

COMPUTATION OF QUALIFIED CONTRACT PRICE

1. Outstanding Indebtedness
(Enter amount from Schedule A, line 2) \$_____
2. Adjusted Investor Equity
(Enter amount from Schedule B, line 7) \$_____
3. Other Capital Contributions
(Enter amount from Schedule C, line 3) \$_____
4. Total: (Add amounts on lines 1, 2, and 3) \$_____
5. Cash Distributions
(Enter amount from Schedule D, line 8) \$_____
6. Cash available for distribution
(Enter amount from Schedule D, line 9) \$_____
7. Total: (Subtract line 5 and 6 from line 4) \$_____
8. Applicable Fraction
(Enter applicable fraction from LURA) _____%
9. Result: (Multiply line 7 by line 8) \$_____
10. Fair Market Value of Project
(Enter amount per appraisal) \$_____
11. Non-Low-Income Percentage
(Enter 100% minus percentage on line 8) _____%
12. Result: (Multiply line 10 by line 11) \$_____
13. Qualified Contract Price:
(Add amounts on lines 9 and 12) \$_____

Documents: Appraisal from approved appraiser. Project should be valued as income and rent-restricted, subject to any rights of first refusal and purchase options and subject to all restrictions contained in the extended-use agreement as well as in any loans, grants and regulatory agreements.

Schedule A

Computation of Outstanding Indebtedness

Third-Party Loans

- 1. a. _____
- b. _____
- c. _____

- Total \$ _____

Related-Party Loans

- 2. a. _____
- b. _____
- c. _____

- Total (enter here and on Form __, line 1) \$ _____

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Include only loans that are secured by an interest in the buildings. Loans should be listed in chart-form, with (i) name of lender, (ii) closing date of loan, (iii) interest rate, (iv) term, (v) amortization period, (vi) original principal amount, and (vii) outstanding principal amount, including accrued but unpaid interest.

Related-Party Loans: Include only loans that are secured by an interest in the buildings. Do not include operating deficit loans, credit adjuster loans, outstanding deferred development fees, voluntary loans or other loans, the proceeds of which were used to fund operating expenses. Loans secured by the buildings and funded by a non-profit from the proceeds of a grant (other than an AHP grant) may be included.

Do not include any forgivable loans.

Loans made in the last three years should be carefully scrutinized. In most cases, any such loans should be a “wash”, in that excess proceeds should have been distributed (or available for distribution), or other loans should have been paid down.

Documents: for each loan, attach promissory note, mortgage or deed of trust, and loan agreement, and an estoppel letter stating the outstanding principal balance of the loan. For any loan made in the past three years, attach a closing statement that identifies the use of the proceeds.

Schedule B

Computation of Adjusted Investor Equity

| | | |
|----|---|----------|
| 1. | Capital Contribution | \$ _____ |
| 2. | Reductions | \$ _____ |
| 3. | Total - Subtract line 2 from line 1 | \$ _____ |
| 4. | Allocation Factor - Attach computation | \$ _____ |
| 5. | Net Investor Equity - Multiply line 3 by line 4 | \$ _____ |
| 6. | Consumer Price Index Adjustment | |
| | Enter relevant percentage from Table 1 | _____ % |
| 7. | Adjusted Investor Equity | |
| | Multiply line 5 by line 6 | |
| | Enter result here and on Form __, line 2 | \$ _____ |

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Line 1: enter only the amount of the total capital contribution made or required to be made by the investor pursuant to a partnership agreement in effect on the first day of the credit period. (What about deals where the investor didn't come in until after the first day of the credit period?) Do not include increased capital contribution obligations that arose after the first day of the credit period, whether the increase resulted from application of upward credit adjuster, amendment to LPA or resyndication.

Line 2: enter the sum of the following amounts: (i) downward credit adjusters, (ii) repurchase payments, (iii) amounts used to pay fees to syndicator, investor or affiliates, and (iv) amounts used to pay due diligence fees or legal fees of investor.

Line 4: This should be an allocation of the investor's capital contribution between (i) land and buildings, and (ii) everything else (such as organizational costs, syndication costs, permanent financing costs) that's not includible in the basis of land and building based upon the ratio of (i) to (ii)..

Line 6: This should be a project-based computation. Table should consist of a listing of CPI percentages with year in which the building was placed in service as one variable and year prior to year in which sale is to occur as the other variable. Table should be updated annually. There also should be a computation required for projects with buildings that were placed in service in different years. The result should be a weighted average, based on the cost of each building as reflected in the Forms 8609.

Documents: Copy of Limited Partnership Agreement and all amendments thereto. Copies of Form 1065 and all Schedules K-1, beginning with the year in which the investor acquired its interest and ending with the year prior to the year of sale. Financial statements for each year should be submitted. If information is missing for any year, accountant work papers or other financial records should be submitted. There should also be a projection of results for the year of sale.

Schedule C

Other Capital Contributions

- | | | |
|----|--|----------|
| 1. | General Partner Capital Contributions (Attach schedule) | \$ _____ |
| 2. | Investor Capital Contributions Not Included in Schedule B (Attach schedule) | \$ _____ |
| 3. | Other Capital Contributions | |
| | Add lines 1 and 2. Enter here and on Form __, line 3 | \$ _____ |

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Line 1: Completion payments made by the GP should be included only if the terms of the LPA provide that such amounts are to be treated as capital contributions.

Line 2: List only Investor Capital Contributions where the obligation to make the contribution arose after the first day of the credit period. This should include upward adjusters.

Do not include any amounts already shown on Schedules A or B.

Documents: Same as for Schedule B.

