(Date)

State Housing Finance Agency

(address)

Re: REQUEST FOR “QUALIFIED CONTRACT”

Property

Project Number

Address

Dear State Housing Finance Agency:

I hereby request that the Commission present a “qualified contract” for the purchase of [Property Name]. This request is made pursuant to Section 42(h)(6)(E)(i)(II) of the Internal Revenue Code.

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

1. Qualified Contract Request Application (Exhibit QCP-3);
2. Adequate documentation to support Qualified Contract Request Application (i.e., copies of original 8609s with part II completed, evidence of corrected 8823s, interior and exterior photos, narrative description, location map, site plan, name and contact information of current owner and management company, etc.);
3. Evidence that all physical inspection items have been satisfactorily completed;
4. Qualified Contract Price (QCP) Worksheets (Exhibit QCP-4) prepared by a Certified Public Accountant (CPA) based on Agreed Upon Procedures (Exhibit QCP-5);
5. Adequate documentation to support QCP Worksheets (i.e., Loan Statement’s; K-1’s; partnership agreements; financial statements; appraisals; Assessed Valuations; etc.) ;
6. Land Lease (if applicable);
7. Current Rent Roll;
8. Most recent 12 months of Operating Statements and most recent audit;
9. Letter from Investor-Limited Partner describing deal structure and potential exit strategy;
10. Nonrefundable Administrative Fee as stated in the Qualified Contract Process Manual;
11. Copy of Title Commitment;
12. Most recent survey;
13. Most recent market study (if available);
14. Phase I Environmental (if available);
15. Physical Needs Assessment (if available) and
16. Appraisal, including fair market land value.

I/We understand that the above information may be shared with prospective purchasers, real estate brokers and agents of the Commission and *summary data* will be posted on the Commission’s website for 365 days.

I/We will reasonably cooperate with the Commission and its agents with respect to the Commission’s efforts to present a qualified contract for the purchase of the property. In this regard, I/we understand that prior to the presentation of a qualified contract, I/we may need to share “due diligence” with the Commission and with prospective purchasers, including but not limited to: additional rent rolls, property tax returns, income certifications and other Section 42 compliance records; records with respect to repair and maintenance of the property, operating expenses and debt service. Provided, before information is shared with a prospective purchaser, I/we may require that prospective purchaser enter into a commercially reasonable form of nondisclosure agreement. I/We will also share with the Commission, at its request, the documents and other information that were used to prepare the enclosed Calculation of Qualified Contract Price, including Worksheets A – E. I/We also agree to allow the Commission, its agents, and prospective purchasers, upon reasonable prior written notice, to visit and inspect the property, including representative apartment units.

I/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 Internal Revenue Code and CFR 1.42-18; Qualified Contract Notification Letter
2. We are solely responsible for documents and information provided to the Commission with this notification letter, including the Calculation of Qualified Contract Price form and the exhibits thereto, and any other documents or property information that we may provide to the Commission and/or share with prospective purchasers at a later time.
3. To our knowledge, the application package is truthful, accurate and complete and contains no misstatements or misleading information.
4. Neither the Commission nor any of its employees or agents have made any independent investigation or review of the accuracy, truthfulness or completeness of the application package; and
5. By submission of this notification letter, we agree to indemnify, defend, and hold the Commission harmless with respect to the Commission’s use of the application package; and

I/We agree that the Commission 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 the Commission with respect to marketing the property or carrying out its responsibilities under Section 42(h) (6) (F) of the Code, so long as the Commission is acting in good faith.

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

Very truly yours,

[Property Owner]

Attachment