



Qualified Contract Guide and Application

OREGON HOUSING AND COMMUNITY SERVICES

ASSET MANAGEMENT SECTION, BUSINESS OPERATIONS DIVISION

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WWW.OHCS.OREGON.GOV



April 1, 2015

QUALIFIED CONTRACT GENERAL OVERVIEW

Section 42(h)(6)(E)(i)(II) provides for the termination of the extended use period if the housing credit agency (Department) is unable to present within a specified period of time a qualified contract for the acquisition of the low-income portion of the building by any person who will continue to operate such portion as a qualified low-income building. The extended use period may terminate on the last day of the one-year period beginning on the date (after the 14th year of the compliance period) on which the owner submits a written request to the Department if the Department is unable to present during such period a qualified contract for the acquisition.

Administrative discretion and responsibilities of the Department

The Department may exercise administrative discretion in evaluating and acting upon an owner's request to find a buyer to acquire the building. The Department may establish reasonable requirements for written requests and may determine whether failure to follow one or more applicable requirements automatically prevents a purported written request from beginning the one-year period described in section 42(h)(6)(I). If the one-year-period has already begun, the Department may determine whether failure to follow one or more requirements suspends the running of that period. Examples of Department administrative discretion include, but are not limited to, the following:

1. Concluding that the owner's request lacks essential information and denying the request until such information is provided.
2. Refusing to consider an owner's representations without substantiating documentation verified with the Department's records.
3. Determining how many, if any, subsequent requests to find a buyer may be submitted if the owner has previously submitted a request for a qualified contract and then rejected or failed to act upon a qualified contract presented by the Department.
4. Assessing and charging the owner certain administrative charges for the performance of services in obtaining a qualified contract (for example, real estate appraiser costs).
5. Requiring all appraisers involved in the qualified contract process to be State certified general appraisers that are acceptable to the Department.

6. Specifying other conditions applicable to the qualified contract consistent with section 42 and this section.

Offer for sale

Upon receipt of a written request from the owner to find a person to acquire the building, the Department must offer the building for sale to the general public, based on reasonable efforts, at the determined qualified contract amount in order for the qualified contract to satisfy the requirements of this section unless the Department has already identified a willing buyer who submitted a qualified contract to purchase the project.

Section 42(h)(6)(F) defines the term qualified contract as a *bona fide* contract to acquire (within a reasonable period of time after the contract is entered into) the non-low-income portion of the building for fair market value and the low-income portion of the building for an amount not less than the applicable fraction (specified in the commitment) of the sum of: (I) the outstanding indebtedness secured by, or with respect to the building, (II) the adjusted investor equity in the building, plus (III) other capital contributions not reflected in these amounts; reduced by cash distributions from (or available for distribution from) the project.

Owner non-acceptance

1.42-18(B)(iii) provides that if the Department provides a qualified contract within the one-year period and the owner rejects or fails to act upon the contract, the building remains subject to the existing commitment.

Eviction, gross rent increase concerning existing low-income tenants not permitted.

1.42-18(B)(iv) Prior to the close of the three year period following the termination of a commitment, no owner shall be permitted to evict or terminate the tenancy (other than for good cause) of an existing tenant of any low-income unit, or increase the gross rent for such unit in a manner or amount not otherwise permitted by section 42.

QUALIFIED CONTRACT APPLICATION PROCESS

After the 14th year of the compliance period for a Low Income Housing Tax Credit (LIHTC) project, ownership has the right under section 42 (h)(6)(F) of IRS code to request of Oregon Housing and Community Services (Department) a Qualified Contract, unless under the original agreement they waived the right or extended the period to ask for a qualified contract.

Example:

- A. If five buildings in the project were placed in service in 1990 and one was placed in service in 1991, the 14th year for the purpose of a request would be 2005.
- B. If the project received its first allocation of \$500,000 in 1990 and a subsequent award of \$25,000 in 1992, and was placed in service in 1992 the 14th year for the purposes of a request would be 2006.

A request for a qualified contract from an eligible owner of a LIHTC project must follow this process to have their request for a qualified contract considered by the Department.

- 1) Submission of preliminary eligibility request including all requested attachments
- 2) Eligibility review
- 3) Eligibility determination
- 4) If eligible, submission of complete and signed application including all requested documents and supporting materials
- 5) Payment of the non-refundable Administrative charge in the amount of \$5,000
- 6) Payment of a refundable Professional Services Deposit of \$5,000 for Certified Public Accountant review regarding calculation of the Qualified Contract amount
 - a. Applicant will be responsible for costs associated with the referenced review in excess of the deposit as billed by the Department
 - b. Department will refund any amount of deposit in excess of actual cost of the review to the applicant
- 7) Department review of application and submitted documents and materials
- 8) Department determination: commencement of one year Qualified Contract period or termination of Qualified Contract request

Eligibility Review

The Department will conduct a preliminary eligibility review upon written request from ownership. Such request must include the following:

- 1) Statement that the owner will reasonably cooperate with the Department in all aspects related to the sale of the property
- 2) First year 8609s showing Part II completed for all buildings placed in service,
- 3) Copies of any documentation regarding right of first refusal for purchase or waivers thereof (if any).

Eligibility Determination

The Department shall determine the eligibility of an owner to submit a request for a Qualified Contract, by confirming the following:

- 1) The original owner did not waive its right to request a QC during the allocation of the tax credits;
- 2) The property has demonstrated satisfactory completion of the initial 15 year compliance period. Key dates are as follows:
 - a. The last day of the 14th year of the compliance period of the last building placed in service
 - b. The last day of the 14th year of the last allocation of a multiple year allocation to the same property
- 3) The property is in compliance with financial and compliance requirements for LIHTC and other financing resources. If a property does not meet the basic physical compliance standards and income restrictions that are necessary to claim credits it is ineligible for consideration
- 4) The property is not subject to existing purchase options. The owner has secured waivers of any purchase option and right of first refusal connected to the property, if applicable

The Department will review the original commitments made by the ownership, along with addendums, amendments or legal changes made by both the ownership and the Department. The Department will review the project compliance file to determine if the project and owner are in compliance with all programmatic requirements.

Upon completion of the review the Department will notify the Owner in writing. The owner that waived their rights to request a Qualified Contract during the allocation of the tax credits is ineligible to submit a request. Owners that extended the period to be able to request a Qualified Contract will have to wait until the beginning of the final year of compliance period to request a Qualified Contract. Any deficiencies noted in the last compliance monitoring write up must be corrected. Waivers of purchase options and rights of first refusal connected to the property may be conditioned upon the Department presenting a Qualified Contract to the Owner.

In addition to addressing basic eligibility above, each owner shall certify that it has all the necessary documentation to submit a request. The Department will not bind the Owner to submit a request and will not start the one year period defined in §42(h)(6)(I) until the Department receives a complete Qualified Contract Application.

QUALIFIED CONTRACT APPLICATION

Owners who have been determined by the Department to be eligible must submit a complete Qualified Contract Application on such form(s) as the Department may from time to time prescribe. The application, together with such documents and any additional information as may be requested by the Department in order to comply with the Internal Revenue Code (IRC) and these procedures, used to justify the Qualified Contract Price in accordance with §42(h)(6)(F), is collectively the Application.

The Department may reject an Application from consideration if the Owner does not provide information on the required forms, provide the proper documentation, or pay required deposits or charges. ***The 1 year period does not start until the Owner submits a complete Application with all required charges, deposits and documents to the satisfaction of the Department and the Department has completed its review.***

The Application shall include the Owner's proposed Qualified Contract price and shall include an opinion of an independent certified public accountant, setting forth the calculation of the Qualified Contract Price requested in the Application and certifying, among other things, that the Owner is entitled to the Qualified Contract Price requested.

In addition the Owner must submit the following items:

- 1) Completed project and owner information page from application
- 2) Signed Warranties and Representations page from application
- 3) Annual partnership federal tax returns for all years of operation since the start of the credit period ("all years")
- 4) Annual project financial statement for all years
- 5) Loan documents for all secured debt during the compliance period
- 6) Partnership agreement (original, current and all interim amendments)
- 7) Current rent roll
- 8) Current title report (no more than 30 days old)
- 9) Completion of the attached worksheets for calculation of the Qualified contract price and all backup documentation
- 10) Physical needs assessment for the entire project

- 11) Appraisal and market study for the entire project. The appraiser must be State certified and cannot be any individual or organization that is currently on any list of active suspension or revocation for performing appraisals in any State or is listed on the Excluded Parties Lists System (EPLS) maintained by the General Services Administration of the United States.
- 12) Phase I environmental (if the Department determines it necessary).
- 13) \$5,000 non-refundable Administrative Charge
- 14) \$5,000 refundable Professional Services Deposit
- 15) The following items will be ordered by the Department from a third party and paid from the Professional Services Deposit
 - i. Certified Public Accountant review and confirmation of the Qualified Contract Price calculation requested by the owner's application

The Department will review the application for completeness and obtain the third party CPA review within 60 days of the date the review is completed and will notify the owner in writing of the determination that the 1 year period has begun.

NOTE: Refundable Professional Services Deposit of \$5,0000 for Certified Public Accountant review regarding calculation of the Qualified Contract amount

- a. Applicant will be responsible for costs associated with the referenced review in excess of the deposit as billed by the Department
- b. Department will refund any amount of deposit in excess of actual cost of the review to applicant

Owners may choose to withdraw the application at any time during this process.

However the Department will accept only one application during the entire extended use period of the project. Withdrawing the application will disqualify an owner from future application for a Qualified Contract.

PRESENTATION OF A QUALIFIED CONTRACT

Under IRC §42(h)(6)(E)(i)(II), the Department's only obligation is to "present" to the Owner a bona fide contract signed by a prospective buyer to acquire the project for the Qualified Contract Price (Contract). When the Department presents the Contract to the Owner, regardless of when or if the Contract is fulfilled, the possibility of terminating the extended use period is removed and the project remains bound to the provisions in, and may not terminate, the extended use agreement. Whether or not the Owner actually executes the contract and closes the transaction is a separate, legally unrelated question.

The Department will create a standard contract when presenting the Qualified Contract that includes basic real estate transaction items and that is as close to a contingency-free contract as possible. The Owner and the proposed buyer would be free to negotiate different transaction terms with Department approval, prior to closing.

GENERAL RULES

In keeping with the purpose of IRC §42, the Department will resolve any case of doubt or interpretation in determining the Qualified Contract Price, both with regard to the overall process and particular projects, in favor of the lower value.

The Department may add to or amend these procedures at any time. Before submitting an Application, please visit the website to obtain the most current information:

<http://www.ohcs.oregon.gov/>

Termination or Suspension of a Qualified Contract Application:

1. Owners may choose to terminate the application at any time during the process however the Department will accept only one application during the entire extended use period
2. Default or material noncompliance with Section 42 will result in suspension of the review
3. Notification to the Department of an investigation or audit by the IRS regarding the tax credit property will result in suspension of the review

4. The Department must have continuous cooperation from the owner in all aspects.

Further information regarding treatment of certain costs to be included or excluded as distributions and how land will be treated in calculating the Qualified Contract Price will be published as the IRS clarifies these regulations.

Please direct questions to: Kimber Sexton, Asset Manager 503-986-2023 or email at kimber.sexton@hcs.state.or.us.

Oregon Housing and Community Services
Qualified Contract Application

On behalf of _____ (NAME OF OWNER), pursuant to IRC Section 42(h)(4)(E)(ii) and (F) the undersigned hereby applies for Oregon Housing and Community Services to present a Qualified Contract for the purchase of the project listed below.

PROJECT IDENTIFICATION

Project Name: _____

LIHTC TC#: _____

Address: _____

City, State, Zip: _____

First Year of Credit Period: _____

OWNER INFORMATION

Owner Legal Name: _____

Owner Contact Person: _____

Owner Mailing Address: _____

City, State, Zip: _____

Phone: _____

Email: _____

OWNER WARRANTIES AND REPRESENTATIONS

The applicant warrants and represents that:

1. It is the duly authorized representative of the owner and is fully empowered to enter into any subsequent commitments or agreements on behalf of the owner to execute a Qualified Contract for the subject project;
2. The tax credit project that is the subject of this application is in the 14th year of the Compliance Period or later, and that there is no IRS form 8823's remaining uncorrected.
3. It has conducted its own investigation and due diligence with respect to the calculation of the Qualified Contract Price and the Qualified Contract procedure set forth in IRC Section 42(h)(6)(F);
4. The application is truthful, accurate and complete and contains no material misstatements or misleading information;
5. Applicant will pay costs in excess of the refundable deposit associated with the Certified Public Accountant review of calculation of the Qualified Contract amount as billed by the Department.

Applicant further acknowledges, consents and agrees as follows:

1. The applicant agrees for itself and on behalf of the ownership entity and all of its constituent partners, limited partners, special limited partners, members, special members, to indemnify and hold Oregon Housing and Community Services (OHCS), its officers, employees and the State of Oregon harmless against all losses, costs, damages, and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to OHCS's acceptance, consideration, approval, disapproval or suspension of this application;
2. The applicant is solely responsible for documents and information provided to OHCS with this application, including the calculation of Qualified Contract Price form and the Worksheets thereto, and any other documents or project

information that it may provide to OHCS and/or share with prospective purchasers;

3. The applicant agrees that the information, attachments and exhibits contained in this application may be shared with prospective purchaser, real estate brokers and agents and summary data may be posted to OHCS's website or on websites used by agents contracted by OHCS to process the Qualified Contract and market the property;
4. The applicant acknowledges that the failure to provide any document, material or other information requested in this application, regardless of whether any such item remains available or under the control of the applicant, may be grounds for refusal to proceed with the Qualified Contract process by OHCS.
5. The applicant agrees that any material omission or misrepresentation of fact shall be grounds for termination of the application.

IN WITNESS WHEREOF, the applicant has caused this document to be duly executed in its name on this _____ day of _____, _____.

Owner: _____, a (n) _____ (state)

(indicate type of entity, e.g. limited partnership, corporation, limited liability, etc.)

By: _____, its _____
(indicate type of affiliation, e.g. general partner or managing member)

Signature: _____

INSTRUCTIONS FOR CALCULATION OF QUALIFIED CONTRACT PRICE

Before Oregon Housing and Community Services (OHCS) can begin review of a Qualified Contract Price and begin marketing the project you must complete the Calculation of Qualified Contract Price form attached to these instructions (Calculation Form). This calculation shall establish the minimum price at which OHCS or its assigns can market your project and present an offer for its purchase.

To complete the Calculation Form, you must complete Exhibits A through D and if the project has market rate units or commercial space, Exhibit E. The results of Exhibits A through E are transferred to the Calculation Form to determine the Qualified Contract Price for the project.

The Calculation Form is derived from a statutory formula set forth in Section 42(h)(6)(F) of the Internal Revenue Code. The statutory formula divides the purchase price between the low-income portion of the project and the market rate portion of the project, if any. The Qualified Contract Price for the low-income portion of the project is equal to the applicable fraction of the project indebtedness (Worksheet A), investor equity (Worksheet B), and other capital contribution (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 or commercial space the Qualified Contract Price is increased by the fair market value of those units (Worksheet E).

Please remember that the 1 year period for finding a buyer shall NOT commence until the Calculation, and Exhibits A through E, are complete and received by OHCS with the complete application, all supporting documents requested, all charges paid to OHCS. The Calculation must be prepared, approved or reviewed by and independent certified public accountant from an accredited accounting firm for the project owner.

Pursuant to Section 42(h)(6)(F) of the Internal Revenue Code**As of** _____

(Date)

A. Calculation of Low-Income Portion of Payment:

(i)	Outstanding Indebtedness secured by, or with Respect to the Building (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 (set forth in the Tax Credit Extended Use Agreement)	_____ %	
(viii)	Low-Income Portion of Qualified Contract Price (Line (vi) multiplied by Line (vii))		\$ _____

Fair Market Value of Non Low-Income Portion**Of building(s) (from Worksheet E)** \$ _____**C. Qualified Contract Price**

(Sum of Line A (viii) and Line B) \$ _____

WORKSHEET A

Outstanding Indebtedness

With Respect to Low-Income Building(s)

Internal Revenue Code Section 42(h)(6)(F)(i)(I)

Instructions

The Qualified Contract Price includes the unpaid balance of all secured and unsecured indebtedness with respect to the low-income building. Worksheet A requires you to submit certain information with respect to each mortgage loan and other project indebtedness: The name of the lender, the unpaid principal balance, the accrued interest, the maturity date, and other relevant information.

In the section marked "Other Information" (subsection (v) with respect to each loan), please set forth any information with respect to the loan that may be relevant to OHCS 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) or disclose any prepayment requirements on mortgages. Please also attach to the worksheet an amortization schedule for each loan, if available.

In addition to mortgage indebtedness, you should 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 set forth on this worksheet should be totaled and that total should be transferred to Section A (i) of the Calculation Form.

WORKSHEET A
Outstanding Indebtedness
With Respect to Low-Income Building(s)
Internal Revenue Code Section 42(h)(6)(F)(i)(I)
As of _____
(Date)

1. First Mortgage Loan:

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

Lender's Point of Contact and Telephone #:

Subtotal \$ _____

2. Second Mortgage Loan:

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

Lender's Point of Contact and Telephone #:

Subtotal \$ _____

3. Third Mortgage Loan:

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

Lender's Point of Contact and Telephone #:

Subtotal \$ _____

4. Fourth Mortgage Loan:

- (i) Lender: _____
- (ii) Principal Balance \$ _____

(iii) Accrued Interest \$ _____
 (iv) Maturity Date: _____
 (v) Other Information: _____

 Lender's Point of Contact and Telephone #:

 Subtotal \$ _____

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

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

 Lender's Point of Contact and Telephone #:

 Subtotal \$ _____

Total Indebtedness

(Sum of 1-5 subtotals above)

\$ _____

WORKSHEET B
Calculation of Adjusted Investor Equity
In the Low-Income Building(s)
Internal Revenue Code Section 42(h)(6)(F)(i)(II)
As of _____
(Date)

Instructions

The Qualified Contract Price includes “Adjusted Investor Equity” with respect to the Development. “Adjusted Investor Equity,” means, the aggregate amount of cash that taxpayers invested with respect to the low-income buildings, increased by the applicable cost-of-living adjustment.

Not all capital contributions with respect to the Development qualify as “Adjusted Investor Equity”. Specifically, cash invested in the Development should be included in this 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 Development (OHCS shall interpret this to mean 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); and
- (iii) there was an obligation to invest the amount as of the beginning of the credit period (OHCS shall interpret this to include 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).

With respect to Worksheet B, subsection (i) requires you to set forth the Base Calendar Year (BCY) (the calendar year in which the first taxable year of the credit period ended).

Subsection (ii) and (iii) requires you to enter the lower of the Consumer Price Index (CPI) figures or 5% for the applicable years, and Subsection (iv) requires you to perform the calculation as indicated. OHCS requires that you use the annual CPI index located at this web site, <http://www.bls.gov/cpi/home.htm>, then go to Regional Resources and select Portland OR from the drop down box and use the annual CPI index. These figures are calculated pursuant to Sections 1(f) and 42(h)(6)(G)(ii) of the Internal Revenue Code

After calculating the investment amount and entering the CPI adjustment, these amounts must be multiplied and the product set forth as Total Adjusted Investor Equity. This result is then transferred to Section A (ii) of the Calculation Form.

Adjusted Investor Equity

- (i) BCY: _____
Enter the average CPI figure for the most
 - (ii) recent 12 month period ending in August: _____
Enter the average CPI figure for 12 month
 - (iii) period ending in August of the BCY: _____
 - (iv) Cost-of-living adjustment (Divide (ii) by (iii)) _____
 - (v) Investment Amount \$ _____
- Total Adjusted Investor Equity** (Multiply (v) by (iv)): \$ _____

If the investor amount differs from the equity amount used in the Development's Final Cost Certification, attach an addendum to the worksheet setting forth a detailed explanation.

WORKSHEET C
Other Capital Contributions
Internal Revenue Code Section 42(h)(6)(F)(i)(III)
As of _____
(Date)

The Qualified Contract Price includes the amount of other capital contributions made with respect to the Project. For this purpose, "other capital contributions" are not limited to cash and, therefore, include "in-kind" contributions such as land. However, if you include any non-cash contributions in this worksheet, please describe in detail the type of contribution, the value you have assigned to the contribution, and your justification for assigning that value.

Do not include in this Worksheet C any amounts included in Worksheets A or B. Further, all amounts included in this worksheet must constitute contributed capital and not be a debt or advance.

After setting forth the required information with respect to each contribution, please total the contribution amounts and then transfer the total to Section A (iii) of the Calculation Form.

1. Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/ Proceeds: _____

(iv) Other Information: _____

2. Investment Amount \$ _____

(i) Name of Investor: _____

(ii) Date of Investment: _____

(iii) Use of Contributions/ Proceeds: _____

(iv) Other Information: _____

3. [Add as needed.]

Total of Other Contributions (1 - _____) \$ _____

WORKSHEET D
Cash Distributions
From, or available from the Development
Internal Revenue Code Section 42 (h)(6)(F)(ii)
As of _____
(Date)

The Qualified Contract Price is reduced by the total of all cash distributions from, or available from, the Development. To assist you in this calculation, we have divided Worksheet D into three sections.

In Section A, set forth all cash distributions with respect to the Project beginning with the BCY through the date of the completion of Worksheet D. Generally, this shall include all cash payments and distributions from net operating income (i.e., “below the line” distributions and payments, after the payment of operating expenses, debt service, and reserve). Distributions set forth in Section A of the worksheet 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. OHCS shall not reduce the QUALIFIED CONTRACT PRICE by payments of deferred Developer Fee to the extent the amount of fee was within the limitations defined in Rule 67-48.0072 (15) F.A.C. We require, however, that you list all payments and distributions from net cash flow. If you believe any portion of a payment or distribution should be excluded from the calculation (such as deferred Developer Fee), please identify such payments or distributions and provide an explanation of why it should be excluded.

Section A of the worksheet provides for distributions of net operating income for each year. If there were more in any calendar year, you shall attach an addendum to the worksheet setting forth the recipient, characterization and amount of such distribution.

The Qualified Contract Price is reduced not only by cash distributions made with respect to the Project but also all cash that is available for distribution. In Section B you are required to set forth amounts held in reserve and other Project accounts and the amounts thereof that are available for distribution. OHCS shall interpret “available for distribution” to mean all cash held in Project accounts the distribution of which is not prohibited by mortgage restrictions, regulatory agreements or similar third-party contractual prohibitions. An amount currently held in a Project account that will become unrestricted and available for distribution on or before the expiration of the one-year QC period should be listed as available for distribution in Section B.

To complete Worksheet D, please 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 transferred to Section A (v) of the Calculation Form.

A. Cash Distributed

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

2. BCY+1 Distributions
(i) Total Distributions \$ _____
(ii) Recipient: _____
(iii) Characterization of Distribution (i.e.: return of capital, fee, etc.): _____

3. BCY+2 Distributions
(i) Total Distributions \$ _____
(ii) Recipient: _____
(iii) Characterization of Distribution (i.e.: return of capital, fee, etc.): _____

4. BCY+3 Distributions
(i) Total Distributions \$ _____
(ii) Recipient: _____
(iii) Characterization of Distribution (i.e.: return of capital, fee, etc.): _____

5. BCY+ 4 Distributions
(i) Total Distributions \$ _____
(ii) Recipient: _____
(iii) Characterization of Distribution (i.e.: return of capital, fee, etc.): _____

6. BCY+ 5 Distributions
(i) Total Distributions \$ _____
(ii) Recipient: _____
(iii) Characterization of Distribution (i.e.: return of capital, fee, etc.): _____

7. BCY+6 Distributions
(i) Total Distributions \$ _____
(ii) Recipient: _____
(iii) Characterization of Distribution (i.e.: return of capital, fee, etc.): _____

8. BCY+7 Distributions
- (i) Total Distributions \$ _____
- (ii) Recipient: _____
- (iii) Characterization of Distribution (i.e.: return of capital, fee, etc.): _____
-
9. BCY+8 Distributions
- (i) Total Distributions \$ _____
- (ii) Recipient: _____
- (iii) Characterization of Distribution (i.e.: return of capital, fee, etc.): _____
-
10. BCY+9 Distributions
- (i) Total Distributions \$ _____
- (ii) Recipient: _____
- (iii) Characterization of Distribution (i.e.: return of capital, fee, etc.): _____
-
11. BCY+10 Distributions
- (i) Total Distributions \$ _____
- (ii) Recipient: _____
- (iii) Characterization of Distribution (i.e.: return of capital, fee, etc.): _____
-
12. BCY+11 Distributions
- (i) Total Distributions \$ _____
- (ii) Recipient: _____
- (iii) Characterization of Distribution (i.e.: return of capital, fee, etc.): _____
-
13. BCY+12 Distributions
- (i) Total Distributions \$ _____
- (ii) Recipient: _____
- (iii) Characterization of Distribution (i.e.: return of capital, fee, etc.): _____
-
14. BCY+13 Distributions
- (i) Total Distributions \$ _____
- (ii) Recipient: _____
- (iii) Characterization of Distribution (i.e.: return of capital, fee, etc.): _____
-
- Total BCY through BCY+13 Distributions (Sum of Lines 1(i) – 14(i))** \$ _____

B. Cash Available for Distribution:

1.	Amounts Held in Replacement Reserve Account(s)	\$ _____	\$ _____
a.	Amount available for Distribution		
2.	Amount(s) Held in Operating Reserve Account(s)	\$ _____	\$ _____
a.	Amount available for Distribution		
3.	Amounts Held in Other Reserve Accounts (identify each account, the terms thereof, and amount held therein)	\$ _____	\$ _____
a.	Amount available for Distribution		
4.	Amounts Held in Partnership Accounts Other than Reserves	\$ _____	\$ _____
a.	Amount available for Distribution		
Total Amount 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 on Non-Low-Income Portion of Building(s)

As of _____
(Date)

The fair market value of the non-low income portion of the Project building(s) is: \$_____.

Set forth or attach to this worksheet the appraisal, study, methodology proof or other support for the fair market value of the non-low-income portion of the building(s). The fair market value set forth above should be transferred to Section B of the Calculation Form.