



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243
(615) 815-2200

Bill Haslam
Governor

Ralph M. Perrey
Executive Director

MEMORANDUM:

DATE: January 9, 2015

TO: LIHTC Partners

FROM: Donna Duarte, Director of Civil Rights Compliance and Senior Multifamily Advisor

SUBJECT: Low-Income Housing Tax Credit Program Qualified Contract Guide

THDA has posted a request for public comment on the Low-Income Housing Tax Credit Program Qualified Contract Guide. The comment period for the Guide will end at 4:30 PM on January 21, 2014. The Guide and public comments will be presented at the January 2015 Tax Credit Committee meeting for review, discussion and approval.

Please send all written comments to dduarte@thda.org. If you have any questions regarding the Qualified Contract Guide or the federally mandated qualified contract process, please contact Donna Duarte at (615) 815-2210.

Attachment



**LOW INCOME HOUSING
TAX CREDIT PROGRAM
QUALIFIED CONTRACT GUIDE**

February 2014

Modified December 2014

Andrew Jackson Building, 3rd Floor
502 Deaderick Street
Nashville, TN 37243-0200
Phone: (615) 815-2200
Toll-Free: (800) 228-THDA
Fax: (615) 564-2700

www.thda.org

Introduction

Tennessee Housing Development Agency (“THDA”) is the allocating agency for low income housing tax credits for the state of Tennessee. As such, THDA is also responsible for carrying out the qualified contract provisions under Section 42 of the Internal Revenue Code of 1986, as amended (“Section 42”) and under Section 1.42-18 of the Treasury regulations (the “Regulations”).

An owner of a project with federal low-income housing tax credits (the “Owner”) may be eligible to request to terminate or “opt-out” of the land use restrictive covenants that encumber a project due to the use of low income housing tax credits (the “LURC”). The requirements for such a request are specified in this Low Income Housing Tax Credit Program Qualified Contract Guide (the “Guide”) and the Regulations. THDA reserves the right to revise this Guide at any time and from time to time.

Generally, an Owner may begin the process by submitting a fully completed Notice of Intent form as attached hereto, together with the required documentation and materials described below. THDA will then determine whether the Owner and Project are eligible. If eligible, the Owner may submit a Qualified Contract Request in a form prescribed by THDA, together with all required documentation specified below (the “Qualified Contract Request”). Once THDA determines a “Qualified Contract Amount”, THDA will market the Project and attempt to find a buyer within a one-year period that begins on the date THDA received the Notice of Intent from Owner containing all documentation, in a form and with content satisfactory to THDA in its sole discretion, but which may be suspended as provided in this Guide. If THDA is unable to find a buyer who will continue to operate the Project as a qualified low-income project, then, at the end of the 1-Year Period, as defined below, and subject to this Guide and the Regulations, the LURC may be released. If THDA finds a buyer, but the Owner rejects a Qualified Contract or fails to act upon or otherwise comply with a Qualified Contract, or otherwise fails to close pursuant to the Qualified Contract, then the LURC will not be released and will continue to encumber the Project until the expiration of the term specified in the LURC. Any delays in providing documentation determined by THDA to be necessary will toll the running of the 1-Year Period, as defined below.

A Qualified Contract Request may be submitted only once for each Project. If an Owner rejects a Qualified Contract or fails to act upon or otherwise comply with a Qualified Contract, or fails to close under a Qualified Contract, no other opportunity to request a Qualified Contract will be available for the Project and the LURC will remain in full force and effect for the remainder of the term specified in the LURC.

The 1-Year Period

The 1-Year Period is the period of time during which THDA shall have the right, but not the obligation, to present Owner with a Qualified Contract for the acquisition of the Project (the “1-Year Period”).

The 1-Year Period begins when THDA receives a fully completed Notice of Intent, including all required materials and documentation and the Notice of Intent is determined by THDA, in its sole discretion, to be satisfactory. THDA will notify the Owner regarding eligibility and the start date for the 1-Year Period.

The 1-Year Period shall not run during the following times, as determined by THDA in its sole discretion:

- the time between the date of the notice referenced above and the date THDA receives a Qualified Contract Request that includes all required materials and documentation;
- the time, following notice from THDA, until any payments required in this Guide are made;
- the time, following notice from THDA, until such additional documentation determined by THDA, in its sole discretion, to be necessary to determine the Qualified Contract Amount is provided;

- The time during which THDA, in its sole discretion, determines that there has been non-cooperation or excessive delays by the Owner.

THDA may terminate the 1-Year Period, in its sole discretion, if it determines that there has been non-cooperation or excessive delays by the Owner. Upon such termination, the 1-Year Period will no longer run, no additional Notices of Intent or Qualified Contract Requests may be submitted for the Project and the LURC shall continue to apply to the Project for the full term specified in the LURC.

Notice of Intent

An Owner may file a Notice of Intent with THDA only after the end of the Compliance Period as defined in the relevant LURC.

The Notice of Intent shall be on the form attached to this Guide. It must contain original signatures and must include the following documentation and materials:

- (a) nonrefundable processing fee in the amount of \$300.00 in the form of a cashier's check payable to THDA;
- (b) a copy of the recorded LURC and any recorded amendments to the LURC;
- (c) IRS Form 8609 with Part II completed and Schedule A for each building in the Project as submitted to the Internal Revenue Service (IRS) during the 1st year of the Compliance Period including, for Projects with multiple buildings, the date each building was placed in service and the first year in which it claimed credits;
- (d) documentation of a right of first refusal, if applicable;
- (e) documentation of any additional affordability restrictions imposed by HUD, USDA, local or state funding, if applicable; and
- (f) other documentation and materials as deemed necessary by THDA in its sole discretion.

THDA will not evaluate a Notice of Intent unless and until all required documentation and materials described above are received. THDA has the sole administrative discretion to conclude that the Owner's Notice of Intent lacks essential information and may suspend the running of the 1-Year Period until the Owner provides the requested information. THDA further reserves the right to request any other documents needed on a case-by-case basis to make a final determination of threshold eligibility and the running of the 1-Year Period will be suspended until such documentation is received by THDA.

Once THDA receives a complete Notice of Intent package, THDA will review the Qualified Contract Request and determine the eligibility of the Owner and Project to terminate or "opt-out" of the LURC.

THDA shall provide written notice of its determination to the Owner within thirty (30) days from the date on which THDA receives a complete Notice of Intent, during which the 1-Year Period shall run. THDA's determination of eligibility for termination or opt-out of the LURC will not bind the Owner to submit a Qualified Contract Request. Once THDA provides a written notice of its determination to the Owner, however, the 1-Year Period will be suspended until all documents and materials required for a complete Qualified Contract Request are received by THDA.

THDA may deny any Notice of Intent if an Owner fails, within a reasonable period of time as determined by THDA in its sole discretion, to provide THDA the documentation and materials as THDA deems

necessary, in its sole discretion, to complete its evaluation of the Notice of Intent. If THDA denies a Notice of Intent for these reasons, no additional Notices of Intent for the same Project will be accepted, the 1-Year Period will no longer run, and the LURC will continue to apply to the Project for the term specified in the LURC.

An Owner may withdraw a Notice of Intent or THDA may deny a Notice of Intent because the Project is not eligible to invoke the Qualified Contract process. If either of these events occur, the 1-Year Period will not continue to run. The Owner may subsequently resubmit a Notice of Intent in accordance with this Guide.

Qualified Contract Request

Once THDA has determined that an Owner's Project is eligible for termination or opt-out of the LURC, an Owner may submit a Qualified Contract Request in the form attached to this Guide, with original signatures, and with the following materials and documentation:

- (a) non-refundable fee of \$3,000.00 by cashier's check made payable to THDA;
- (b) annual federal tax returns filed with the IRS by the Owner on behalf of the Project for each year during the period from the placed in service year to the year in which the Qualified Contract Request is made (the "Request Period");
- (c) audited financial statements prepared on behalf of the Owner of the Project for each year during the Request Period;
- (d) all loan documentation and debt instruments obtained and utilized by the Owner on behalf of the Project for each year during the Request Period;
- (e) all Partnership Agreements for the Project and all Syndication Agreements for each year during the Request Period;
- (f) fully completed Qualified Contract *Worksheets A- D* for Projects that are 100% low-income and *Worksheets A-E* for Projects that contain market rate units, together with such documents and additional information indicated on the Qualified Contract Worksheets attached to this Guide (collectively, the "Worksheets"); and
- (g) any other documentation or materials that THDA determines, in its sole discretion, is needed to determine a Qualified Contract Amount.

THDA will not evaluate a Qualified Contract Request unless and until all required documentation and materials described above are received. THDA has the sole administrative discretion to conclude that a Qualified Contract Request lacks essential information and may suspend the running of the 1-Year Period until the Owner provides the requested information. THDA further reserves the right to request any other documents or materials needed on a case-by-case basis to make a final determination of Qualified Contract Amount and THDA may suspend the running of the 1-Year Period until all documents and materials requested by THDA, in its sole discretion, are received.

THDA may deny any Qualified Contract Request if an Owner fails, within a reasonable period of time as determined by THDA in its sole discretion, to provide THDA the documentation and materials as THDA deems necessary, in its sole discretion, to determine the Qualified Contract Amount. If THDA denies a Qualified Contract Request for this reason, no additional Qualified Contract Requests for the same Project will be accepted, and the LURC will continue to apply to the Project for the term specified in the LURC.

An Owner may withdraw a Qualified Contract Request, however, the 1-Year Period will not continue to run. The Owner may subsequently resubmit a Qualified Contract Request in accordance with this Guide.

Qualified Contract Amount

THDA will determine a Qualified Contract Amount, based on the documentation and materials required in connection with a Qualified Contract Request and any other documentation and materials THDA may request, in its sole discretion and in accordance with the federal formula contained in Section 42(h)(6)(F)&(G) and the Regulations.

THDA shall provide notice to Owner of the Qualified Contract Amount within thirty (30) days of the later of the submission of a complete Qualified Contract Request or the submission of any additional documentation or materials as may be requested by THDA in its sole discretion.

Marketing the Project

During the 1-Year Period and following THDA's determination of the Qualified Contract Amount, THDA will market the Project in good faith. THDA shall have the right to engage realtors and use any methods available to it to market the Project for sale at the Qualified Contract Amount, all at the Owner's expense.

In connection with marketing the Project, THDA may request, and upon such request Owner shall be obligated to provide, documentation as THDA deems necessary to allow a reasonable buyer to have sufficient information upon which to make a reasonable decision regarding purchase of the Project. Such documentation may include, but not be limited to, the following:

- (a) a thorough narrative description of the Project, including all amenities, suitable for familiarizing prospective buyers with the Project;
- (b) a detailed set of photographs of the Project, including the interior and exterior of representative apartment units and buildings and the Project grounds. Digital photographs should be included so that they may be easily displayed on THDA's website;
- (c) market studies, appraisals or updates if previously provided;
- (d) such other documentation and materials as determined by THDA, in its sole discretion, to allow a reasonable buyer to have sufficient information upon which to make a reasonable decision regarding purchase of the Project.

Qualified Contract

If THDA finds a prospective buyer willing to present an offer to purchase the Project for an amount equal to or greater than the Qualified Contract Amount, Owner shall enter into a commercially reasonable purchase agreement which shall allow the prospective buyer a reasonable period of time to undertake normal, additional, and customary due diligence prior to closing (the "Qualified Contract"). If the Owner does not enter into the Qualified Contract, or fails to act upon or otherwise comply with the requirements of the Qualified Contract, or fails to close the sale under the Qualified Contract for any reason other than the prospective buyer terminating the Qualified Contract, the LURC will continue to bind the Project for the remainder of the term specified in the LURC and the Owner will have no further opportunity to opt out or terminate the LURC. Once THDA presents a Qualified Contract to the Owner, the possibility of terminating the LURC is removed forever and the Project remains bound by the provisions of the LURC if a closing does not occur with respect to the Qualified Contract for any reason other than the prospective buyer terminating the Qualified Contract.

In connection with presenting a Qualified Contract, THDA may request, and upon such request Owner shall be obligated to provide, documentation necessary to allow a reasonable buyer to have sufficient information upon which to make a reasonable decision regarding purchase of the Project, including without limitation, the following documentation and materials:

- (a) a copy of the most recent 12 months and year to date information for Owner's current fiscal year of operating statements for the Project which will fairly apprise a potential buyer of the Project's operating expenses, debt service, gross receipts, net cash flow and debt service coverage ratio;
- (b) a current and complete rent roll and rent rolls covering the most recent twelve (12) months;
- (c) copies of all current ground leases, if any portion of the Project is on leased land;
- (d) a physical needs assessment of the Project;
- (e) a current title report;
- (f) a current Phase I Environmental Site Assessment;
- (g) a current certificate of insurance showing sufficient hazard insurance on the Project;
- (h) service contracts for any services, including but not limited to social services for the tenants, utilities, trash collection, extermination, appliance or HVAC servicing, laundry, etc.;
- (i) market studies, appraisals or updates if previously provided;
- (j) current annual budget;
- (k) all tenant income certifications, all tenant leases, and all other Section 42 compliance records;
- (l) current utility allowance calculations;
- (m) updates of any other documents previously provided; and
- (n) such other documentation and materials as determined by THDA, in its sole discretion, to allow a reasonable buyer to have sufficient information upon which to make a reasonable decision regarding purchase of the Project.

Failure to provide requested documentation and materials will result in the suspension of the 1-Year Period until such documentation and materials are provided.

During the 1-Year Period, Owner shall immediately notify THDA of all purchase offers made through the end of the last day of the 1-Year Period, including the date and terms, and whether an offer was accepted or rejected. This includes any transfer or purchase of any interest in the ownership entity. If an Owner accepts an offer that is not a Qualified Contract, including an offer to transfer or purchase any interest in the ownership entity, THDA will consider the Qualified Contract Request withdrawn. The Project will remain subject to the LURC for the full term of the LURC. No further Qualified Contract Request may be made for such Project by the Owner or any subsequent purchaser.

If the 1-Year Period ends without the presentation of a Qualified Contract by THDA, THDA will provide a release of the LURC to the Owner. Notwithstanding such a release, existing low-income residents will continue to have the right to rent at the restricted rent levels and may not be evicted or have their tenancy terminated for other than good cause for a period of three years following the date of the release pursuant

to Section 42(h)(6)(E)(ii) and Section 1.42-18(a)(iv) of the Regulations. During this three-year period, the Owner shall submit an annual report to THDA, in a form and manner determined by THDA, showing all low-income households that occupied a unit at the date of the release, the respective tenant-paid rent, utility allowance, and move-out date, if applicable, along with a certification that no low-income residents have been evicted or had tenancy terminated for other than good cause. If a Project is sold, including a sale or change in ownership interest, during a three-year period from the date of the release, the Owner shall notify THDA of the transfer and shall provide such documentation and materials as THDA may request.

THDA may disqualify buyers who fail to demonstrate the experience and capacity to manage the Project in accordance with Section 42, the Regulations, and the relevant THDA Qualified Allocation Plan.

Submissions

Submit all Notices of Intent, Qualified Contract Requests, and all required documentation to:

**Donna Duarte, Director of Civil Rights Compliance
and Senior Multifamily Advisor
Tennessee Housing Development Agency
Andrew Jackson Building, 3rd Floor
502 Deaderick Street
Nashville, TN 37243-0200**

Questions regarding any aspect of this process should be directed to Donna Duarte, Director of Civil Rights Compliance and Senior Multifamily Advisor at (615) 815-2210 or DDuarte@thda.org.

Notice of Intent

Please complete and return this form with the required documentation and the **required fee** to:

Donna Duarte, Director of Civil Rights Compliance and Senior Multifamily Advisor
Tennessee Housing Development Agency (“THDA”)
Andrew Jackson Building, 3rd Floor
502 Deaderick Street
Nashville, TN 37243-0200
(615) 815-2210 or DDuarte@thda.org

1. Owner Information:

Owner Legal Name: _____

Owner Mailing Address: _____

City, State, ZIP: _____ Email: _____

*(If Owner’s “Physical Address” is different from the “Mailing Address”,
provide the physical address below:)*

Owner Physical Address: _____

City, State, ZIP: _____

Owner is in good standing with the Tennessee Secretary of State? Yes No

Contact Person Name: _____ Phone: _____

Contact Person Mailing Address: _____

City, State, ZIP: _____ Email: _____

2. Name and Address of Project (the “Project”):

Project Name: _____ THDA #: _____

Address: _____ ZIP Code: _____

City: _____ County: _____

3. Project Details:

(a) Total number of buildings in the Project: _____

(b) Date that each building was placed in service and the first year in which credits were claimed:

(Please list information on additional buildings on an attachment.)

Building Identification No. (BIN)	Placed In Service Date	1st Year Credits Claimed

(c) Does the Project contains market rate units? Yes No

(d) Does the partnership agreement or other legal documentation grant a right of first refusal to a nonprofit entity or any other person or entity? Yes No

If yes, provide information on the individual or entity holding such right:

Name: _____

Address 1: _____

Address 2: _____

City, State, Zip: _____

Phone Number: _____

- (e) Has the compliance period been extended in the LURC? Yes No
- (f) Does the Project have any affordability restrictions in addition to the LURC? Yes No

If yes, check the restrictions below:

- HOME,
- HUD,
- Tax Exempt Bonds,
- USDA Rural Development,
- Other: _____

4. Required Documents and Materials

The following documents and materials shall be included with this completed and executed Notice of Intent form for the Notice of Intent to be considered complete:

- (a) fully executed and notarized Notice of Intent Certification;
- (b) nonrefundable processing fee in the amount of \$300.00 in the form of a cashier’s check payable to THDA;
- (c) a copy of the recorded LURC and any recorded amendments to the LURC;
- (d) IRS Form 8609 with Part II completed and Schedule A for each building in the Project as submitted to the Internal Revenue Service (IRS) during the 1st year of the Compliance Period including, for Projects with multiple buildings, the date each building was placed in service and the first year in which it claimed credits;
- (e) documentation of a right of first refusal, if applicable;
- (f) documentation of any additional affordability restrictions imposed by HUD, USDA, local or state funding, if applicable; and
- (g) other documentation and materials as deemed necessary by THDA in its sole discretion.

Owner: _____
 Ownership Entity Name

By: _____
 (signature)

 (print or type name)

 (title)

NOTICE OF INTENT CERTIFICATION

Project Name: _____ (the "Project")

Owner Name: _____ (the "Owner")

I, the undersigned, being duly sworn, hereby certify as follows:

1. I am _____ of the Owner identified above and as such am duly authorized to submit this Notice of Intent Certification and the Notice of Intent on behalf of myself, the Owner and all constituent components of the Owner to induce the Tennessee Housing Development Agency ("THDA") to commence the Qualified Contract process for the Project.
2. I have personal knowledge regarding the Project and am familiar with requirements related to the Qualified Contract process as set forth in the THDA Qualified Contract Guide dated February 2014, as modified (the "Guide"), in Section 42 of the Internal Revenue Code of 1986, as amended (the "Section 42"), and in the U.S. Treasury Regulations promulgated in connection therewith, (the "Regulations").
3. I acknowledge and affirm, on behalf of the Owner, all constituent components of Owner and myself, that each of the following is true and correct:
 - a. The information contained in this Notice of Intent and in all attachments, documents, materials and exhibits submitted in connection therewith is true, correct, and complete to the best of Owner's knowledge and belief and contains no misstatements or misleading information.
 - b. Since the time the Project was placed in service, it has been operated as a "qualified low-income project", as defined in Section 42 and the Regulations.
 - c. There is no action, suit, or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending against Owner or the Project, or to the knowledge of Owner, threatened against or affecting Owner or the Project.
 - d. All required consents have been received from all lenders, syndicators, constituent components of Owner or others who may have a right to consent to submission of this Notice of Intent Certification and the Notice of Intent or to seek a Qualified Contract.
 - e. All required notices have been delivered to all lenders, syndicators, constituent components of Owner or others who may have a right to receive notice regarding the submission of this Notice of Intent Certification and the Notice of Intent or to seek a Qualified Contract.
4. On behalf of the Owner, all constituent components of the Owner and myself, I agree and affirm each of the following:
 - a. Neither THDA nor any of its directors, officers, employees, and agents shall be responsible or liable for any representations made in connection with administering the Low Income Housing Tax Credit Program, including without limitation, in connection with this Notice of Intent and the Qualified Contract process. The Owner, all constituent components of the Owner and I assume the risk of all damages, losses, costs, and expenses related, directly or indirectly, to this Notice of Intent and the Qualified Contract process and agree to indemnify and save harmless

- THDA and all of its directors, officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses (including all court costs and attorney's fees) of any kind and any nature that THDA may hereinafter suffer, incur, or pay arising out of, directly or indirectly resulting from, or relating to THDA's acceptance, consideration, approval or disapproval of this Notice of Intent or any actions by THDA in connection with the Qualified Contract process.
- b. Owner shall cooperate with THDA with respect to providing information and access to the Project and will otherwise cooperate as THDA deems necessary to facilitate consideration of the Notice of Intent or the Qualified Contract process.
 - c. THDA has no obligation to evaluate the Notice of Intent unless and until all required information and materials as required under the Guide are provided to THDA.
 - d. All materials and documentation supplied to THDA in connection with this Notice of Intent or in connection with the Qualified Contract process are subject to public disclosure as a "public record or records". This includes, but is not limited to, all financial information and tax returns.
 - e. THDA may, at its discretion, request, and Owner shall provide upon request, additional information and/or documentation THDA deems necessary, in its sole discretion, in connection with its evaluation of this Notice of Intent and the Qualified Contract process.
 - f. THDA may charge Owner, and Owner shall pay upon request, fees for services THDA determines are necessary, in its sole discretion, in evaluating this Notice of Intent, including, without limitation, fees charged by accountants, attorneys, appraisers, realtors and others as needed.
 - g. The 1-Year Period, as defined in the Guide, begins with the submission of the Notice of Intent, but may be suspended or terminated, in THDA's sole discretion, as provided in the Guide.
 - h. Access to the Project shall be granted to THDA, any prospective purchasers, and to persons or entities performing services on behalf of THDA as THDA may request.
 - i. Any misrepresentations or misstatements in any materials or documentation submitted to THDA to induce THDA to approve this Notice of Intent and to undertake the Qualified Contract process may result in rejection of the Notice of Intent, termination of the 1-Year Period, a bar on future participation in the low income housing tax credit program, notification to the Internal Revenue Service, or any other actions THDA may be legally entitled to take.
 - j. All documentation and materials submitted by the Owner in connection with this Notice of Intent or otherwise in connection with the Qualified Contract process may be shared with prospective purchasers, real estate brokers and other interested parties and summary data regarding the Project may be posted on THDA's website or other websites as determined by THDA, in its sole discretion.
 - k. The Project will continue to be operated as a "qualified low-income project", as defined in Section 42 and the Regulations, until a sale under a Qualified Contract is closed or until the expiration of the 1-Year Period without the presentation of a Qualified Contract by THDA.
5. On behalf of the Owner, all constituent components of the Owner and myself, I acknowledge that Tennessee Code Annotated, Section 13-23-133, makes it a Class E felony for any person to knowingly make, utter or publish a false statement of substance for the purpose of influencing

THDA to allow participation in any of its programs, including the Low-Income Housing Tax Credit Program. On behalf of the Owner, all constituent components of the Owner and myself, I further acknowledge that the statements contained in this Certification and the Notice of Intent, together with all materials and documentation attached thereto are statements of substance made for the purpose of influencing THDA to allow the Owner and the Project to participate in the Qualified Contract process as specified in the Guide.

Owner: _____
Ownership Entity Name

By: _____
(signature)

(print or type name)

(title)

(date)

STATE OF _____)
COUNTY OF _____)

Before me, _____, a Notary Public of the state and county mentioned, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged herself/himself to be a/the _____ of _____, the within named bargainor, and that she/he, as such _____, executed the foregoing instrument for the purpose therein contained, by signing the name of the _____ by herself/himself as _____.

Witness my hand and seal, at office, this _____ day of _____, 20____.

Notary Public

My Commission Expires: _____

Qualified Contract Request

Please complete and return this form with the required documentation and the **required fee** to:

**Donna Duarte, Director of Civil Rights Compliance
and Senior Multifamily Advisor
Tennessee Housing Development Agency (“THDA”)
Andrew Jackson Building, 3rd Floor
502 Deaderick Street
Nashville, TN 37243-0200
(615) 815-2210 or DDuarte@thda.org**

This Qualified Contract Request may be submitted only after the Owner has submitted a Notice of Intent and only after the Owner has received written notification from THDA that the Notice of Intent is acceptable and the Project is eligible to submit a Qualified Contract Request. Failure to include all of the requested information and documentation for this Qualified Contract Request will suspend review of this Qualified Contract Request and stop the running of the 1-Year Period.

On behalf of _____ [Name of Owner], we hereby request that the Tennessee Housing Development Agency (“THDA”) present a “Qualified Contract” for the purchase of the project listed below.

Project Name (“Project”): _____

THDA #: _____

Address: _____

City, State, Zip: _____

1. Owner Information:

Owner Legal Name: _____ Phone: _____

Owner Mailing Address: _____

City, State, ZIP: _____ Email: _____

(If Owner’s “Physical Address” is different from the “Mailing Address”, provide the physical address below:)

Owner Physical Address: _____

City, State, ZIP: _____

Owner is in good standing with the Tennessee Secretary of State? Yes No

Contact Person Name: _____ Phone: _____

Contact Person Mailing Address: _____

City, State, ZIP: _____ Email: _____

2. Management Company

Organization Legal Name: _____ Phone: _____

Organization Contact Name: _____ Fax: _____

Organization Mailing Address: _____

City, State, ZIP: _____ Email: _____

Is the Management Company in good standing with the Tennessee Secretary of State? Yes No

Is the Management Company certified by THDA? Yes No

3. Project Details

(a) Unit Type

- Apartments Townhomes Single Room Occupancy
- Semi-Detached Detached Single Family Dwelling
- Other: _____

(b) Tenant Population – Describe any targeted tenant populations, such as elderly, homeless, special needs, large families etc. (Indicate type, % and # of units):

4. Required Documents and Materials

The following documents and materials shall be included with this completed and executed Qualified Contract Request form for the Qualified Contract Request to be considered complete:

- (a) **Fee** — Non-refundable Request fee of **\$3,000.00** by cashier’s check made payable to THDA;
- (b) **Annual Tax Returns** — copies of annual federal tax returns filed with the IRS by the Owner on behalf of the Project for each year during the period from the placed in service year to the year in which this Request is made (the “Request Period”);
- (c) **Annual Audited Financial Statements** — copies of audited financial statements prepared on behalf of the Owner of the Project for each year during the Request Period;
- (d) **Loan Documents for all Secured Debt** — copies of all loan documentation and debt instruments obtained and utilized by the Owner on behalf of the Project for each year during the Request Period;
- (e) **Partnership Agreements & Syndication Agreements** — copies of all Partnership Agreements and all Syndication Agreements for each year during the Request Period;
- (f) **Appraisal** – an appraisal of the non-low income portion of the Project, if any, dated not more than ninety (90) days prior to the date of the Qualified Contract Request;

- (g) **Calculation of Qualified Contract Amount and Worksheets A-E** — a fully completed Calculation of Qualified Contract Amount in the form attached to this Guide and Worksheets A-E;
- (h) **Independent Accountant's Report** — an original report from an independent certified public accountant on applying agreed-upon procedures and engagement letter containing, without limitation, the name, address, telephone number and primary contact person of the accounting firm that completed the Worksheets A-E and the Calculation of Qualified Contract Amount;
- (i) **Certificates of Existence** — Original Certificates of Existence from the Tennessee Secretary of State for the Owner and Management Company dated not more than thirty (30) days prior to the date of this Qualified Contract Request;
- (j) **Qualified Contract Request Certification** – Original, fully executed and notarized certification on the form attached to this Guide; and
- (k) **Other Documentation** — any other documentation that THDA determines, in its sole discretion, is needed to determine a Qualified Contract Amount for the Project.

QUALIFIED CONTRACT REQUEST CERTIFICATION

Project Name: _____ (the "Project")

Owner Name: _____ (the "Owner")

I, the undersigned, being duly sworn, hereby certify as follows:

1. I am _____ of the Owner identified above and as such am duly authorized to submit the Qualified Contract Request and this Qualified Contract Request Certification on behalf of myself, the Owner and all constituent components of the Owner to induce the Tennessee Housing Development Agency ("THDA") to determine a Qualified Contract Amount, to seek a Qualified Contract, and to continue the Qualified Contract process for the Project.
2. I have personal knowledge regarding the Project and am familiar with requirements related to the Qualified Contract process as set forth in the THDA Qualified Contract Guide dated February 2014, as modified (the "Guide"), in Section 42 of the Internal Revenue Code of 1986, as amended (the "Section 42"), and in the U.S. Treasury Regulations promulgated in connection therewith, (the "Regulations").
3. I acknowledge and affirm, on behalf of the Owner, all constituent components of Owner and myself, that each of the following is true and correct:
 - a. The information contained in the Qualified Contract Request and in all attachments, documents, materials and exhibits submitted in connection therewith is true, correct, and complete to the best of Owner's knowledge and belief and contains no misstatements or misleading information.
 - b. Since the time the Project was placed in service, it has been operated as a "qualified low-income project", as defined in Section 42 and the Regulations.
 - c. There is no action, suit, or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending against Owner or the Project, or to the knowledge of Owner, threatened against or affecting Owner or the Project.
 - d. All required consents have been received from all lenders, syndicators, constituent components of Owner or others who may have a right to consent to submission of the Qualified Contract Request and this Qualified Contract Request Certification or to seek a Qualified Contract.
 - e. All required notices have been delivered to all lenders, syndicators, constituent components of Owner or others who may have a right to receive notice regarding the submission of the Qualified Contract Request and this Qualified Contract Request Certification or to seek a Qualified Contract.
 - f. All of the Certifications made by or on behalf of Owner in the Notice of Intent previously submitted to THDA remain true and correct as of this date and remain in full force and effect and are merged into this Qualified Contract Request by this specific reference.
4. On behalf of the Owner, all constituent components of the Owner and myself, I agree and affirm each of the following:
 - a. Neither THDA nor any of its directors, officers, employees, and agents shall be responsible or liable for any representations made in connection with administering the Low Income Housing Tax Credit

Program, including without limitation, in connection with the Qualified Contract Request, this Qualified Contract Request Certification and the Qualified Contract process. The Owner, all constituent components of the Owner and I assume the risk of all damages, losses, costs, and expenses related, directly or indirectly, to the Qualified Contract Request, this Qualified Contract Request Certification and the Qualified Contract process and agree to indemnify and save harmless THDA and all of its directors, officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses (including all court costs and attorney's fees) of any kind and any nature that THDA may hereinafter suffer, incur, or pay arising out of, directly or indirectly resulting from, or relating to THDA's acceptance, consideration, approval or disapproval of the Qualified Contract Request or THDA's determination of a Qualified Contract Amount or any THDA actions or failure to act in connection with seeking a purchaser for the Project or anything else in connection with the Qualified Contract process.

- b. Owner will cooperate with THDA with respect to providing information, documentation and materials and access to the Project and will otherwise cooperate as THDA deems necessary to facilitate the Qualified Contract process.
- c. THDA has no obligation to evaluate the Qualified Contract Request unless and until all required information and materials as required under the Guide are provided to THDA.
- d. All materials and documentation supplied to THDA in connection with the Qualified Contract Request or in connection with the Qualified Contract process are subject to public disclosure as a "public record or records". This includes, but is not limited to, all financial information and tax returns.
- e. THDA may, at its discretion, request, and Owner shall provide upon request, additional information and/or documentation in its evaluation of the Qualified Contract Request, in determining a Qualified Contract Amount, in connection with marketing the Project and seeking a Qualified Contract or otherwise in carrying out the Qualified Contract process.
- f. THDA will determine the Qualified Contract Amount based solely on the documentation and materials provided by Owner and in accordance with the federal formula contained in Section 42 and the Regulations.
- g. THDA may charge Owner, and Owner shall pay upon request, fees for services THDA determines are necessary in evaluating the Qualified Contract Request, in determining a Qualified Contract Amount, in connection with marketing the Project and seeking a Qualified Contract or otherwise in carrying out the Qualified Contract process, including, without limitation, fees charged by accountants, attorneys, appraisers, realtors and others as THDA may determine, in its sole discretion, are needed.
- h. The 1-Year Period, as defined in the Guide, begins with the submission of the Notice of Intent, but may be suspended or terminated, in THDA's sole discretion, if all documentation and materials required in connection with the Qualified Contract Request are not submitted or as otherwise provided in the Guide.
- i. During any period of time during which the 1-Year Period is suspended or terminated by THDA in its sole discretion, the land use restrictive covenants applicable to the Project will continue to apply to the Project.

- j. If THDA terminates the 1-Year Period and denies the Qualified Contract Request, no further Qualified Contract Requests shall be accepted by THDA.
 - k. Access to the Project shall be granted to THDA, any prospective purchasers, and to persons or entities performing services on behalf of THDA as THDA may request.
 - l. Any misrepresentations or misstatements in any materials or documentation submitted to THDA to induce THDA to accept the Qualified Contract Request, to determine a Qualified Contract Amount, to market the Project, to seek a Qualified Contract or to otherwise carry out the Qualified Contract process may result in rejection of the Qualified Contract Request, termination of the 1-Year Period, a bar on future participation in the low income housing tax credit program, notification to the Internal Revenue Service, or any other actions THDA may be legally entitled to take.
 - m. All documentation and materials submitted by the Owner in connection with the Qualified Contract Request, determining the Qualified Contract Amount, marketing the Project, seeking a Qualified Contract or otherwise in connection with the Qualified Contract process may be shared with prospective purchasers, real estate brokers and other interested parties and summary data regarding the Project may be posted on THDA's website or other websites as determined by THDA, in its sole discretion.
 - n. If THDA finds a prospective purchaser willing to present an offer to purchase the Project for an amount equal to or greater than the Qualified Contract Amount, Owner will enter into and comply with the requirements of a commercially reasonable form of purchase agreement that will allow the prospective purchaser a reasonable period of time to undertake additional, customary due diligence prior to closing the purchase.
 - o. If THDA finds a prospective purchaser willing to present an offer to purchase the Project for an amount equal to or greater than the Qualified Contract Amount, failure on the part of Owner to enter into a commercially reasonable form of purchase agreement will be deemed to be an irrevocable waiver of any right Owner may have to submit additional Qualified Contract Requests or to otherwise request that THDA present a Qualified Contract for the purchase of the Project and the Project will remain subject to the applicable land use restrictive covenants.
 - p. The Project will continue to be operated as a "qualified low-income project", as defined in Section 42 and the Regulations, until a sale under a Qualified Contract is closed or until the expiration of the 1-Year Period without the presentation of a Qualified Contract by THDA.
5. On behalf of the Owner, all constituent components of the Owner and myself, I acknowledge that Tennessee Code Annotated, Section 13-23-133, makes it a Class E felony for any person to knowingly make, utter or publish a false statement of substance for the purpose of influencing THDA to allow participation in any of its programs, including the Low-Income Housing Tax Credit Program. On behalf of the Owner, all constituent components of the Owner and myself, I further acknowledge that the statements contained in this Qualified Contract Request Certification and the Qualified Contract Request, together with all materials and documentation attached thereto are statements of substance made for the purpose of influencing THDA to allow the Owner and the Project to participate in the Qualified Contract process as specified in the Guide.

[EXECUTION PAGE FOLLOWS]

EXECUTION PAGE FOR QUALIFIED CONTRACT REQUEST CERTIFICATION

Owner: _____
Ownership Entity Name

By: _____
(signature)

(print or type name)

(title)

STATE OF _____)
COUNTY OF _____)

Before me, _____, a Notary Public of the state and county mentioned, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged herself/himself to be a/the _____ of _____, the within named bargainor, and that she/he, as such _____, executed the foregoing instrument for the purpose therein contained, by signing the name of the _____ by herself/himself as _____.

Witness my hand and seal, at office, this _____ day of _____, 20____.

Notary Public

My Commission Expires: _____

Calculation of Qualified Contract Amount And Worksheets A-E

The Calculation of Qualified Contract Amount form and *Worksheets A-D* must be fully completed and included with the Qualified Contract Request and all required documentation for Projects that are 100% low-income. The Calculation of Qualified Contract Amount form and *Worksheets A-E* must be fully completed and included with the Qualified Contract Request and all required documentation for Projects that contain market rate units. THDA will not consider a Qualified Contract Request if the Calculation of Qualified Contract Amount form, *Worksheets A – D* and *Worksheet E*, if needed, are not included with the Qualified Contract Request and the 1-Year Period will be suspended until all such documentation is received by THDA.

The Calculation of the Qualified Contract Amount is derived from a statutory formula set forth in Section 42 of the Internal Revenue Code (“Section 42”) and under Section 1.42-18 of the Treasury regulations (the “Regulations”). The statutory formula divides the purchase price between the low-income portion of the Project and the market rate portion, if any. The Qualified Contract Amount for the low-income portion of the Project is equal to the sum of the Project’s indebtedness (*Worksheet A*), investor equity (*Worksheet B*), and other capital contributions (*Worksheet C*) reduced by the total cash that has been distributed, or is available for distribution, from the Project (*Worksheet D*). If the Project has any market rate units, the Qualified Contract Amount is increased by the fair market value of those units (*Worksheet E*).

To complete the Calculation of Qualified Contract Amount form, *Worksheets A-D* and *Worksheet E*, if needed, must be completed. The results of *Worksheets A-E* are then transferred to the Calculation of Qualified Contract Amount form to determine a Qualified Contract Amount for the Project. The calculation establishes the minimum price at which THDA will market the Project to potential buyers.

The attached *Worksheets A-E* and the Calculation of Qualified Contract Amount form must be prepared, reviewed and verified by an independent certified public accountant in accordance with AICPA Statements on Standards for Attestation Engagements and appropriate documentation, as determined by THDA in its sole discretion, indicating such preparation, review and verification.

All Qualified Contract Applications and Required Documents must be submitted to:

**Donna Duarte, Director of Civil Rights Compliance
and Senior Multifamily Advisor
Tennessee Housing Development Agency
Andrew Jackson Building, 3rd Floor
502 Deaderick Street
Nashville, TN 37243-0200**

Questions regarding preparation of the Calculation of Qualified Contract Amount and accompanying *Worksheets A-E*, may be addressed to Donna Duarte at (615) 815-2210 or by email at DDuarte@thda.org.

Calculation of Qualified Contract Amount

Project Name: _____

Project Number: TN _____

A. Calculation of Low-Income Portion:

- (i) Outstanding Unpaid Indebtedness secured by, or with respect to the Buildings (from *Worksheet A*) \$ _____
- (ii) Adjusted Investor Equity (from *Worksheet B*) \$ _____
- (iii) Other Capital Contributions not reflected in (i) or (ii) (from *Worksheet C*) \$ _____
- (iv) **Total of (i), (ii) and (iii)** \$ _____
- (v) Cash Distributions from, or available from, the Project (from *Worksheet D*) \$ _____
- (vi) **Line (iv) reduced by Line (v)** \$ _____
- (vii) Applicable fraction (as set forth in the Land Use Restrictive Covenant) _____ %
- (viii) **Low-Income Portion of Qualified Contract Amount [Line (vi) multiplied by Line (vii)]** \$ _____

B. Fair Market Value of Non Low-Income Portion (from *Worksheet E*) \$ _____

C. Qualified Contract Amount [sum of Line A(viii) and Line B] \$ _____

Worksheet A
Calculation of Outstanding Unpaid Indebtedness
With Respect to Low-Income Building(s)

Instructions:

The Qualified Contract Amount includes the **unpaid** balance of all secured and unsecured indebtedness for the low-income buildings in the Project that does not exceed the amount of “qualified building costs,” as defined in the Regulations. Any refinancing indebtedness or additional debt in excess of “qualified building costs” are not considered outstanding unpaid indebtedness for purposes of *Worksheet A*. Outstanding unpaid indebtedness does not include debt used to finance non-depreciable land costs, syndication, legal or accounting costs, or operating deficit payments. *Worksheet A* requires certain information for each mortgage loan and other Project indebtedness including, without limitation, lender name, unpaid principal balance, accrued interest, maturity date, and other relevant information.

In the sections marked “Other Information” (subsections (v) for each loan), set forth any information with respect to the loan that may be relevant to THDA’s efforts to market the Project. Examples of relevant information include whether the loan has a “due-on-sale” clause or if any portion of the loan is payable from net cash flow (i.e., is “soft” debt).

In addition to secured indebtedness, also list any unsecured, long-term debt the proceeds of which were used directly in the construction, rehabilitation, or operations of the Project.

The unpaid principal balance and accrued interest for each loan presented on *Worksheet A* should be totaled and entered in Section A, Line (i) of the Calculation of Qualified Contract Amount form.

Worksheet A
Calculation of Outstanding Unpaid Indebtedness
With Respect to Low-Income Building(s)

Project Name: _____

Project Number: TN _____

1. First Mortgage Loan:

- (i) Lender: _____
- (ii) Principal Balance _____ \$ _____
- (iii) Accrued Interest _____ \$ _____
- (iv) Maturity Date: _____
- (v) Other Information: _____

Lender Contact Name and Telephone Number:

Subtotal \$ _____

2. Second Mortgage Loan:

- (vi) Lender: _____
- (vii) Principal Balance _____ \$ _____
- (viii) Accrued Interest _____ \$ _____
- (ix) Maturity Date: _____
- (x) Other Information: _____

Lender Contact Name and Telephone Number:

Subtotal \$ _____

**Calculation of Outstanding Unpaid Indebtedness with Respect to Low-Income Building(s) –
Continued**

3. Third Mortgage Loan:

(i) Lender: _____
(ii) Principal Balance _____ \$
(iii) Accrued Interest _____ \$
(iv) Maturity Date: _____
(v) Other Information: _____

Lender Contact Name and Telephone Number:

Subtotal \$ _____

4. Fourth Mortgage Loan:

(i) Lender: _____
(ii) Principal Balance _____ \$
(iii) Accrued Interest _____ \$
(iv) Maturity Date: _____
(v) Other Information: _____

Lender Contact Name and Telephone Number:

Subtotal \$ _____

5. Other Unpaid Indebtedness with Respect to Low-Income Building(s):

(i) Lender: _____
(ii) Principal Balance _____ \$
(iii) Accrued Interest _____ \$
(iv) Maturity Date: _____
(v) Other Information: _____

Lender Contact Name and Telephone Number:

Subtotal \$ _____

Total Unpaid Indebtedness

(Sum of 1-5 subtotals above) \$ _____

Worksheet B
Calculation of Adjusted Investor Equity

Instructions:

The Qualified Contract Amount includes the sum of the “Adjusted Investor Equity” for the Project as defined in Section 42(h)(6)(G) and in the Regulations.

Not all capital contributions with respect to the Project qualify as “Adjusted Investor Equity.” Specifically, cash invested in the Project should be included in *Worksheet B* only if each of the following is true:

- (i) The cash is contributed as a capital contribution and not as a loan or advance;
- (ii) The amount is reflected in the adjusted basis of the Project (ie. cash contributions used to directly fund adjusted basis and cash contributions used to pay off a construction or bridge loan, the proceeds of which directly funded adjusted basis, unless other guidance is provided by the IRS); and
- (iii) There was an obligation to invest the amount as of the beginning of the credit period (i.e. cash actually invested before the beginning of the credit period and cash invested after the beginning of the credit period for which there was an obligation to invest at the beginning of the credit period, unless other guidance is provided by the IRS).

Subsection (i) of *Worksheet B* requires identification of the investor for each calendar year. Typically, this will be the tax credit investor (i.e., the investor limited partner); however, it may include a general partner if the cash investment by a general partner otherwise satisfies the requirements.

Subsection (ii) of *Worksheet B* requires identification of the amount of qualifying cash equity that was invested in the Project for that calendar year. This amount should include only cash that was actually contributed to the Project that year; it should not include amounts for which there was a mere obligation to invest.

Subsection (iii) of *Worksheet B* identifies the cost-of-living adjustment for each calendar year. Investment amounts qualifying as investor equity are entitled to a cost-of-living adjustment. The applicable cost-of-living adjustment for each year is based on the Consumer Price Index – All Urban Consumers (“CPI”) available through the U.S. Department of Labor, Bureau of Labor Statistics. Pursuant to I.R.C. § 1(f)(4) and Section 42(h)(6)(G)(ii), the CPI adjustment is calculated for each twelve-month period ending August 31st. The CPI figures for each calendar year can be found at the following website: <http://www.bls.gov/data/>.

After calculating the investment amount and cost-of-living adjustment, if any, for each year, on *Worksheet B*, sum the subtotals to determine Total Adjusted Investor Equity and transfer this amount to Section (A), Line (ii) of the Calculation of Qualified Contract Amount Form.

Worksheet B
Calculation of Adjusted Investor Equity

Project Name: _____

Project Number: TN

As of _____

1. 1990 Adjusted Investor Equity

(i)	Investor: _____		\$	
(ii)	Investment Amount		\$	
(iii)	Cost of Living Adjustment:	%	x	
		Subtotal	\$	

2. 1991 Adjusted Investor Equity

(i)	Investor: _____		\$	
(ii)	Investment Amount		\$	
(iii)	Cost of Living Adjustment:	%	x	
		Subtotal	\$	

3. 1992 Adjusted Investor Equity

(i)	Investor: _____		\$	
(ii)	Investment Amount		\$	
(iii)	Cost of Living Adjustment:	%	x	
		Subtotal	\$	

4. 1993 Adjusted Investor Equity

(i)	Investor: _____		\$	
(ii)	Investment Amount		\$	
(iii)	Cost of Living Adjustment:	%	x	
		Subtotal	\$	

5. 1994 Adjusted Investor Equity

(i)	Investor: _____		\$	
(ii)	Investment Amount		\$	
(iii)	Cost of Living Adjustment:	%	x	
		Subtotal	\$	

Calculation of Adjusted Investor Equity – Continued

6. 1995 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x
	<u> </u>	<u> </u>
	Subtotal	\$

7. 1996 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x
	<u> </u>	<u> </u>
	Subtotal	\$

8. 1997 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x
	<u> </u>	<u> </u>
	Subtotal	\$

9. 1998 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x
	<u> </u>	<u> </u>
	Subtotal	\$

10. 1999 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x
	<u> </u>	<u> </u>
	Subtotal	\$

11. 2000 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x
	<u> </u>	<u> </u>
	Subtotal	\$

12. 2001 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x
	<u> </u>	<u> </u>
	Subtotal	\$

Calculation of Adjusted Investor Equity – Continued

13. 2002 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x

	Subtotal	\$

14. 2003 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x

	Subtotal	\$

15. 2004 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x

	Subtotal	\$

16. 2005 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x

	Subtotal	\$

17. 2006 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x

	Subtotal	\$

18. 2007 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x

	Subtotal	\$

19. 2008 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x

	Subtotal	\$

Calculation of Adjusted Investor Equity – Continued

20. 2009 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x
	Subtotal	\$

21. 2010 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x
	Subtotal	\$

22. 2011 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x
	Subtotal	\$

23. 2012 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x
	Subtotal	\$

24. 2013 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x
	Subtotal	\$

25. 2014 Adjusted Investor Equity

(i) Investor:	_____	
(ii) Investment Amount		\$
(iii) Cost of Living Adjustment:		x
	Subtotal	\$

Total Adjusted Investor Equity (sum of all Subtotals) \$

Worksheet C
Calculation of Other Capital Contributions

Instructions:

The Qualified Contract Amount includes the amount of other capital contributions made for the Project. “Other capital contributions” are not limited to cash and may include “in-kind” contributions such as land, and any loan used to finance capital improvements after the first year of the low-income housing credit period so long as the loan is not secured by the capital improvement itself or the building. Any non-cash contributions included in *Worksheet C* must be described in detail and must include, without limitation, the type of contribution, the value assigned to the contribution, and justification for assigning that value.

Do not include in *Worksheet C* any amounts included in *Worksheets A or B*. Further, all amounts included in *Worksheet C* must constitute contributed capital and not be a debt or advance. “Other capital contributions” do not include expenditures for land costs, operating deficit payments, credit adjuster payment and payments for legal, syndication and accounting costs.

After identifying the contributions, if any, for each year, on *Worksheet C*, sum the subtotals to determine Total of Other Contributions and transfer this amount to Section (A), Line (iii) of the Calculation of Qualified Contract Amount Form.

Worksheet C
Calculation of Other Capital Contributions

Project Name: _____

Project Number: TN _____

1. 1990 Investment Amount **\$** _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

2. 1991 Investment Amount **\$** _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

3. 1992 Investment Amount **\$** _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

Calculation of Other Capital Contributions – Continued

4. 1993 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

5. 1994 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

6. 1995 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

7. 1996 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

Calculation of Other Capital Contributions – Continued

8. 1997 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

9. 1998 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

10. 1999 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

11. 2000 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

Calculation of Other Capital Contributions – Continued

12. 2001 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

13. 2002 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

14. 2003 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

15. 2004 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

Calculation of Other Capital Contributions – Continued

16. 2005 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

17. 2006 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

18. 2007 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

19. 2008 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

Calculation of Other Capital Contributions – Continued

20. 2009 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

21. 2010 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

22. 2011 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

23. 2012 Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

Calculation of Other Capital Contributions – Continued

24. 2013 Investment Amount **\$** _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/Proceeds: _____

(iv) Other Information: _____

25. 2014 Investment Amount **\$** _____

(v) Name of Investor: _____

(vi) Date of Investment: _____

(vii) Use of Contributions/Proceeds: _____

(viii) Other Information: _____

Total of Other Contributions (sum of all Investment Amounts) **\$** _____

Worksheet D
***Calculation of Cash Distributions from,
or available from, the Project***

Instructions:

The Qualified Contract Amount is reduced by the total of all cash distributions from, or available from, the Project.

In Section A of *Worksheet D*, set forth all cash distributions from the Project beginning with the Base Calendar Year “BCY” (the calendar year of the first taxable year of the credit period) through the date of the completion of *Worksheet D*. “All cash distributions” shall include all cash payments and distributions from net operating income (i.e., “below the line” distributions and payments, after the payment of operation expenses, debt service and reserve). Distributions set forth in Section A of *Worksheet D* shall include, but not be limited to, (i) amounts paid to partners or affiliates as fees (including, but not limited to, investor fees, partnership management fees, incentive management fees and guaranty fees) and (ii) amounts distributed to partners as a return of capital or otherwise. Section A of *Worksheet D* provides for distributions of net operating income for each year. If there were more in any calendar year, attach an addendum to *Worksheet D* setting forth the recipient, characterization and amount of such distribution.

The Qualified Contract Amount is reduced by cash distributions made and by all cash that is available for distribution. In Section B of *Worksheet D*, set forth all amounts held in reserve and in other Project accounts and the amounts that are available for distribution. Proceeds from refinancing indebtedness or additional secured debt in excess of qualified building costs are not considered cash available for distribution.

To complete *Worksheet D*, total the qualifying cash distributed for all calendar years under Section A and the cash available (or that shall be available) for distribution in Section B. The total of Sections A and B should be entered in Section A, Line (v) of the Calculation of Qualified Contract Amount Form.

Worksheet D
Calculation of Cash Distributions from,
or available from, the Project

Project Name: _____

Project Number: TN

Section A: CASH DISTRIBUTED

1. BCY Distribution

- (i) **Total Distributions** \$ _____
- (ii) Recipient: _____
- (iii) Characterization of Distribution (i.e. return of capital, fee, etc.):

2. BCY +1 Distribution

- (i) **Total Distributions** \$ _____
- (ii) Recipient: _____
- (iii) Characterization of Distribution (i.e. return of capital, fee, etc.):

3. BCY + 2 Distribution

- (i) **Total Distributions** \$ _____
- (ii) Recipient: _____
- (iii) Characterization of Distribution (i.e. return of capital, fee, etc.):

Calculation of Other Cash Distributions from, or available from, the Project – Continued

4. BCY + 3 Distribution

(i) Total Distributions	\$ _____
(ii) Recipient: _____	
(iii) Characterization of Distribution (i.e. return of capital, fee, etc.): _____	

5. BCY + 4 Distribution

(i) Total Distributions	\$ _____
(ii) Recipient: _____	
(iii) Characterization of Distribution (i.e. return of capital, fee, etc.): _____	

6. BCY + 5 Distribution

(i) Total Distributions	\$ _____
(ii) Recipient: _____	
(iii) Characterization of Distribution (i.e. return of capital, fee, etc.): _____	

7. BCY + 6 Distribution

(i) Total Distributions	\$ _____
(ii) Recipient: _____	
(iii) Characterization of Distribution (i.e. return of capital, fee, etc.): _____	

8. BCY + 7 Distribution

(i) Total Distributions	\$ _____
(ii) Recipient: _____	
(iii) Characterization of Distribution (i.e. return of capital, fee, etc.): _____	

Calculation of Other Cash Distributions from, or available from, the Project – Continued

9. BCY + 8 Distribution

(i) Total Distributions	\$ _____
(ii) Recipient: _____	
(iii) Characterization of Distribution (i.e. return of capital, fee, etc.): _____ _____	

10. BCY + 9 Distribution

(i) Total Distributions	\$ _____
(ii) Recipient: _____	
(iii) Characterization of Distribution (i.e. return of capital, fee, etc.): _____ _____	

11. BCY + 10 Distribution

(i) Total Distributions	\$ _____
(ii) Recipient: _____	
(iii) Characterization of Distribution (i.e. return of capital, fee, etc.): _____ _____	

12. BCY + 11 Distribution

(i) Total Distributions	\$ _____
(ii) Recipient: _____	
(iii) Characterization of Distribution (i.e. return of capital, fee, etc.): _____ _____	

13. BCY + 12 Distribution

(i) Total Distributions	\$ _____
(ii) Recipient: _____	
(iii) Characterization of Distribution (i.e. return of capital, fee, etc.): _____ _____	

Calculation of Other Cash Distributions from, or available from, the Project – Continued

14. BCY + 13 Distribution

(i)	Total Distributions	\$ _____
(ii)	Recipient: _____	
(iii)	Characterization of Distribution (i.e. return of capital, fee, etc.): _____ _____	

15. BCY + 14 Distribution

(i)	Total Distributions	\$ _____
(ii)	Recipient: _____	
(iii)	Characterization of Distribution (i.e. return of capital, fee, etc.): _____ _____	

16. BCY + 15 Distribution

(i)	Total Distributions	\$ _____
(ii)	Recipient: _____	
(iii)	Characterization of Distribution (i.e. return of capital, fee, etc.): _____ _____	

17. BCY + 16 Distribution

(i)	Total Distributions	\$ _____
(ii)	Recipient: _____	
(iii)	Characterization of Distribution (i.e. return of capital, fee, etc.): _____ _____	

18. BCY + 17 Distribution

(i)	Total Distributions	\$ _____
(ii)	Recipient: _____	
(iii)	Characterization of Distribution (i.e. return of capital, fee, etc.): _____ _____	

Calculation of Other Cash Distributions from, or available from, the Project – Continued

19. BCY + 18 Distribution

(i) **Total Distributions** \$ _____

(ii) Recipient: _____

(iii) Characterization of Distribution (i.e. return of capital, fee, etc.): _____

20. BCY + 19 Distribution

(i) **Total Distributions** \$ _____

(ii) Recipient: _____

(iii) Characterization of Distribution (i.e. return of capital, fee, etc.): _____

Total Cash Distributions (Sum of Lines 1(i) – 20 (i)) \$ _____

Section B: CASH AVAILABLE FOR DISTRIBUTION:

1. Amounts Held in Replacement Reserve Accounts \$ _____

a. Amount available for Distribution \$ _____

2. Amounts Held in Operating Reserve Account \$ _____

a. Amount available for Distribution \$ _____

3. Amounts Held in Other Reserve Accounts \$ _____

(Identify each account, the terms thereof, and amount paid therein) _____

a. Amount available for Distribution \$ _____

4. Amounts Held in Partnership Accounts \$ _____

a. Amounts Held in Partnership Accounts _____

Total Cash Available for Distribution
(Sum of Lines 1a – 4a) \$ _____

Total Cash Distributed and Available for Distribution
(Sum of Sections A and B) \$ _____

Worksheet E
Fair Market Value of Non-Low-Income Portion of the Project

Project Name: _____

Project Number: TN

The fair market value of the non-low-income portion of the Project is: \$ _____

Attach to *Worksheet E* an appraisal, study, methodology proof or other support for the fair market value of the non-low-income portion of the Project. The fair market value of the non-low-income portion shall include the fair market value of the land underlying the entire Project (both the non-low-income portion and the low-income portion). This value must take into account the existing and continuing requirements contained in the Land Use Restrictive Covenant for the Project.

By entering a number in the section above, you are certifying that the appraiser used is not currently on any list for active suspension or revocation for performing appraisals in any State and is not listed on the Excluded Parties Lists System (EPLS) maintained by the General Services Administration for the United States Government found at: www.epls.gov.

The fair market value of the underlying land included in the fair market value of the non-low-income portion of the Project stated above was determined in one of the following ways:

- (i) ___ the value attributed to the underlying land by the county property appraiser in the most recent year assessed value of the Project, in which case a copy of the Project appraiser's assessment, with a break-out of the land value, is included as an attachment to this worksheet; or
- (ii) ___ The "owner's appraised value" as that term is used in Section 1.42-18(b)(3), in which case a copy of the real estate appraisal which meets the requirements of Section 1.42-18(b)(3) is included as an attachment to this worksheet.

The fair market value identified above should be entered in Section B of the Calculation of Qualified Contract Request Form.