Creek Circle, Building 5000	GA-14HN-50513	23	26,779	20	23,272	3,142,214	130%	3,142,214	86.90%	3,549,920	6/16/2016	3.18%	112,887	3,549,920	112,887
		199	225,605	159	179,700	26,472,214		26,472,214		27,409,459			870,123	27,409,459	870,123

See Independent Auditor's Report.

PART ELEVEN - 50% TEST - Mills Creek Crossing, LP - 2014HN-505

Project Name: Mills Creek Crossing, LP

DCA Project Nbr: 2014HN-505

1.) Tax-exempt bond proceeds:

14848265

2.) Aggregate basis of building and land:

27074142

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

54.8%

See Independent Auditor's Report.

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