

**Independent Accountant's Report on
Applying Agreed-Upon Procedures**

Jackson Parkway Partners, L.P.

December 31, 2016



Independent Accountant's Report on
Applying Agreed-Upon Procedures

To:

Tennessee Housing Development Agency
Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

And

Jackson Parkway Partners, LP (the Owner)
348 Enterprise Dr.
Valdosta, GA 31601

Re: Park Place Apartments (the Project)

At the request of the managing member of the Owner, we have performed certain procedures as enumerated below which were agreed to by the general partner of the Owner and in accordance with Tennessee Housing Development Agency ("THDA") requirements with respect to the computations and Exhibit A and Worksheets A through E of Exhibit A (collectively, the Supporting Schedules) supplied to us and attached to this report as well as other records and information supplied to us. These procedures were performed solely to assist you with respect to whether the appropriate items and amounts were included in the calculation of the Qualified Contract Price of the Project as of December 31, 2016 in accordance with Internal Revenue Code (IRC) Section 42(h)(6)(F) through (H) and Treasury Regulation (Treas. Reg.) Section 1.42-18(c)(1) through (6) (the Calculation). Management of the Owner is responsible for preparation of the Calculation and its records supporting the Calculation. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Owner and THDA. Consequently, we make no representations regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and findings identified were as follows:

A) Worksheet A – Calculation of Outstanding Indebtedness With Respect to the Low-Income Building(s) [IRC Section 42(h)(6)(F)(i)(I) and Treas. Reg. Section 1.42-18(c)(3)]

1. We compared the outstanding balance of the mortgage payable to the outstanding balance on the audited financial statements obtained from the Owner.

We compared the outstanding balance of the mortgage payable to the outstanding balance on the audited financial statement as of December 31, 2016.

2. We recalculated “total indebtedness”.

No exceptions were noted.

3. We recalculated the Outstanding Indebtedness Limitation for original non-Qualifying Building Costs funded by the total indebtedness.

No exceptions were noted.

4. We compared the Qualifying Building Costs in accordance with Treas. Reg. Sections 1.42-18(b)(4)(i) and 1.42-18(b)(4)(ii) to the eligible building and other depreciable assets as reflected on the cost certification obtained from the Owner.

No exceptions were noted.

5. We recalculated the limitations for original non-Qualifying Building Costs funded by the total indebtedness.

No exceptions were noted.

6. We compared the additional Qualifying Building Costs in accordance with Treas. Reg. Section 1.42-18(b)(4)(iii) to fixed asset additions as reflected in tax returns obtained from the Owner.

No exceptions were noted.

7. We recalculated total Qualifying Building Cost Limitation.

No exceptions were noted.

8. We agreed the Outstanding Indebtedness was the lesser of the Outstanding Indebtedness Limitation, as recalculated in procedure 3 above, and the Qualifying Building Cost Limitation as recalculated in procedure 7 above.

No exceptions were noted.

B) Worksheet B – Calculation of Adjusted Investor Equity in the Low-Income Building [IRC Section 42(h)(6)(F)(i)(II) and Treas. Reg. Section 1.42-18(c)(4)]

1. We compared the unadjusted investment amount for each year to the capital contributions in each year's audited financial statement obtained from the Owner.

We compared the unadjusted investment amount for each year to the capital contributions in each year's federal tax returns from 1996 to 2001 and audited financial statement from 2002 - 2016.

2. We recalculated the cost-of-living adjustment percentage for each year by dividing the CPI-U index for the Base Calendar Year by the CPI-U index for the 'as of' date, the Base Calendar Year as established pursuant to the definition of Base Calendar Year under IRC Sec. 42(h)(6)(G)(i) and Treas. Reg. Section 1.42-18(c)(4)(iv) and adjusting for CPI-U annual increases exceeding 5% under IRC Sec. 42(h)(6)(G)(ii) and Reg. 1.42-18(c)(4)(vi)(D) (CPI-U factors obtained from the Department of Labor CPI report) and subtracting 1 (one) from the result.

No exceptions were noted.

3. We recalculated the adjusted investment amount for each year by multiplying each year's unadjusted investment amount by the cost-of-living adjustment percentage applicable to such year and adding the product to the unadjusted investment amount for each applicable year.

No exceptions were noted.

4. We recalculated the total adjusted investor equity by adding the adjusted investment amount for each year.

No exceptions were noted.

5. We recalculated the reduction for non-Qualifying Building Costs funded by the investment amount.

No exceptions were noted.

C) Worksheet C – Calculation of Other Capital Contributions [IRC Section 42(h)(6)(F)(i)(III) and Treas. Reg. Section 1.42-18(c)(5)]

1. We compared the investment amount for each year to the 'other capital contributions' in each year's audited financial statement obtained from the Owner.

We compared the investment amount for each year to the ‘other capital contributions’ in each year’s federal tax returns from 1996 to 2001 and audited financial statement from 2002 - 2016.

D) Worksheet D – Calculation of Cash Distributions From or Available From the Project [IRC Section 42(h)(6)(F)(ii) and Treas. Reg. Section 1.42-18(c)(6)]

1. We compared the total distribution amount for each year to the distributions per each year’s audited financial statement obtained from the Owner.

We compared the total distribution amount for each year to the distributions per each year’s federal tax returns from 1996 to 2001 and audited financial statement from 2002 - 2016.

2. We compared the total cash available for distribution to the cash balances per the balance sheet in the most recent audited financial statement and obtained a representation from the Owner that the amounts excluded as cash available for distribution remain with the building following the sale.

We compared the total cash available for distribution to the cash balances per the audited balance sheet dated December 31, 2016 and obtained a representation from the Owner that the amounts excluded as cash available for distribution remain with the building following the sale.

E) Exhibit E – Fair market value of non low-income portion of the building [IRC Sec. 42(h)(6)(F)]

1. We compared the Fair Market Value of the non low-income portion of the building to the property appraisal obtained from the Owner.

No exceptions were noted.

F) Exhibit A - Calculation of Qualified Contract Price

1. We compared the component amounts of the Qualified Contract Price as presented on Exhibit A to the applicable supporting schedule (Worksheets A through E of Exhibit A).

No exceptions were noted.

2. We compared the applicable fraction as presented on Exhibit A to the Extended Low-Income Housing Agreement obtained from the Owner.

No exceptions were noted.

3. We recalculated the Qualified Contract Price as \$7,669,060 presented on Exhibit A.

No exceptions were noted.

We were not engaged to, and did not perform an audit or examination, the objective of which would be the expression of an opinion on the calculation of the Qualified Contract Price and Supporting Schedules. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report is intended solely for the information and use of the Owner and THDA and is not intended to be and should not be used by anyone other than these specified parties.

Tidwell Group, LLC

Birmingham, AL
February 3, 2017

**Jackson Parkway Partners, LP
Worksheet A**

December 31, 2016

**Calculation of Outstanding Indebtedness With Respect to Low-Income Building(s)
IRC Section 42 (h)(6)(F) and Treas. Reg. Section 1.42-18(c)(3)**

First Mortgage Loan:

Lender:	<input type="text" value="Greystone Funding Corporation"/>	
Principal Balance		\$ 3,482,229
Accrued Interest		\$ 9,431
Maturity Date	<input type="text" value="9/1/2051"/>	
Other information	<input type="text" value="Fixed Interest Rate at 3.25%"/>	
	Subtotal	\$ 3,491,660

Second Mortgage Loan:

Lender:	<input type="text"/>	
Principal Balance		
Accrued Interest		
Maturity Date	<input type="text"/>	
Other Information	<input type="text"/>	
	Subtotal	\$ -

Third Mortgage Loan:

Lender:	<input type="text"/>	
Principal Balance		
Accrued Interest		\$ -
Maturity Date	<input type="text"/>	
Other Information	<input type="text"/>	
	Subtotal	\$ -

Other Indebtedness:

Lender:	<input type="text"/>	
Principal Balance		
Accrued Interest		\$ -
Maturity Date	<input type="text"/>	
Other Information	<input type="text"/>	
	Subtotal	\$ -

Other Indebtedness:

Lender:	<input type="text"/>	
Principal Balance		
Accrued Interest		\$ -
Maturity Date	<input type="text"/>	
Other Information	<input type="text"/>	
	Subtotal	\$ -

Total Indebtedness	\$ 3,491,660
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Total Indebtedness with Respect to Building(s)	\$ 3,491,660
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Qualifying Building Cost Limitation	\$ 1,755,232
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Total Indebtedness with Respect to Low-Income Portion of the Building(s)	\$ 1,755,232
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See Independent Accountant's Report.

Jackson Parkway Partners, LP
Worksheet B
December 31, 2016
Calculation of Adjusted Investor Equity In the Low-Income Building(s)
IRC Section 42 (h)(6)(F)(i)(II)

The Cost of Living Adjustment is calculated using the Base Calendar Year as the beginning point for the adjustment. Base Calendar Year means the calendar year with or within which the first taxable year of the credit period ends.

F = Fiscal or C = Calendar Year

Base Year for Adjustments

On what year-end tax return did the property first claim credits?

Cost of Living Adjustment for Base Year

C
1997
1997
49.6310%

Year	General Partner(s)/ Managing Member(s)	Limited Partner (s)/ Investor Member (s)	Other Partner (s) / Other Member (s)	Total Investor Equity Contribution	Cost of Living Adjustment	Total Adjusted Investor Equity Contribution
1996	\$ -	\$ 3,430,350	\$ 10	\$ 3,430,360	49.6310%	\$ 5,132,882
1997	-	-	-	-	49.6310%	-
1998	532	59,617	-	60,149	49.6310%	90,002
1999	-	-	-	-	49.6310%	-
2000	-	-	-	-	49.6310%	-
2001	-	-	-	-	49.6310%	-
2002	-	-	-	-	49.6310%	-
2003	-	-	-	-	49.6310%	-
2004	-	-	-	-	49.6310%	-
2005	-	-	-	-	49.6310%	-
2006	-	-	-	-	49.6310%	-
2007	-	-	-	-	49.6310%	-
2008	-	-	-	-	49.6310%	-
2009	-	-	-	-	49.6310%	-
2010	-	-	-	-	49.6310%	-
2011	-	-	-	-	49.6310%	-
2012	-	-	-	-	49.6310%	-
2013	-	-	-	-	49.6310%	-
2014	-	-	-	-	49.6310%	-
2015	-	-	-	-	49.6310%	-
2016	-	-	-	-	49.6310%	-
Totals	\$ 532	\$ 3,489,967	\$ 10	\$ 3,490,509		\$ 5,222,884

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Jackson Parkway Partners, LP
Worksheet C
December 31, 2016
Other Capital Contributions
IRC Section 42 (h)(6)(F)(i)(II)

Year	Name of Investor	Investment Amount	Use of Contributions/Proceeds	Other Information
2001	Park Place, LLC & BCC Tax Credit Fund VI	\$ 2,479	Qualifying building costs	Per Tax Return
2002	Park Place, LLC & BCC Tax Credit Fund VI	38,383	Qualifying building costs	Per Tax Return
2003	Park Place, LLC & BCC Tax Credit Fund VI	33,652	Qualifying building costs	Per Tax Return
2004	Park Place, LLC & BCC Tax Credit Fund VI	16,988	Qualifying building costs	Per Tax Return
2005	Park Place, LLC & BCC Tax Credit Fund VI	13,946	Qualifying building costs	Per Tax Return
2006	Park Place, LLC & BCC Tax Credit Fund VI	16,198	Qualifying building costs	Per Tax Return
2007	Park Place, LLC & BCC Tax Credit Fund VI	14,569	Qualifying building costs	Per Tax Return
2008	Park Place, LLC & BCC Tax Credit Fund VI	25,695	Qualifying building costs	Per Tax Return
2009	Park Place, LLC & BCC Tax Credit Fund VI	24,411	Qualifying building costs	Per Tax Return
2010	Park Place, LLC & BCC Tax Credit Fund VI	47,214	Qualifying building costs	Per Tax Return
2011	Park Place, LLC & BCC Tax Credit Fund VI	20,895	Qualifying building costs	Per Tax Return
2012	Park Place, LLC & BCC Tax Credit Fund VI	32,300	Qualifying building costs	Per Tax Return
2013	Park Place, LLC & BCC Tax Credit Fund VI	17,248	Qualifying building costs	Per Tax Return
2014	Park Place, LLC & BCC Tax Credit Fund VI	69,991	Qualifying building costs	Per Tax Return
2015		-		
2016		-		
	Totals	\$ 373,969		

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Jackson Parkway Partners, LP
Worksheet D
December 31, 2016
Cash Distributions From or Available From the Project
IRC Section 42 (h)(6)(F)(ii)

Section A. Cash Distributed

<p>Year <input type="text" value="1997"/> Distributions Total Distributions: \$ - Recipient: Characterization of Distribution:</p>	<p>Year <input type="text" value="2007"/> Distributions Total Distributions: \$ - Recipient: Characterization of Distribution:</p>
<p>Year <input type="text" value="1998"/> Distributions Total Distributions: \$ - Recipient: Characterization of Distribution:</p>	<p>Year <input type="text" value="2008"/> Distributions Total Distributions: \$ 10,000 Recipient: BCC Corp Tax Credit Fund VI, LP \$ 10,000 Characterization of Distribution: Asset management fee</p>
<p>Year <input type="text" value="1999"/> Distributions Total Distributions: \$ - Recipient: Characterization of Distribution:</p>	<p>Year <input type="text" value="2009"/> Distributions Total Distributions: \$ 10,000 Recipient: BCC Corp Tax Credit Fund VI, LP \$ 10,000 Characterization of Distribution: Asset management fee</p>
<p>Year <input type="text" value="2000"/> Distributions Total Distributions: \$ - Recipient: Characterization of Distribution:</p>	<p>Year <input type="text" value="2010"/> Distributions Total Distributions: \$ - Recipient: Characterization of Distribution:</p>
<p>Year <input type="text" value="2001"/> Distributions Total Distributions: \$ 10,000 Recipient: Park Place, LLC - GP \$ 5,000 BCC Corp Tax Credit Fund VI, LP 5,000 Characterization of Distribution: Asset Management Fee and Partnership Management Fee</p>	<p>Year <input type="text" value="2011"/> Distributions Total Distributions: \$ - Recipient: Characterization of Distribution:</p>
<p>Year <input type="text" value="2002"/> Distributions Total Distributions: \$ - Recipient: Characterization of Distribution:</p>	<p>Year <input type="text" value="2012"/> Distributions Total Distributions: \$ - Recipient: Characterization of Distribution:</p>
<p>Year <input type="text" value="2003"/> Distributions Total Distributions: \$ 10,000 Recipient: Park Place, LLC - GP \$ 10,000 Characterization of Distribution: Partnership Management Fee</p>	<p>Year <input type="text" value="2013"/> Distributions Total Distributions: \$ 2,643 Recipient: Park Place, LLC - GP \$ 2,643 Characterization of Distribution: Incentive Management Fee</p>
<p>Year <input type="text" value="2004"/> Distributions Total Distributions: \$ - Recipient: Characterization of Distribution:</p>	<p>Year <input type="text" value="2014"/> Distributions Total Distributions: \$ - Recipient: Characterization of Distribution:</p>
<p>Year <input type="text" value="2005"/> Distributions Total Distributions: Recipient: Characterization of Distribution:</p>	<p>Year <input type="text" value="2015"/> Distributions Total Distributions: \$ - Recipient: Characterization of Distribution:</p>
<p>Year <input type="text" value="2006"/> Distributions Total Distributions: \$ 30,000 Recipient: Park Place, LLC - GP \$ 20,000 BCC Corp Tax Credit Fund VI, LP 10,000 Characterization of Distribution:</p>	<p>Year <input type="text" value="2016"/> Distributions Total Distributions: \$ 31,250 Recipient: Park Place, LLC - GP \$ 1,250 BCC Corp Tax Credit Fund VI, LP 30,000 Characterization of Distribution: Asset management fee</p>

Total Distributions \$ 103,893 **B**

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Jackson Parkway Partners, LP
Worksheet D - continued
December 31, 2016
Cash Distributions From or Available From the Project
IRC Section 42 (h)(6)(F)(ii)

Section B. Cash Available for Distribution

Amounts Held in Replacement Reserve Account(s)	\$ 261,139	
Amount available for Distribution	\$ -	C
Amounts Held in Operating Reserve Account(s)	\$ -	
Amount available for Distribution	\$ -	D
Amounts Held in Other Reserve Accounts		
Account	Cash	
Amount Held	\$ 9,132	E
Amount available for Distribution	\$ 9,132	F
Account	Security Deposits	
Amount Held	\$ 19,564	G
Amount available for Distribution	\$ -	H
Account	Tax and Insurance	
Amount Held	\$ 39,479	I
Amount available for Distribution	\$ -	J
Amounts Held in Other Reserves	\$ 68,175	E + G + I
Amount available for Distribution	\$ 9,132	K = F + H + J
Total Amount Available for Distribution	\$ 9,132	L = (C + D + K)
		Total Cash Distributed and Available for Distribution
		\$ 113,025

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Jackson Parkway Partners, LP
Worksheet E
December 31, 2016
Fair Market Value of Non-Low Income Portion of Building and Land
IRC Section 42 (h)(6)(F)(ii)

Fair Market Value of:		
Land - As-is Value	\$	430,000
Residential Rental Units NOT Subject to Rental Restrictions	\$	-
Commercial Rental Units		-
Fair Market Value of Non Low-Income Portion	\$	<u>430,000</u>

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Jackson Parkway Partners, LP
Exhibit A
December 31, 2016
Calculation of Qualified Contract Price
IRC Section 42 (h)(6)(F) and Treas. Reg. Section 1.42-18(c)(1) through (6)

A.	Calculation of Low-Income Portion of Payment:	
(i)	Outstanding Indebtedness secured by or with respect to the Buildings <i>(from Worksheet A)</i>	\$ 1,755,232
(ii)	Adjusted Investor Equity <i>(from Worksheet B)</i>	\$ 5,222,884
(iii)	Other Capital Contributions not reflected in (i) or (ii) <i>(from Worksheet C)</i>	\$ 373,969
(iv)	Total of (i), (ii) and (iii)	\$ 7,352,085
(v)	Cash Distributions from or available from the Project <i>(from Worksheet D)</i>	\$ (113,025)
(vi)	Line (iv) reduced by Line (v)	\$ 7,239,060
(vii)	Applicable fraction	100.00%
(viii)	Low-Income Portion of Qualified Contract Price (Line (vi) multiplied by Line (vii))	\$ 7,239,060
B.	Fair Market Value of Non Low-Income Portion of Building(s) <i>(from Worksheet E)</i>	\$ 430,000
C.	Qualified Contract Price (Sum of Line A (viii) and Line B)	\$ 7,669,060

See Independent Accountant's Report.