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Request for Sealed Proposals

IPA Audit & Federal and State Tax Returns as applicable for KCDC's Limited Partnerships:

- Eastport Development LP (Low Income Housing Tax Credit Units)
 - Five Points 1 LP
 - Five Points 2 LP
 - Five Points 3 LP
 - Lonsdale Homes LP
 - North Ridge Crossing LP
 - Passport Homes LP
 - Passport Residencies LP
 - Vista at Summit Hill LP

RFP NUMBER: C17019

Due Date: 2:00 p.m. (Eastern Standard Time) on October 28, 2016

Check KCDC's web page for addenda and changes before submitting your proposal

Questions: Submit questions to purchasinginfo@kcdc.org

Deliver Proposals to: Knoxville's Community Development Corporation
Procurement Division
901 Broadway N
Knoxville, Tennessee 37917

Faxed/Emailed Responses are acceptable: **Yes** **No**

Award Results: KCDC posts a summary of the proposals received and the award decision to its web page at: <http://www.kcdc.org/procurement/>

Electronic Copies: Vendors are encouraged to use the MS Word version of this document. If you need an electronic copy, send an email requesting it to purchasinginfo@kcdc.org.

General Information

1. **BACKGROUND AND INTENT**

- a. Knoxville's Community Development Corporation (KCDC) is the public housing and redevelopment agency for the City of Knoxville and for the County of Knox in Tennessee. KCDC's public housing property portfolio includes seventeen housing properties with approximately 3,547 dwelling units. KCDC also administers approximately 4,030 vouchers through our Section 8 department. KCDC is in the process of moving approximately 60% of its Public Housing portfolio to Multi-Family Housing Project Based Rental Assistance (PBRA) through the Rental Assistance Demonstration Program (RAD).

KCDC is seeking proposals from qualified certified public accounting firms to provide annual IPA Audit and federal and state tax returns as applicable for the Limited Partnerships.

- b. KCDC is the management agent for four (4) low-income housing tax credit projects known as the University Avenue Affordable Housing Project, the Passport Homes Project, The Residences at Eastport, Phase II, and the Five Points Senior Building.
- c. Passport Homes LP (University Avenue Affordable Housing Project) is the owner of 33 tax credit units; 11 Public Housing units and 22 Section 8 units.
- d. Passport Residencies, LP (Passport Homes Project) is the owner of 50 Public Housing tax credit units.
- e. Eastport Development LP (The Residences at Eastport, Phase II) is the owner of 60 Public Housing tax credit units.
- f. Five Points I LP (Five Points Senior Building) is the owner of 90 Multi-Family elderly tax credit units that are currently under construction.
- g. Passport Development Corporation, a Section 115 subsidiary of KCDC, is the General Partner for three low-income housing tax credit projects, University Avenue Affordable Housing Project, Passport Homes Project, and the Residences at Eastport, Phase II. KCDC negotiated an early exit strategy with the investor limited partner and is now in the position of limited partner for the University Avenue Affordable Housing Project and Passport Homes Project. Boston Capital is the investor limited partner for the Residences at Eastport, Phase II.
- h. Five Points I Corporation, a Section 115 subsidiary of KCDC, is the General Partner for the Five Points Senior Building. Red Stone is the investor limited partner for the Five Points Senior Building.

- i. KCDC has formed five (5) additional limited partnerships to develop, construct or rehab, own, maintain and operate low-income housing tax credit projects currently known as Five Points Phase 2, Five Points Phase 3, The Residences at Lonsdale, North Ridge Crossing and The Vista at Summit Hill.
- i. Five Points Phase 2 will consist of 84 new construction family and elderly units in the Multi-Family Housing program. HUD and the investor closing should be in early 2017 with construction complete in approximately 12 -15 months later.
- j. Five Points Phase 3 will consist of approximately 80-100 new construction family and elderly units in the Multi-Family Housing program with HUD and investor closing estimated to be in late 2017 with construction complete in approximately 12-15 months later.
- k. The Residences at Lonsdale will consist of a 260-unit rehabilitation in the Multi-Family Housing program with HUD and investor closing estimated to be in early 2017 with an approximate 18-month work schedule.
- l. North Ridge Crossing will consist of a 268-unit rehabilitation in the Multi-Family Housing program with HUD and investor closing estimated to be in early 2017 with an approximate 18-month work schedule.
- m. The Vista at Summit Hill will consist of a 175-unit rehabilitation in the Multi-Family Housing program with HUD and investor closing estimated to be in early 2017 with an approximate 18-month work schedule.
- n. As the portfolio continues to move from Public Housing to Multi Family Housing, more limited partnerships will be formed to develop, construct or rehab, own, maintain and operate low income housing tax credit projects.

2. **CONFIDENTIALITY**

All reports, information, or data, prepared or assembled by the selected vendor are confidential. The selected vendor agrees that said reports, information or data, without KCDC's prior written approval, will not be made available to any individual or organization.

The selected vendor agrees to work cooperatively and in the spirit of good faith with KCDC in order to assure high quality services. The selected vendor agrees to meet with KCDC representatives whenever necessary to resolve any problems that occur relative to the administration of the contract. In addition, KCDC may disclose certain information to the selected vendor and the selected vendor may have access to certain information that is not generally known to others and is confidential. The selected vendor agrees not to use or disclose to any third party except in the performance of services hereunder any such confidential information. The selected vendor further agrees to cause its employees and any subcontractors to undertake the same obligations of confidentiality. These provisions shall survive the termination of the contract.

3. **CHANGES AFTER AWARD**

It is possible that after award KCDC will need to revise the service needs or requirements specified in this document. KCDC reserves the right to make such changes after consultation with the vendor. Should additional costs arise, the vendor must document to increased costs. KCDC reserves the right to accept and negotiate these charges.

4. **CONTACT POLICY**

The vendor may not contact KCDC officers, agents, or employee (other than the KCDC's Procurement Division) from the issuance of this solicitation until award about matters pertaining to this solicitation. Information obtained from an unauthorized officer, agent, or employee of KCDC will not affect the risks or obligations assumed by the vendor or relieve the vendor from fulfilling any of the conditions of the resulting award for the purpose of this project. Additionally, such contact can disqualify the vendor from participation in the solicitation process.

5. **CONTRACTS**

KCDC intends to identify the highest-ranking vendor and award the contracts to one vendor (separate contracts are primarily for KCDC to comply with separate funding requirements). However, if it is in KCDC's interest, separate firms may be selected for the contracts.

6. **CONTRACT APPROVAL**

Award of this contract is subject to KCDC's Board approval.

7. **CONTRACT LENGTH**

This RFP will lead to a one-year audit and tax return preparation contract for the fiscal year ending December 31, 2016. There will be an option to renew at the sole discretion of KCDC for four additional one-year periods.

Work under the contract shall commence at a date after December 1, 2016 to be jointly determined by both parties in order to meet the partnership requirements listed herein.

8. **ELECTRONIC CREATION OF WORK PRODUCT**

The successful vendor will make all work products and project information available to KCDC electronically.

9. **ERRORS AND DEFICIENCIES**

The successful vendor will revise any material prepared under an agreement resulting from this RFP without additional compensation if it is determined that the vendor is responsible for errors or deficiencies.

10. **EVALUATION**

KCDC will evaluate the responses to this solicitation on the following factors.

Item	Possible Points
Professional and Technical Competence and Experience	40
Professional Staff to be assigned	20
Capability to Provide Timely Services	30
References	10
Total Possible Points	100

- a. KCDC may select a vendor from written submittals or after a second step of evaluation, which may or may not include oral interviews. KCDC will select the vendor found to be best suited to provide the needed materials and/or services.
- b. Further KCDC reserves the right to evaluate submittals on an ordinal ranking system in lieu of specific scores for the first round while reserving specific scoring for those qualifications statements that progress to the second round of evaluation. Under this scenario, all qualifications statements will be scored 1, 2, 3, 4 et cetera to reflect their strength relative to all other submittals. Then the top 2 to 5 submittals (depending upon the evaluation team's estimation) will be scored according to matrix above with the submittal with the highest score entering into negotiations with KCDC.
- c. KCDC reserves the right to check or not check references. In either case, KCDC will use the references to gauge the submitter's experience.
- d. Firms may be excluded from further consideration for failure to comply fully with KCDC's requests for additional information and the requirements of this RFQ.
- e. All submittals are subject to a determination of "responsive" and "responsible" prior to award. KCDC is the sole judge as to "responsiveness" and "responsibility" of vendors.

11. **GENERAL INSTRUCTIONS**

KCDC no longer inserts "General Instructions to Vendors" in the solicitation document. These instructions are at www.kcdc.org. Click on "Procurement" and then scroll to "Resources." By submitting a response to this solicitation, the vendor accepts the responsibility for downloading, reading and abiding by the terms and conditions set forth in KCDC's "General Instructions to Vendors." Vendors may wish to review certain applicable HUD instructions on KCDC's webpage.

12. **INSURANCE**

Upon award, Certificates of Insurance must be provided to KCDC indicating that the vendor carries at least the following minimum levels of insurance. Vendor shall at its sole expense obtain and maintain in full force and effect for the duration of the resulting contract and any extension hereof at least the following types and amounts of insurance for claims which may arise from or in connection with this resulting contract. All insurance must be underwritten by insurers with an A.M. Best rating of A-VIII or better.

- a. *General Liability Insurance:* \$2,000,000
- b. *Worker's Compensation:* In accordance with the statutes of the State of Tennessee.
- c. *Professional Liability:* The contract shall maintain Professional Liability/Errors & Omissions insurance of \$1,000,000.
- d. Insurance shall have a 30-day cancelation notice provision.

13. **LICENSING**

All proposers must be properly licensed by the State of Tennessee and all other authorities having jurisdiction. Throughout the term of this contract, the vendor shall maintain the required current licenses.

14. **OWNERSHIP OF DOCUMENTS**

All documents, data, studies and reports as instruments of service are KCDC's property. The selected vendor is responsible for any loss or damage to the documents herein enumerated while they are in their possession and any such document lost or damaged shall be restored at the vendor's expense. Full access to the work during the preparation of the plans shall be available to KCDC and other public agencies interested in this work.

15. **PRICE STRUCTURE**

Vendors are to quote a specific price for each service listed herein.

- a. At the end of each contract term (one-year periods), the successful vendor may request a price increase. Price increase requests must be accompanied by proof of increased cost to the successful vendor. KCDC may, at its option:
 - 1. Accept the proposed price increase.
 - 2. Reject the proposed price increase.
 - 3. Suggest an alternative price increase.
- b. If KCDC rejects a proposed price increase the successful vendor may:
 - 1. Continue with the existing pricing.
 - 2. Suggest an alternative price increase.
 - 3. End the contract.
- c. Price decreases are allowed at any time with or without notice.

16. **PROPOSER REPRESENTATION**

The vendor represents and warrants:

- a. That the vendor is financially solvent and that it is experienced in and competent to perform the type of work, or to furnish the plans, materials, supplies or equipment to be so performed or furnished by it; and

- b. That the vendor is familiar with all federal, state, municipal and county laws, ordinances and regulations, which may in any way affect the work of those employed therein, including but not limited to any special acts relating to the work or to the project of which it is a part.

17. **QUESTIONS**

Submit questions via email with “Auditing Services” in the subject line to purchasinginfo@KCDC.org.

Scope of Work

1. **CONTRACT LIAISON**

KCDC and the vendor shall each designate a primary authorized representative for administering the resulting agreement. The contract liaison shall be named after award.

2. **DELIVERABLES**

The successful vendor shall be responsible for delivering a Report on the Audit of Financial Statements and Supplemental Information and federal and state Tax Returns as applicable for fiscal year 2016 by February 28, 2017. A draft copy of each is due by February 15, 2017.

3. **DUTIES:**

- a. Perform an audit and prepare federal and state tax returns as applicable and accompanying schedules for fiscal year ending December 31, 2016.
- b. The auditor will supply the final audited financial statements by February 15, 2017 including comparative two-year balance sheets, statements of operations, statements of cash flows, statements of changes in partners’ capital accounts (equity) and notes to the financial statements including Organization and Summary of Significant Accounting Policies, Partners’ Capital Contributions, Notes Payable and Transactions with Affiliates and Related Parties. The opinion report stating that an audit of such financial statements has been made in accordance with generally accepted auditing standards and stating the opinion of the accountants in respect to the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the accountants takes exception, and stating, to the extent practicable, the effect of each such exception of such financial statements. A draft copy of the audited financial statements must be submitted by February 15th for review by both the General and the Limited Partner. A back-up requirements checklist is also required to be submitted to the Limited Partner no later than January 1.

- c. As soon as available and in any event not later than February 15, 2017 provide all information necessary for the preparation of the Limited Partner's federal income tax return for the year in respect of income, gains, losses, deductions, or credits and the allocation thereof to each partner, including a Form K-1 (or other comparable form subsequently required by the IRS) and all the related forms, schedules and attachments, and a copy of the federal "Partnership Return" and state Partnership returns required to be filed by the Partnership. A draft copy of the tax returns and accompanying forms, schedules and attachments must be submitted by February 15th for review by both the General and Limited Partner.

4. **RULES AND STANDARDS**

The vendor agrees to comply with relevant and applicable laws and regulations.

- a. KCDC follows Generally Accepted Accounting Principles (GAAP) in accordance with HUD's Uniform Financial Reporting Standards published September 1, 1998.
- b. KCDC is required to comply with applicable public housing and multi-family housing requirements and other applicable federal and state requirements applicable to Public Housing and Section 8 Units and/or the Property, including, without limitation, the following:
- The Fair Housing Act
 - Titles VI and VIII of the Civil Rights Act of 1964
 - Age Discrimination Act of 1975
 - Section 504 of the Rehabilitation Act of 1973
 - Section 3 of the Housing and Urban Development Act of 1968
 - Wage Rates under the Davis-Bacon Act
 - Section 42 and related provisions of the Internal Revenue Code of 1986, as amended
 - Any other applicable state, county or city laws and requirements
- c. To the extent applicable, KCDC, through its General Partner Corporations, must comply with the policies, guidelines, and requirements of OMB Super Circular (2 CFR Part 200) as they relate to the acceptance and use of federal funds and to 24 C.F.R. part 85, to the extent applicable.
- d. Other applicable federal laws, regulations, and authoritative sources include:
- The Single Audit Act of 1984
 - The Single Audit Act Amendments of 1996
 - *Government Auditing Standards* (the "Yellow Book") promulgated by the Comptroller General of the United States General Accounting Office
 - The General Accounting Office publication *Assessing Compliance With Applicable Laws and Regulations*
 - The Financial Accounting Foundation determines Generally Accepted Auditing Standards as published by the American Institute of Certified Public Accountants in their Statements on Auditing Standards

- e. The tax returns must be prepared in accordance with Section 42 and related provisions of the Internal Revenue Code of 1986, as amended.
- 5. **SPECIAL REQUIREMENTS FOR EASTPORT DEVELOPMENT LP**
Please refer to Appendix “I” for specific requirements for Eastport Development LP.
- 6. **SPECIAL REQUIREMENTS FOR FIVE POINTS I LP**
Please refer to Appendix “II” for specific requirements for Five Points I LP.

Submittal Structure Instructions

Follow these steps and guidelines when preparing your submittal.

- 1. Number all pages consecutively. Reference the section that you are responding to as shown on the following pages.
- 2. Place your company’s name on each page.
- 3. Be thorough yet succinct in responding to this document. The use of tables in presenting information, where appropriate, will facilitate the evaluation team’s review.
- 4. Submit one original (with all pages marked “original”) and three copies of the original submittal. Also, provide one electronic copy of your submittal.
- 5. Fancy brochures and advertisements are not necessary.
- 6. ***Do not*** use phrases such as “See the attached” or “Will be provided upon award.”
- 7. If you have attachments, mark them (on the cover) with the submitter’s name.
- 8. Do not bind your submittal in a manner that is difficult for KCDC to disassemble. Eventually KCDC will scan these documents and it is important that it is easy to take them apart for scanning.
- 9. Submit your submittal in the order and format shown on the following pages.


THIS AND THE PREVIOUS PAGES DO NOT NEED TO BE RETURNED

**IPA Audit and Federal and State Tax Returns for KCDC Limited Partnerships C17019
Solicitation Document A General Response and Cost Section**

General Information about the Vendor

Sign Your Name to the Right of the Arrow 

Your signature indicates that you have read and agree to "KCDC's General Instructions to Vendors" on www.kcdc.org.

Printed Name and Title 

Company Name 

Street Address 

City/State/Zip 

Contact Person (Please Print Clearly) 

Telephone Number 

Fax Number 

Cell Number 

Vendor's e-mail address (Please Print Clearly) 

Addenda

Addenda are at www.kcdc.org. Click on "Procurement" and then on "Open Solicitations" to find addenda. Please check for addenda prior to submitting a bid.

Acknowledge addenda have been issued by checking below as appropriate:

None Addendum 1 Addendum 2 Addendum 3 Addendum 4 Addendum 5

Statistical Information

This business is owned & operated by persons at least 51% of the following ethnic background:

Asian/Pacific Black Hasidic Jew Hispanic Native Americans White

As defined on KCDC's webpage (see the "General Instructions to Vendors"), this business qualifies as:

Section 3

Small Business

Woman Owned

Vendor: _____

Conflict of Interest:

1. No commissioner or officer of KCDC or other person whose duty it is to vote for, let out, overlook or in any manner superintend any of the work for KCDC has a direct interest in the award or the vendor providing goods or services.
2. No employee, officer or agent of the grantee or sub-grantee will participate in selection, or in the award or administration of an award supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of his immediate family, his or her partner, or an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the vendor selected for award.
3. The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from vendors, potential vendors, or parties to sub-agreements.
4. By submission of this form, the vendor is certifying that no conflicts of interest exist.

Drug Free Workplace Requirements:

5. Private employers with five or more employees desiring to contract for construction services attest that they have a drug free workplace program in effect in accordance with TCA 50-9-112.

Eligibility:

6. The vendor is eligible for employment on public contracts because no convictions or guilty pleas or pleas of nolo contendere to violations of the Sherman Anti-Trust Act, mail fraud or state criminal violations with an award from the State of Tennessee or any political subdivision thereof have occurred.

General:

7. Vendor fully understands the preparation and contents of the attached offer and of all pertinent circumstances respecting such offer.
8. Such offer is genuine and is not a sham offer.

9. Iran Divestment Act:

Concerning the Iran Divestment Act (TCA 12-12-101 et seq.), by submission of this bid/quote/proposal, each vendor and each person signing on behalf of any vendor certifies, and in the case of a joint bid/quote/proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each vendor is not on the list created pursuant to § 12-12-106.

Non-Collusion:

10. Neither the said vendor nor any of its officers, partners, owners, agents, representatives, employees or parties interest, including this affiant, has in any way colluded conspired, connived or agreed, directly or indirectly, with any other responder, vendor, or person to submit a collusive or sham offer in connection with the award or agreement for which the attached offer has been submitted or to refrain from making an offer in connection with such award or agreement, or collusion or communication or conference with any other vendor, or, to fix any overhead, profit, or cost element of the offer price or the offer price of any other vendor, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against KCDC or any person interested in the proposed award or agreement.
11. The price or prices quoted in the attached offer are fair, proper and not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the vendor or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

The undersigned hereby acknowledges receipt of this Solicitation Document B and certifies that the submittal in response to this solicitation is in full compliance with the listed requirements.

Signed by _____	
Printed Name _____	
Title _____	
Subscribed and sworn to before me this date	
By (Notary Public) _____	
My Commission Expires on _____	
Notary Stamp	

Vendor: _____

Certifications and Representations of Offerors
Non-Construction Contract

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This form includes clauses required by OMB's common rule on bidding/offering procedures, implemented by HUD in 24 CFR 85.36, and those requirements set forth in Executive Order 11625 for small, minority, women-owned businesses, and certifications for independent price determination, and conflict of interest. The form is required for nonconstruction contracts awarded by Housing Agencies (HAs). The form is used by bidders/offerors to certify to the HA's Contracting Officer for contract compliance. If the form were not used, HAs would be unable to enforce their contracts. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

1. Contingent Fee Representation and Agreement

(a) The bidder/offeror represents and certifies as part of its bid/offer that, except for full-time bona fide employees working solely for the bidder/offeror, the bidder/offeror:

- (1) *has*, *has not* employed or retained any person or company to solicit or obtain this contract; and
- (2) *has*, *has not paid* or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) If the answer to either (a)(1) or (a) (2) above is affirmative, the bidder/offeror shall make an immediate and full written disclosure to the PHA Contracting Officer.

(c) Any misrepresentation by the bidder/offeror shall give the PHA the right to (1) terminate the resultant contract; (2) at its discretion, to deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

2. Small, Minority, Women-Owned Business Concern Representation

The bidder/offeror represents and certifies as part of its bid/ offer that it:

- (a) *is*, *is not a small business concern.* "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.
- (b) *is*, *is not a women-owned small business concern.* "Women-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.
- (c) *is*, *is not a minority enterprise* which, pursuant to Executive Order 11625, is defined as a business which is at least 51 percent owned by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals.

For the purpose of this definition, minority group members are:

(Check the block applicable to you)

- Black Americans Asian Pacific Americans
- Hispanic Americans Asian Indian Americans
- Native Americans Hasidic Jewish Americans

3. Certificate of Independent Price Determination

(a) The bidder/offeror certifies that—

- (1) The prices in this bid/offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder/offeror or competitor relating to (i) those prices, (ii) the intention to submit a bid/offer, or (iii) the methods or factors used to calculate the prices offered;
- (2) The prices in this bid/offer have not been and will not be knowingly disclosed by the bidder/offeror, directly or indirectly, to any other bidder/offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
- (3) No attempt has been made or will be made by the bidder/offeror to induce any other concern to submit or not to submit a bid/offer for the purpose of restricting competition.

(b) Each signature on the bid/offer is considered to be a certification by the signatory that the signatory:

- (1) Is the person in the bidder/offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or
- (2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above (insert full name of person(s) in the bidder/offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder/offeror's organization);
 (ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

- (iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.
- (c) If the bidder/offeror deletes or modifies subparagraph (a)2 above, the bidder/offeror must furnish with its bid/offer a signed statement setting forth in detail the circumstances of the disclosure.

4. Organizational Conflicts of Interest Certification

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under a proposed contract and a prospective contractor's organizational, financial, contractual or other interest are such that:
 - (i) Award of the contract may result in an unfair competitive advantage;
 - (ii) The Contractor's objectivity in performing the contract work may be impaired; or
 - (iii) That the Contractor has disclosed all relevant information and requested the HA to make a determination with respect to this Contract.
- (b) The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the HA which shall include a description of the action which the Contractor has taken or intends to eliminate or neutralize the conflict. The HA may, however, terminate the Contract for the convenience of HA if it would be in the best interest of HA.
- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this Contract and intentionally did not disclose the conflict to the HA, the HA may terminate the Contract for default.
- (d) The Contractor shall require a disclosure or representation from subcontractors and consultants who may be in a position to influence the advice or assistance rendered to the HA and shall include any necessary provisions to eliminate or neutralize conflicts of interest in consultant agreements or subcontracts involving performance or work under this Contract.

5. Authorized Negotiators (RFPs only)

The offeror represents that the following persons are authorized to negotiate on its behalf with the PHA in connection with this request for proposals: (list names, titles, and telephone numbers of the authorized negotiators):

6. Conflict of Interest

In the absence of any actual or apparent conflict, the offeror, by submission of a proposal, hereby warrants that to the best of its knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement, as described in the clause in this solicitation titled "Organizational Conflict of Interest."

7. Offeror's Signature

The offeror hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

Signature & Date:

Typed or Printed Name:

Title:

1. Describe the proposed scope of the audit and tax return preparation.
2. Provide a summary of your proposed approach to the audit and tax return preparation.
3. Detail the level of assistance the auditor would require of the KCDC's staff to conduct the audit and prepare the tax returns.
 - a. Provide a brief narrative description of the organization submitting the proposal.
 - b. Include as part of the description:
 - Organization Size
 - Organizational structure
 - Financial stability
 - Years in business
 - Mergers and/or acquisitions within the last five years
 - Pending litigation detail
 - Legal status (corporation or partnership, et cetera)
 - c. Identify the individual(s) in your audit firm responsible for managing and overseeing this type of project to assure that due diligence has been exercised and compliance with the requirements is met.
 - d. Describe any unique approaches or techniques developed and used by the audit firm that would give it an advantage in this specific type of project.
4. Specify the total number of employees of the audit firm.
5. Specify the total number of CPA's of the audit firm.

IPA Audit and Federal and State Tax Returns for KCDC Limited Partnerships C17019
Solicitation Document E: Staff Technical Competence and Qualifications

Provide information on the personnel who will be handling this project listing pertinent experience and technical qualifications. Include for each individual the capacity they would serve on this project. The format of individual resumes for key personnel is as follows.

- Name
- Position title
- Total years' experience with current vendor
- Total years in this field
- Education (degree, major, institution, year)
- Summary of relevant experience and qualifications
- Complete the chart below in order to explain the role each person will play on this project

Name	Title/Skill Set	Role on this Project	Hours on this Project

1. Provide the number of days expected to complete the necessary fieldwork.
2. Provide the number of days expected to complete the entire audit, prepare the tax returns and the accompanying schedules.
3. Provide a detailed description of the work plan, approach, methodology and timeline that you propose using to meet the objectives, including phasing and staffing.
4. Provide the deadline for KCDC staff to provide the necessary information to complete the audit and tax returns per the deadlines in this RFP.
5. Provide details of any additional information that your firm will require to be provided from KCDC staff that deviates from Appendix I.

IPA Audit and Federal and State Tax Returns for KCDC Limited Partnerships C17019
Solicitation Document G: References

References are to be indicative of your firms experience and reflective of your capabilities. You are to provide **five** references of projects as close as possible in nature to this one. Even if you have done multiple projects for an entity, that entity can only be one reference. When listing that reference, you may want to indicate that you have done multiple projects for them and this one example is most germane to this project. Present information about each reference in this format:

Name of the business that was serviced	
Contact person	
Contact person title	
Contact person's telephone number	
Contact person's email address	
Description of the service provided	
Contract began	
Contract ended	
Approximate Dollar Value of the Contract	\$

IPA Audit and Federal and State Tax Returns for KDC Limited Partnerships C17019
Appendix I Special Requirements for Eastport Development LP

**Requested Audit and Tax Documentation
For the year ended December 31, 2015**

Eastport Development LP

Requested Item	Submit to Novogradac By	Date Provided	Provided By	Provided Via	Notes
PLANNING:					
1. Please complete the confirmation contact log so that we may begin to prepare the 2015 third party confirmations.	12/1/2015				
2. November 2015 rent roll. We will request a sample of tenant files for our review after we receive the November 2015 rent roll.	12/1/2015				
3. Amortization schedule for any new loans obtained in 2015.	12/1/2015				
4. List of changes in partners in 2015, as well as any new documents relating to the change (i.e. changes of address or transfer of partner interest).	12/1/2015				
5. Copies of property tax statements for 2015.	12/1/2015				
6. Copies of all insurance invoices for the policies that provided coverage throughout 2015.	12/1/2015				
7. Schedule of insurance policies that provided coverage throughout 2015. The schedule should include the type of coverage, period of coverage, and insurance carrier.	12/1/2015				
8. Copy of any new settlement/closing statements.	12/1/2015				
9. Copies of any new agreements and/or amendments to agreements that have been executed during 2015.	12/1/2015				
10. Copies of any other miscellaneous documents pertaining to the 2015 audit.	12/1/2015				
11. Please review the internal control questionnaire and update for any changes since 2014. This questionnaire will be sent to you in a separate e-mail.	12/1/2015				
POST-FIELDWORK:					
Trial Balance:					
1. Trial balance dated 12/31/2015.	1/15/2016				
General Ledger:					
2. General ledger dated 12/31/2015 and run as of the same date as the trial balance.	1/15/2016				
Rent Rolls:					
3. December 2015 rent roll.	1/15/2016				
4. Explanation for any changes in occupancy rates during 2015.	1/15/2016				

**Requested Audit and Tax Documentation
For the year ended December 31, 2015**

Eastport Development LP

Requested Item	Submit to Novogradac By	Date Provided	Provided By	Provided Via	Notes
Cash:					
5. December 31, 2015 bank statements for all cash accounts.	1/15/2016				
6. December 31, 2015 bank reconciliations for all cash accounts.	1/15/2016				
Receivables/Prepaid Expenses:					
7. Aged tenant accounts receivable schedule as of 12/31/2015.	1/15/2016				
8. Supporting detail on any other accounts receivable amounts from your trial balance.	1/15/2016				
9. Detailed schedule of prepaid expenses.	1/15/2016				
Fixed Assets/Intangibles:					
10. Schedule of all fixed asset additions/retirements as of 12/31/2015. The schedule should include a description of the asset and the date of the addition/retirement.	1/15/2016				
11. Invoices for any fixed asset addition greater than \$5,000 in 2015.	1/15/2016				
12. Schedule of all intangible asset additions/retirements as of 12/31/2015.	1/15/2016				
Payables:					
13. Detailed accounts payable schedule as of 12/31/2015.	1/15/2016				
14. Tenant security deposit listing as of 12/31/2015 (if not included on the rent roll).	1/15/2016				
15. Schedule of accrued interest as of 12/31/2015 for each outstanding debt.	1/15/2016				
16. Schedule of accrued taxes and insurance payable as of 12/31/2015.	1/15/2016				
Long-term Debt:					
17. Lender statements for the month of December 2015 for all loans.	1/15/2016				
18. Schedule of interest expense as of 12/31/2015.	1/15/2016				
Capital:					
19. Schedule of partner contributions made during 2015.	1/15/2016				
20. Schedule of partner distributions made during 2015, including support detail.	1/15/2016				
21. Copies of any communications received from any partner or other party regarding financial statement reporting	1/15/2016				
Legal Expenses:					
22. Detail of all legal expenses incurred in 2015.	1/15/2016				
23. Copies of all legal invoices for 2015.	1/15/2016				

**Requested Audit and Tax Documentation
For the year ended December 31, 2015**

Eastport Development LP

Requested Item	Submit to Novogradac By	Date Provided	Provided By	Provided Via	Notes
Property Management Fee: 24. Detailed schedule showing the calculation of the property management fee and amount of accrued property management fee.	1/15/2016				
Qualified Occupancy Summary: 25. Copy of a completed 2015 qualified occupancy summary.	1/15/2016				
POST-FIELDWORK: 1. Detailed accounts payable schedule as of the report date. 2. Check register from 1/1/2016 through the report date.	TBD	TBD			

ARTICLE XII

Books and Records, Accounting, Tax Elections, Etc.

12.1. Books and Records

The Partnership shall maintain all books and records which are required under the Act or by any Governmental Authority and may maintain such other books and records as the General Partner in its discretion deems advisable or as reasonably requested by the Special Limited Partner. Each Limited Partner, or its duly authorized representatives, shall have access to the records of the Partnership at the principal office of the Partnership at any and all reasonable times, and may inspect and copy any of such records. A list of the name and addresses of all of the Limited Partners shall be maintained as part of the books and records of the Partnership and shall be mailed to any Limited Partner upon request. The Partnership may require reimbursement for any out of pocket expenses which it incurs as a result of the exercise by any Limited Partner of its rights under this Section 12.1, including, without limitation, photocopying expenses. The General Partner shall cause the Partnership to maintain at all times all informational and qualification files of each tenant of the Apartment Complex in fire proof storage facilities (whether paper files or micro fiche or film) and in a secure location controlled by the Partnership, for the later of six (6) years after completion of the Compliance Period or as long as is required under applicable law.

12.2. Bank Accounts

The bank accounts of the Partnership shall be maintained in the Partnership's name with such financial institutions as the General Partner shall determine. Withdrawals shall be made only in the regular course of Partnership business on such signature or signatures as the General Partner may determine. All deposits (including security deposits and other funds required to be escrowed by any Lender or Agency) and other funds not needed in the operation of the business shall be deposited, if required by applicable law and to the extent permitted by applicable Agency or Lender requirements, in interest bearing accounts or invested in United States Government obligations maturing within one year.

12.3. Auditors

(a) The Auditors shall prepare, for execution by the General Partner, all tax returns of the Partnership. Prior to the filing of the Partnership tax returns, and in no event later than February 15 of each Fiscal Year, the Auditors shall deliver the draft tax returns for the prior Fiscal Year to the Tax Accountants for their review and comment. If a dispute arises between the Auditors and the Tax Accountants over the proper preparation of the tax returns and such dispute cannot be resolved by the Auditors and the Tax Accountants by March 1 of such Fiscal Year, then the Tax Accountants shall make the final decision in good faith with respect to whether any changes are necessary. To the extent that the Partnership has sufficient funds available, the Partnership shall reimburse the Investment Limited Partner and its Affiliates for all costs and expenses paid to the Tax Accountants for the aforementioned services.

(b) The Auditors shall certify all annual financial reports to the Partners in accordance with generally accepted auditing standards.

(c) If the Partnership fails to fulfill any of its obligations under Section 12.7(a)(i) and/or Section 12.7(a)(ii) within the time periods set forth therein, at any time thereafter upon written notice from the Special Limited Partner, the General Partner shall appoint replacement Auditors. If no such notice from the Special Limited Partner is delivered, the Consent of the Special Limited Partner must be received to the appointment of replacement Auditors. If the General Partner fails to appoint replacement Auditors within thirty (30) days of the notice from the Special Limited Partner to replace the Auditors, then the Special Limited Partner shall appoint replacement Auditors of its own choosing, the cost of which shall be borne by the Partnership as a Partnership expense. All of the Partners hereby grant to the Special Limited Partner a special power of attorney, irrevocable to the extent permitted by law, coupled with an interest, solely to so appoint replacement Auditors and to do anything else which in the judgment of the Special Limited Partner may be necessary or appropriate to accomplish the purposes of this Section 12.3(c).

(d) On or prior to the date which is thirty (30) days after the Admission Date, the General Partner shall cause the Partnership (i) in writing, to engage the Auditors to perform the services required herein and (ii) to deliver to the Investment Limited Partner copies of all such engagement letters and agreements.

12.4. Cost Recovery and Elections

(a) With respect to all depreciable assets for which cost recovery deductions are permitted, the Partnership shall elect to use, so far as permitted by the provisions of the Code, accelerated cost recovery methods. However, with the Consent of the Investment Limited Partner, the Partnership may change to another method of cost recovery if such other method is, in the opinion of the Auditors, more advantageous to the Investment Limited Partner (and the limited partners and/or holders of beneficial assignee certificates thereof).

(b) Subject to the provisions of Section 12.5, all other elections required or permitted to be made by the Partnership under the Code shall be made by the General Partner with the Consent, or at the request, of the Investment Limited Partner, in such manner as will, in the opinion of the Auditors, be most advantageous to the Investment Limited Partner and the limited partners and/or holders of beneficial assignee certificates thereof. To the extent that any election required in accordance with the preceding sentence would obligate, or increase the amount of any existing obligation of, the General Partner to advance funds to the Partnership or make any payment to a Limited Partner under this Agreement, such obligation or increased amount is hereby waived by all the Partners and the General Partner shall not be liable therefor.

12.5. Special Basis Adjustments

In the event of a transfer of all or any part of the Interest of the Investment Limited Partner or a transfer of all or any part of an interest of a partner and/or a holder of a beneficial assignee certificate of the Investment Limited Partner, the Partnership shall elect, upon the request of the Investment Limited Partner, pursuant to Section 754 of the Code, to adjust the basis of the Partnership property. Any adjustments made pursuant to said Section 754 shall affect only the successor in interest to the transferring Partner or partner or holder of a beneficial

assignee certificate thereof. Each Partner will furnish the Partnership all information necessary to give effect to any such election.

12.6. Fiscal Year

Unless otherwise required by law, the Fiscal Year and tax year of the Partnership shall be the calendar year. The books of the Partnership shall be maintained on an accrual basis.

12.7. Information to Partners

(a) The General Partner shall cause to be prepared and distributed to all Persons who were Partners at any time during a Fiscal Year of the Partnership:

(i) Within sixty (60) days after the end of each Fiscal Year of the Partnership, (A) a balance sheet as of the end of such Fiscal Year, a statement of income, a statement of partners' equity, and a statement of cash flows, each for the Fiscal Year then ended, all of which, except the statement of cash flows, shall be prepared in accordance with generally accepted accounting principles and accompanied by a report of the Auditors containing an opinion of the Auditors, and (B) a report of the activities of the Partnership during the period covered by the report. With respect to any distribution to the Investment Limited Partner, the report called for shall separately identify distributions from (1) Cash Flow from operations during the period, (2) Cash Flow from operations during a prior period which had been held as reserves, (3) proceeds from disposition of property and investments, (4) reserves from the gross proceeds of the Capital Contributions of the Investment Limited Partner (5) borrowed monies, and (6) transactions outside of the ordinary course of business with a description thereof.

(ii) Within forty-five (45) days after the end of each Fiscal Year of the Partnership, all information relating to the Partnership and/or the Apartment Complex which is necessary, in the view of the Tax Accountants for the preparation of the Limited Partners' federal income tax returns for the prior Fiscal Year.

(iii) Within forty-five (45) days after the end of each quarter of a Fiscal Year of the Partnership, a report containing:

- (A) a balance sheet, which may be unaudited;
- (B) a statement of income for the quarter then ended, which may be unaudited;
- (C) a statement of cash flows for the quarter then ended, which may be unaudited;
- (D) a certification of the General Partner that the Apartment Complex and its tenants are in compliance with all applicable federal, state and local requirements and regulations;

(E) a Tax Credit monitoring form, a copy of the rent roll for the Apartment Complex for each month during such quarter, a statement of income and expenses, an operating statement and an Occupancy/Rental Report, all in a form reasonably specified by the Special Limited Partner;

(F) a certification of the General Partner that it has received no notice of a building, health or fire code violation or similar violation of a governing law, ordinance or regulation against the Apartment Complex, or, if there is any such violation, a detailed description thereof; and

(G) all other information which would be pertinent to a reasonable investor regarding the Partnership and its activities during the quarter covered by the report.

(b) Within sixty (60) days after the end of each Fiscal Year of the Partnership a copy of the annual report to be filed with the United States Treasury concerning the status of the Apartment Complex as low-income housing and, if required, a certificate to the appropriate state agency concerning the same.

(c) Upon the written request of the Investment Limited Partner for further information with respect to any matter covered in item (a) or item (b) above, the General Partner shall furnish such information within thirty (30) days of receipt of such request.

(d) Prior to October 15 of each Fiscal Year, the Partnership shall send to the Investment Limited Partner an estimate of the Investment Limited Partner's share of the Tax Credits, Profits and Losses of the Partnership for federal income tax purposes for the current Fiscal Year. Such estimate shall be prepared by the General Partner and the Auditors and shall be in the form specified by the Special Limited Partner.

(e) The General Partner shall send the Investment Limited Partner a detailed report within fifteen (15) days after the end of any calendar quarter during which any of the following events occur:

(i) there is a material default by the Partnership under any Project Document or in the payment of any mortgage, taxes, interest or other obligation on secured or unsecured debt,

(ii) any reserve has been reduced or terminated by application of funds therein for purposes materially different from those for which such reserve was established,

(iii) any General Partner has received any notice of a material fact which may substantially affect further distributions or Tax Credit allocations to any Limited Partner, or

(iv) any General Partner has pledged or collateralized its Interest in the Partnership.

(f) After the Admission Date, the Partnership shall send to the Investment Limited Partner copies of all applicable periodic reports covering the status of project operations and any matters relating to the Tax Credit as are required by any Lender or Agency. The General Partner shall deliver to the Investment Limited Partner copies of all construction draw requests (and all supporting documentation) submitted to the Lender prior to the Admission Date, if any, and shall deliver to the Investment Limited Partner simultaneously with their submission to the Lender copies of all construction draw requests (and all supporting documentation) submitted to the Lender on or after the Admission Date.

(g) On or before May 1 of each Fiscal Year, the Partnership shall send to the Investment Limited Partner a report on operations, in the form reasonably supplied by the Special Limited Partner.

(h) The General Partner hereby consents to each Lender or Agency providing the Investment Limited Partner with copies of all material communications between any such Lender or Agency and the General Partner and/or the Partnership, including, but not limited to, any notices of default.

(i) [omitted]

(j) [omitted]

(k) Within thirty (30) days following the Completion Date, the General Partner shall prepare, or cause the Auditors to prepare, and deliver to each Limited Partner a Tax Credit basis worksheet for each building in the Apartment Complex, all in a form reasonably specified by the Special Limited Partner.

(l) Promptly after Permanent Mortgage Commencement, the General Partner shall send to the Special Limited Partner a closing binder containing photocopies of the fully executed versions of all documents signed in connection with the Permanent Loan(s). From and after any date upon which the General Partner receives notice from the Special Limited Partner that the Special Limited Partner would like copies of the monthly rent rolls for the Apartment Complex to be sent to the Special Limited Partner, the General Partner shall send copies of the rent rolls to the Special Limited Partner no later than ten (10) days after the expiration of each month.

(m) If the General Partner does not cause the Partnership to fulfill its obligations under Section 12.7(a)(i) and/or Section 12.7(a)(ii) within the time periods set forth therein, and such failure is not cured within ten (10) days after written notice thereof from the Special Limited Partner, the General Partner shall pay as damages the sum of \$275 per day (plus interest at a rate equal to the Prime Rate plus three percent (3%)) to the Investment Limited Partner until such obligations shall have been fulfilled. Such damages shall be paid forthwith by the General Partner, and the failure to pay any such damages shall constitute a material default by the General Partner hereunder. In addition, if the General Partner shall fail to pay any such damages, the General Partner and its Affiliates shall forthwith cease to be entitled to the distribution of any Cash Flow or Capital Proceeds to which they may otherwise be entitled hereunder. Such distributions of Cash Flow and Capital Proceeds shall be restored only upon the payment of such damages in full, and any amount of such damages not so paid shall be deducted

against distributions of Cash Flow and Capital Proceeds otherwise due to the General Partner or its Affiliates.

(n) On or before November 1 of each Fiscal Year, the General Partner shall cause the Partnership to send to the Investment Limited Partner an operating budget of the Apartment Complex for the upcoming Fiscal Year. The Special Limited Partner shall have the right to review and comment on the budget, and the General Partner shall incorporate the Special Limited Partner's reasonable recommendations, subject to the approval of the Agency. If the General Partner and the Special Limited Partner are unable to agree on a budget for a particular Fiscal Year, the budget for such year shall be the budget for the preceding year increased by 5%. The General Partner shall keep the Special Limited Partner informed concerning the general state of the business and financial condition of the Partnership and shall, upon the reasonable request of the Special Limited Partner, furnish to the Special Limited Partner full information, accounts and documentation concerning the state of the business and financial condition of the Partnership. Such budget shall include, but not be limited to:

(i) an overall assessment of the market in the general vicinity of the Apartment Complex,

(ii) an assessment of repairs and capital improvements needed and the priority of such items; and

(iii) a proposed repairs and capital improvements budget for the year affected.

(o) Notwithstanding anything to the contrary contained herein, the General Partner shall cause to be conducted and delivered to the Limited Partners pursuant to Section 5.1(a) an audit on one hundred (100%) percent of the initial leases or occupancy agreements executed in connection with the Apartment Complex in order to ensure compliance with the applicable Rent Restriction Test, the Minimum Set-Aside Test, the Agreed-Upon Set Aside Test, and any other applicable tenant restriction test ("Initial Compliance Audit"). The Special Limited Partner shall select at its option, any combination of occupancy agreements which shall comprise the Initial Compliance Audit (the "Selected Occupancy Agreements"). The Initial Compliance Audit shall consist of a review of the complete tenant files in connection with the Selected Occupancy Agreements, including but not limited to any tenant financial information. Further, the Initial Compliance Audit shall be conducted with the cooperation of, and at the sole cost and expense of the General Partner if the Initial Compliance Audit reveals an instance of material noncompliance. An instance of material noncompliance shall be deemed to exist if at least five (5) occupancy agreements reveal noncompliance or violations of any applicable tenant restriction test. If the Initial Compliance Audit does not reveal any instance of material noncompliance the Partnership shall bear the cost of such audit.

12.8. Expenses of the Partnership

All expenses of the Partnership shall be billed directly to and paid by the Partnership.

12.9. Review of Compliance

The General Partner shall, within seventy-five (75) days after the end of each Fiscal Year of the Partnership, certify to each Limited Partner in the same scope and manner that it is required to certify, if requested, to the Agency, that the Partnership is in compliance with all regulations and procedures relating to the operation of the Apartment Complex as a qualified Tax Credit project within the meaning of Section 42(g) of the Code. The Special Limited Partner may, at its own expense, conduct or cause to be conducted an audit or review of the Partnership's compliance with all regulations and procedures relating to the operation of the Apartment Complex as a qualified Tax Credit project within the meaning of Section 42(h) of the Code. Such audit or review shall be conducted upon not less than thirty (30) nor more than ninety (90) days prior written request. The General Partner shall cooperate with any such audit by making appropriate personnel of the General Partner and Property Manager and all books and records of the Apartment Complex and Partnership available to the Investment Limited Partners or their representatives at the offices of the Partnership during regular business hours.

12.10. Inspections

The Special Limited Partner, at its sole cost and expense, shall have the right to conduct physical inspections of the Apartment Complex, subject to the rights of tenants, on an annual basis and the General Partner shall take all reasonable steps necessary to cooperate therewith.

(d) Upon the dissolution of the Partnership pursuant to Section 12.01, the Accountants shall promptly prepare, and the Liquidator shall furnish to each Partner, a statement setting forth the assets and liabilities of the Partnership upon its dissolution. Promptly following the complete liquidation and distribution of the Partnership property and assets, the Accountants shall prepare, and the Liquidator shall furnish to each Partner, a statement showing the manner in which the Partnership assets were liquidated and distributed.

ARTICLE 13.
BOOKS AND RECORDS, ACCOUNTING,
TAX ELECTIONS, ETC.

13.01 Books and Records. The books and records of the Partnership shall be maintained on an accrual basis in accordance with generally accepted accounting principles. These and all other records of the Partnership, including information relating to the status of the Apartment Complex and information with respect to the sale by the General Partners or any Affiliate of goods or services to the Partnership, shall be kept at the principal office of the Partnership and shall be available for examination there by any Partner, or his duly authorized representative, at any and all reasonable times. Any Partner, or his duly authorized representative, upon paying the costs of collection, duplication and mailing, shall be entitled to a copy of the list of names and addresses of the Limited Partners.

13.02 Bank Accounts. All funds of the Partnership not otherwise invested shall be deposited in one or more accounts maintained in such banking institutions as the General Partner shall determine, and withdrawals shall be made only in the regular course of Partnership business on such signature or signatures as the General Partner may, from time to time, determine. No funds of the Partnership shall be deposited in any financial institution in which any Partner is an officer, director or holder of any proprietary interest.

13.03 Accountants. The Accountants shall annually prepare for execution by the General Partner all tax returns of the Partnership, shall annually audit the books of the Partnership, and shall certify, in accordance with generally accepted accounting principles, a balance sheet, a profit and loss statement, and a cash flow statement. With respect to each fiscal year during the Partnership's operations, at such time as the Accountants shall have prepared the proposed tax return for such year, the Accountants shall provide copies of such proposed tax return to the Limited Partner for its review and comment. Any material changes in such proposed tax return recommended by the Limited Partner's accountants shall be made by the Accountants prior to the completion of such tax return for execution by the General Partner. The Partnership shall reimburse the Limited Partner for its expenses incurred in causing the Partnership's proposed tax return to be reviewed by the Limited Partner's accountants when such review exceeds the scope of the Limited Partner's accountant's standard review, as determined by the Limited Partner in its sole discretion. A full detailed statement shall be furnished to all Partners showing such assets, properties, and net worth and the profits and losses of the Partnership for the preceding fiscal year. All Partners shall have the right and power to examine and copy, at any and all reasonable times, the books, records and accounts of the Partnership. Notwithstanding anything to the contrary contained herein, the Special Limited Partner shall have the discretion to dismiss the Accountants for cause if such Accountant fails to provide, or untimely provides, or inaccurately provides, the information required in this Agreement.

13.04 Reports to Partners. In addition to the information required pursuant to the provisions of Section 7.05 hereof, the General Partner shall provide to the Limited Partners the following:

(a) Monthly Reports. The General Partner shall cause to be prepared and distributed to the Limited Partners at any time during the month prior to the date the report is due, the following monthly reports:

(i) Prior to Substantial Completion, a monthly report, certified by the General Partner to be true, complete and correct in all respects, providing:

(A) an analysis of the quality of construction and any known non-compliance with Plans and Specifications;

(B) any changes or deviations from the construction budget and construction schedule;

(C) any known environmental issues arising since the Initial Closing;

(D) any known delay in payment, or non-payment, of construction costs for which equity has been expended, or Construction Loan proceeds have been requisitioned or disbursed; and

(E) copies of all construction draw documentation submitted by the General Contractor in connection with a request for payment, including change orders.

(ii) Once physical occupancy commences and prior to Stabilized Operations, a monthly report, certified by the General Partner to be true, complete and correct in all respects providing:

(A) a rent roll commencing at initial occupancy;

(B) statement of income and expense, and cash flow for the month, together with a balance sheet, each of which may be unaudited;

(C) a summary of any tenant compliance review conducted by the General Partner (which must be conducted not less frequently than every twelve (12) months) summarizing compliance with the Minimum Set-Aside Test, Rent Restriction Test and other requirements to qualify for the Tax Credits, including those set forth in the Regulatory Agreement and Extended Use Agreement;

(D) upon commencement of leasing activity, a schedule of budgeted leasing activity with comparison against actual leasing activity for such month as well as a description of all marketing activities; and

(E) a summary of any on-site physical inspection of the Apartment Complex by the General Partner (including photographs), which must be conducted not less frequently than every twelve (12) months.

Monthly reports as described in this Section 13.04 shall be delivered to the Partners within twenty (20) days after the last day of the prior month which is the subject of the report.

(a) Quarterly Reports. The General Partner shall cause to be prepared and distributed to the Limited Partners at any time during the fiscal quarter prior to the date the report is due, the following reports:

13.04(a); (i) all monthly reports not previously delivered as required under Section

(ii) a quarterly statement of income and expense and a cash flow statement for the quarter and the period then ending with a comparison to budget, which may be unaudited;

(iii) a balance sheet, which may be unaudited, together with an Excel version of the trial balance;

(iv) a statement of operations describing significant or material activities affecting the Partnership and Apartment Complex during the quarter, including, but not limited to the most recent rent roll and occupancy reports;

(v) a bank statement verifying the current account balances of the Replacement Reserve and Operating Reserve; and

(vi) a schedule of all fees, other compensation, distributions and reimbursements of expenses paid on behalf of the Partnership to the General Partner or any of its Affiliates during the quarter.

All quarterly reports from the General Partner as described in this subsection (b) shall be delivered to the Partners within thirty (30) days of the last day of the fiscal quarter which is the subject of the report.

(b) Annual Reports. The General Partner shall cause to be prepared and distributed to the Limited Partners at any time during the fiscal year of the Partnership, the following reports:

13.04(a); (i) all monthly reports not previously delivered as required under Section

13.04(b); (ii) all quarterly reports not previously delivered as required under Section

(iii) within sixty (60) days after the close of each fiscal year of the Partnership audited financial statements of the Partnership and the Guarantor for the fiscal year prepared by the Accountants (or other independent accountants approved by the Special Limited Partner) in accordance with generally accepted accounting principles, and such financial information with respect to each fiscal year of the Partnership as shall be reportable for federal and state income tax purposes. In addition, the General Partner shall provide the Special Limited Partner with the opportunity to have not less than twenty (20) days to review drafts of the Partnership's audited financial statements prior to their finalization and will incorporate the changes of the Special Limited Partner.

(iv) within sixty (60) days after the close of each fiscal year of the Partnership:

(A) balance sheet, statements of income and expense, Partners' equity, and cash flows (including a calculation of Net Cash Flow and Surplus Cash) prepared by the Accountants in accordance with generally accepted accounting principles and accompanied by an Accountant's report and opinion;

(B) an unaudited report of the General Partner detailing distributions made during the fiscal year, separately identifying distributions from Net Cash Flow for the

reporting fiscal year and prior fiscal years, proceeds from Capital Transactions, and proceeds from reserves or other deposits held by or for the benefit of the Partnership;

(C) a schedule of all fees, other compensation, distributions and reimbursements of expenses to the General Partner or any of its Affiliates during the fiscal year, not previously reported to the Partners under Section 13.04(a) or (b) above; and

(D) a copy of the annual certification of the Partnership submitted to the Agency for the prior calendar year.

(v) the current rent roll for the Apartment Complex; and

(vi) not less than sixty (60) days prior to the commencement of each fiscal year, for the Special Limited Partner's review and approval (which approval shall not be unreasonably withheld), detailed proposed operating and capital budgets for the Apartment Complex and the Partnership for the next fiscal year. Such budgets shall specifically list all budgeted expenses in all major categories including, but not limited to, administration, operation, repairs and maintenance, utilities, taxes, insurance, interest, debt service with respect to the Project Loans, capital improvements, and all budgeted expenses which are to be paid to the General Partner or its Affiliates. The Special Limited Partner shall submit its response to such proposed budgets to the General Partner within forty-five (45) days (or such shorter period of time as may be requested by any Project Lender, but in no event less than thirty (30) days) after its receipt of such proposed budgets; such response shall either evidence its approval of the proposed budgets or shall contain specific comments and recommendations with respect thereto.

(c) Annual Certification as to Project Loans and Other Matters. Within sixty (60) days after the end of each fiscal year of the Partnership, the General Partner shall provide to the Limited Partners:

(i) a certification (in the form attached hereto as Exhibit B-2) by the General Partner that (A) all Project Loan payments and insurance payments with respect to the Apartment Complex are current as of the date of the year-end report, (B) there is no material default under the Project Documents or this Agreement, or if there is any material default, a description thereof, (C) it has not received notice of any building, health or fire code violation or similar violation of a governmental law, ordinance or regulation against the Apartment Complex or, if any such notice of any violation has been received, a description thereof, (D) all real estate and ad valorem taxes, personal property taxes, assessments and other charges levied against the Apartment Complex have been paid and evidence of such payment, and (E) it has not received and does not expect to receive 8823s from the Agency, and there are no outstanding action items arising from the Agency's annual inspection and/or audit of the Apartment Complex;

(ii) a descriptive statement of all transactions during the fiscal year between the Partnership and the General Partner and/or any Affiliate, including the nature of the transaction and the payments involved (including accrued cash or other payments); and

(iii) a copy of the annual report to be filed with the Agency concerning the status of the Apartment Complex as low-income housing.

(d) Information Upon Limited Partner Request. Upon the written request of the Limited Partner for further information with respect to any matter covered in Section 13.04(a) through (d) above, the General Partner shall furnish such information within seven (7) days of receipt of such request, including, without limitation, copies of tenant files.

(e) Annual Reports on Occupancy and Other Operational Matters. The General Partner, on behalf of the Partnership, shall send to the Limited Partners, on or before March 31 in each year, a report which shall state:

- (i) the then occupancy level of the Apartment Complex;
- (ii) if there are any Operating Deficits or anticipated Operating Deficits, the manner in which such Deficits will be funded; and
- (iii) such other matters as shall be material to the operation of the Partnership, including, without limitation, any building, health or fire code violation or similar violation of a governmental law, ordinance or regulation by the Apartment Complex of which the General Partner is aware.

(f) Estimates of Tax Items and Budgets. Not less than sixty (60) days prior to the end of each fiscal year, the General Partner, on behalf of the Partnership, shall send to the Limited Partner, for its Consent, an estimate of the Limited Partner's share of the Tax Credits, profits and losses of the Partnership for federal income tax purposes for the current fiscal year, and the budget for the Partnership and Apartment Complex for the fiscal year to come. In addition, the General Partner shall, during and after the period in which it is a Partner, provide the Partnership with such information and sign such documents as are necessary for the Partnership to make timely, accurate and complete submissions of federal and state income tax returns. Within sixty (60) days after the end of each fiscal year of the Partnership, the General Partner shall provide to the Special Limited Partner drafts of both the federal and state income tax returns. The Special Limited Partner shall have an opportunity to review and Consent to drafts of all such returns prior to their filing date, and the General Partner will incorporate any changes of the Special Limited Partner. Within ninety (90) days after the end of each fiscal year of the Partnership, the General Partner shall provide to the Special Limited Partner final copies of the federal and state income tax returns. In addition, the General Partner shall provide the Special Limited Partner with the opportunity to have not less than twenty (20) days to review drafts of audited financial statements prior to their finalization and will incorporate the changes of the Special Limited Partner.

(g) Reports on Defaults and Other Matters. The General Partner shall send the Limited Partners a detailed report of any of the following events within fifteen (15) days after the end of any calendar quarter during which such event occurs:

- (i) a material default by the Partnership under the Project Documents or in payment of any mortgage, taxes, interest or other obligations on secured or unsecured debt;
- (ii) the reduction or termination of any reserve by application of funds therein for purposes materially different from those for which such reserve was established;
- (iii) the receipt by the General Partner of any notice of a material fact which may substantially affect further distributions; or
- (iv) the pledge or collateralization by any Partner of its Interest in the Partnership.

(h) After the date of Substantial Completion, the General Partner, on behalf of the Partnership, shall send to the Limited Partners, a copy of all applicable periodic reports covering the status of the Apartment Complex as may be required by the Agency or the Project Lenders, within ten (10) days of submission of such reports to the Agency and/or applicable Project Lender.

(i) Liquidated Damages.

(i) In the event that the reports of information provided for in Sections 13.04(a) through (d) above are, at any time, not provided within the time frames set forth therein and remain delinquent for more than 30 days after delivery of written demand by the Special Limited Partner, the General Partner shall be obligated to pay to the Special Limited Partner, upon demand, the sum of \$100.00 per day as liquidated damages, for each day from the date upon which such report(s) or information is (are) due pursuant to the provisions of the aforesaid Sections until the date upon which such report(s) or information is (are) provided in form acceptable to the Special Limited Partner. In the event the General Partner does not pay such fee as required above, the amount owed by the General Partner shall be distributed to the Special Limited Partner from Net Cash Flow prior to any payment of Net Cash Flow which might otherwise be payable to the General Partner or its Affiliates pursuant to the provisions of Section 11.03. Such amount shall be included as an amount guaranteed by the Guarantor pursuant to the Guaranty.

(ii) In the event that the reporting requirements set forth in any of the above provisions of this Section 13.04 are not met, the Limited Partner, in its reasonable discretion, may direct the General Partner to dismiss the Accountants, and to designate successor Accountants, subject to the approval of the Special Limited Partner; provided, however, that if the General Partner and the Limited Partner cannot agree on the designation of successor Accountants, the successor Accountants shall be designated by the Limited Partner in its sole reasonable discretion, and the fees of such successor Accountants shall be paid by the Partnership.

(j) Notification of Default, Service Proceedings, HUD REAC Reports and Agency Audits. In addition to any requirements set forth in Article 13 hereof, the General Partner shall immediately notify the Limited Partner of any written or oral notice of (i) any default or failure of compliance with respect to any of the Project Loans, Project Documents or any other financial contractual or governmental obligation of the Partnership or the General Partner, (ii) any Service proceeding regarding the Apartment Complex or the Partnership, and (iii) all HUD REAC reports, any Agency audits, receipt of any IRS Form 8823, and any and all other reports, investigations, scores and related documents concerning the Apartment Complex. Any such notice shall be accompanied by copies of the foregoing documents.

(k) RAD Use Agreement and Regulatory Agreement Reports. In addition to the reporting requirements set forth in Article 13 hereof, the General Partner shall send a copy of any report made available to HUD pursuant to the RAD Use Agreement and the Regulatory Agreement to the Limited Partner.

13.05 Section 754 Elections. In the event of a transfer of all or any part of the Interest of a General Partner or of a Limited Partner, the Partnership may elect, pursuant to Sections 743 and 754 of the Code (or any corresponding provision of succeeding law), to adjust the basis of the Partnership property if, in the opinion of the Limited Partner, based upon the advice of the Accountants, such election would be most advantageous to the Limited Partner. Each Partner agrees to furnish the Partnership with all information necessary to give effect to such election.

13.06 Fiscal Year and Accounting Method. The fiscal year of the Partnership shall be the fiscal year of the Limited Partner, which ends at December 31, or such other date as is necessary to be consistent with the Limited Partner's accounting practices. All Partnership accounts shall be determined on an accrual basis.

13.07 Tax Matters Partner.

(a) The General Partner hereby is designated as Tax Matters Partner of the Partnership, and shall engage in such undertakings as are required of the Tax Matters Partner of the Partnership, as provided in regulations pursuant to Section 6231 of the Code. Each Partner, by its execution of this Agreement, Consents to such designation of the Tax Matters Partner and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent.

(b) The Tax Matters Partner shall have and perform all of the duties required under the Code, including the following duties:

(i) Furnish the name, address, profits interest, and taxpayer identification number of each Partner to the IRS; and

(ii) Within five calendar days after the receipt of any correspondence or communication relating to the Partnership or a Partner from the IRS, the Tax Matters Partner shall forward to each Partner a photocopy of all such correspondence or communication(s). The Tax Matters Partner shall, within five calendar days thereafter, advise each Partner in writing of the substance and form of any conversation or communication held with any representative of the IRS.

(c) The Tax Matters Partner shall not without the Consent of the Limited Partners:

(i) Extend the statute of limitations for assessing or computing any tax liability against the Partnership (or the amount or character of any Partnership tax items);

(ii) Settle any audit with the IRS concerning the adjustment or readjustment of any partnership item(s) (within the meaning of Section 6231(a)(3) of the Code);

(iii) File a request for an administrative adjustment with the IRS at any time or file a petition for judicial review with respect to any such request;

(iv) Initiate or settle any judicial review or action concerning the amount or character of any partnership tax item(s) (within the meaning of Section 6231(a)(3) of the Code);

(v) Intervene in any action brought by any other Partner for judicial review of a final adjustment; or

(vi) Take any other action not expressly permitted by this Section 13.07 on behalf of the Partners of the Partnership in connection with any administrative or judicial tax proceeding.

(d) In the event of any Partnership-level proceeding instituted by the IRS pursuant to Sections 6221 through 6233 of the Code, the Tax Matters Partner shall consult with the Limited Partners regarding the nature and content of all action and defense to be taken by the Partnership in response to

such proceeding. The Tax Matters Partner also shall consult with the Limited Partners regarding the nature and content of any proceeding pursuant to Sections 6221 through 6233 of the Code instituted by or on behalf of the Partnership (including the decision to institute proceedings, whether administrative or judicial, and whether in response to a previous IRS proceeding against the Partnership or otherwise).

(e) The Partnership shall indemnify and reimburse the Tax Matters Partner for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Partners. The payment of all such expenses shall be made before any distributions are made from Net Cash Flow or any discretionary reserves are set aside by the General Partner. The General Partner shall have the obligation to provide funds for such purpose. Notwithstanding the foregoing, the provisions on liability and indemnification of the General Partner set forth in Section 8.07 of this Agreement shall be fully applicable to the Tax Matters Partner in its capacity as such.

(f) The Tax Matters Partner shall be the "partnership representative" under 6223 of the Code as in effect pursuant to the Bipartisan Budget Act of 2015 (the "Budget Act"), and the General Partner shall take any and all action required under the Code or Treasury Regulations, as in effect from time to time, to designate the Tax Matters Partner as the "partnership representative." At the direction of the Limited Partner, in its sole and absolute discretion, but to the extent permitted under the Code, the General Partner shall: (i) elect pursuant to Section 1101(g)(4) of the Budget Act to apply the provisions of Section 1101 of the Budget Act to a Fiscal Year of the Partnership beginning prior to January 1, 2018, or (ii) elect pursuant to Section 6221(b) of the Code (as modified by the Budget Act) for the provisions of Subchapter C of Chapter 63 of the Code to not apply to the Partnership. Neither such election shall be made without the Consent of the Limited Partner, given or withheld in its sole and absolute discretion. The General Partner shall cooperate with the Limited Partner in good faith to amend this Agreement if the Limited Partner determines that an amendment is required after promulgation of Treasury Regulations implementing the Budget Act to maintain the intent of the parties with respect to the obligations and limitations of the Tax Matters Partner. From and after the effectiveness of the Budget Act to this Partnership:

- (1) The Tax Matters Partner, in its role as partnership representative, shall be bound by the obligations and restrictions of this Section 11.09;
- (2) The Partnership shall take action pursuant to Treasury Regulations promulgated under Section 6225(c) only at the direction, or with the Consent, of the Limited Partner;
- (3) At the direction of the Limited Partner, the General Partner shall file amended returns pursuant to Section 6225(c)(2), and Treasury Regulations related thereto, at such times as such provision may be applicable;
- (4) The determination of whether to use the alternative procedure described in Section 6226, when applicable, shall be made solely at the direction of, or with the Consent of, the Limited Partner.

ARTICLE 14. FEES AND PAYMENTS

14.01 Development Fee. The Partnership has entered into a Development Agreement of even date herewith with the Developer for its services in connection with the development and construction of the Apartment Complex. In consideration for such services, a Development Fee in a total amount equal to \$1,229,363 shall be payable by the Partnership, in accordance with the terms of the Development