

Sample Qualified Contract Notification Letter

Asset Management Senior Compliance Analyst
Iowa Finance Authority
2015 Grand Avenue
Des Moines, IA 50312

RE: LIHTC Project # _____
LIHTC Project Name _____

Dear Sir:

On behalf of _____ (Project Owner), we hereby request that Iowa Finance Authority (IFA) present a Qualified Contract for the purchase of _____ (Project Name). This request is made pursuant to Section 42(h)(6)(F) of the Internal Revenue Code. We understand IFA will have one year from its acceptance of this letter and all of the accompanying information described below, to present a Qualified Contract for the purchase of the Project.

We have enclosed with this request the following documents and information required by IFA:

1. Calculation of Qualified Contract Price calculation worksheet and worksheets A through E. The fully completed "Calculation of Qualified Contract Price" worksheet package will establish the minimum price at which IFA will market the development and present an offer for its purchase. These worksheets have been completed and certified by an independent third-party CPA who is not an employee, officer, partner, member or share holder of the owner. The Independent CPA has provided an affirmation there is no conflict of interest.
2. A property narrative description of the development, including description of all amenities within the units as well as common areas, and proximity to schools, business districts, shopping, mass transportation, highways sufficient for familiarizing prospective purchasers with the development.
3. Description of all income, rental or other restrictions, if any, applicable to the operation of the development

4. Property photographs of the development including the interior and exterior of representative apartment units, buildings and project grounds taken within 6 months of this request package. Photographs are submitted in hard copy and digital format. Digital photographs may be used to display the development on IFA's webpage.
5. Copies of the most recent 12 months operating statements which may be used to apprise potential purchasers of the project's operating expenses, debt service, gross receipts, net cash flow and debt service coverage ratio.
6. Current rent roll documenting unit number, name of head of household, move in date, security deposit held in trust, current rental charge, amount delinquent, and move out date for current vacant units
7. Disclosure of Rights of First Refusal, if any.
8. If any portions of the land or improvements are leased, copies of said leases, or statement acknowledging there are no portions of the land or improvements subject to lease.
9. Non-refundable processing fee.

We understand that the above information may be shared with prospective purchasers, real estate brokers and agents of IFA and summary data may be posted on IFA's website.

We will reasonably cooperate with IFA and its agents with respect to IFA's efforts to present a qualified contract for the purchase of the Project. In this regard, we understand that prior to the presentation of a qualified contract, we may need to share additional project information as a part of usual and customary due diligence with IFA and prospective purchasers, provided, before information is shared with a prospective purchaser, we may require they enter into a commercially reasonable form of nondisclosure agreement. We will also share with IFA, at its request, the documents and other information used to prepare the enclosed Calculation of Qualified Contract Price, including Worksheets A through E. We also agree to allow IFA, its agents and prospective purchasers, upon reasonable prior written notice, to visit and inspect the Project, including representative apartment units.

We acknowledge that:

1. We have conducted our own investigation and due diligence with respect to the Calculation of the Qualified Contract Price and the Qualified Contract procedure set forth in Section 42(h)(6)(F) of the Code; and
2. We are solely responsible for documents and information provided to IFA with this notification letter, including the Calculation of Qualified Contract Price form and the exhibits thereto, and any other documents or Project

information that we may provide to IFA and/or share with prospective purchasers at a later time (collectively, the Project Sales Information); and

3. To our knowledge, the Project Sales Information is truthful, accurate and complete and contains no misstatements or misleading information; and
4. Neither IFA nor any of its employees or agents have made any independent investigation or review of the accuracy, truthfulness or completeness of the Project Sales Information; and
5. By submission of this notification letter, we agree to indemnify, defend and hold IFA harmless with respect to IFA's use of the Project Sales Information to pursue a qualified contract; and
6. We agree that IFA and its employees and agents shall have no liability to us with respect to the Calculation of the Qualified Contract Price or any other act, omission or determination by IFA with respect to marketing the Project or carrying out its responsibilities under Section 42(h)(6)(F) of the Code, so long as IFA is acting in good faith.

We also understand that, if IFA finds a prospective purchaser willing to present an offer to purchase the Project for an amount equal to or greater than the QCP, we agree to enter into a commercially reasonable form of earnest money agreement or other contract for sale of the Project which will allow a prospective purchaser a reasonable period of time to undertake additional customary due diligence prior to closing the purchase.

Sincerely,

Printed Name

Title

Attachments