**IFA Qualified Contract Notification Letter**

Date:

Iowa Finance Authority

ATTN: Asset Management Director

1963 Bell Ave, Ste 200

Des Moines, IA 50315

RE: Qualified Contract Request, Project #:

Dear      :

On behalf of       (Property Owner), we hereby request the Iowa Finance Authority ( “IFA”) present a “qualified contract” for the purchase of $      This request is made pursuant to Section 42(h)(6)(E)(i)(ii) of the Internal Revenue Code. We understand IFA will review the accompanying items and, if acceptable, notify us when the one-year period to present a “qualified contract” for the purchase of the Development will begin.

We have enclosed all of the following items and information required by IFA (check all that apply):

|  |  |  |
| --- | --- | --- |
|  | A fully completed “Calculation of Qualified Contract” Price, including Worksheets A-E and CPA letter or report | |
|  | A thorough narrative description of the Development, including all amenities suitable for familiarizing prospective purchasers with the property | |
|  | A description of all income, rental and other restrictions applicable to the operation of the property | |
|  | A detailed set of digital photographs of the property for use on the IFA website | |
|  | A copy of the most recent 12 months of operating statements | |
|  | If any portion of the land or improvements are leased, copies of the leases | |
|  | A copy of the current rent roll | |
|  | Copy of any preference for purchasing the development and waiver of that right if it is to be waived. If it is not to be waived, I have provided further information | |
|  | First Years 8609’s showing Part II completed | |
|  | Non-refundable processing fee of: | |
|  |  | $1,000 – 24 Units or less |
|  |  | $1,500 – 25 to 74 Units |
|  |  | $2,000 – 75 to 149 Units |
|  |  | $2,500 – 150 Units to 199 Units |
|  |  | $3,000 – 200 or more Units |

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

We will cooperate in a reasonable manner with IFA and its agents with respect to IFA’s efforts to present a qualified contract for the purchase of the property. In this regard, we understand that prior to the presentation of a qualified contract, we may need to share property “due diligence” with IFA and with prospective purchasers, including but not limited to, additional rent rolls, development 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, we may require that it enter into a commercially reasonable form of nondisclosure agreement. We will also share with IFA, at its request, the documents and other information that were used to prepare the enclosed “Calculation of Qualified Contract Price, including Worksheets A-E. We also agree to allow IFA, its agents, and prospective purchasers, upon reasonable written notice, to visit and inspect the property, including representative apartment units.

We acknowledge and certify that:

|  |  |
| --- | --- |
|  | We have conducted our own investigation and due diligence with respect to the Calculation of the Qualified Contract Price and the Qualified Contract procedures set forth in Section 42(h)(6)(F) of the Internal Revenue Code; |
|  | 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 development information that we may provide to IFA and/or share with prospective purchasers at a later time (Collectively, the “Development Sales Information”); |
|  | To our knowledge, the Development Sales Information is truthful, accurate and complete and contains no misstatements or misleading information; |
|  | Neither IFA nor any employees or agents have made any independent investigation or review of the accuracy, truthfulness or completeness of the Development Sales Information; and |
|  | If IFA fails to present a Qualified Contract before the expiration of the one-year period (or such longer period as the owner may agree to in writing), the development will remain subject to the requirements set for in Section 42(h)(6)(E)(ii): For a three-year period commencing on the termination of the compliance period, the owner may not (i) evict or terminate a tenancy of an existing tenant of any low-income unit; or (ii) increase the gross rent with respect to any low-income unit except as permitted under Section 42 of the Code, as well as the requirements of the regulatory agreement. |
|  | By submission of this notification letter, we agree to indemnify, defend, and hold IFA harmless with respect to IFA’s use of the Development Sales Information; and |
|  | 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 property 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 property for an amount equal to or greater than the “qualified contract” price, 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 of the purchase.

Sincerely,

Attachments