ELECTION OF APPLICABLE PERCENTAGE

**(TAX-EXEMPT BOND-FINANCED PROJECT)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is the owner (“Owner”) of a multifamily rental housing project known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ located in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Missouri, consisting of \_\_\_\_ building(s) (the “Project”). The Project is to be financed with proceeds of obligations (“Bonds”) described in Section 42(h)(4)(A) of the Internal Revenue Code of 1986, as amended and regulations issued thereunder (the “Code”). The Bonds were issued by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Issuer”) during the month of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_.

Pursuant to Section 42(b)(1)(A)(ii)(II) of the code, Owner hereby elects as the “applicable percentage” with respect to the Project the appropriate percentage prescribed by the Secretary of the Treasury for the month of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_ (being the month in which the Bonds were issued). In connection with the foregoing election, we advise you as follows:

(1) The Bonds were designated as the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.1

(2) The percentage of the aggregate basis of each building in the Project and the land on which the building is located that is to be financed with the proceeds of the Bonds is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ percent (\_\_\_%) [as set forth in Attachment 1 hereto].2

(3) If the Bonds were issued other than by the Missouri Housing Development Commission, attached is the signed statement of the Issuer as required by Reg. §1.42-8(b)(4).

IN WITNESS WHEREOF, the Owner has executed this election this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_.

OWNER

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1 Insert name of bonds, including any series designation.

2 Use attachment only if basis percentage differs among multiple buildings; delete if inapplicable.

3 Must be executed by the Owner, notarized and provided to MHDC before the close of the fifth calendar day following the end of the month in which the Bonds were issued.

STATE OF MISSOURI )

) ss.

\_\_\_\_\_\_\_\_\_\_ County of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_, by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Witness my hand and official seal.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notary Public

My commission Expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Seal]