

SOUTH DAKOTA
Housing
DEVELOPMENT AUTHORITY

April 26, 2012

Ms. Shannon Clark
Evangelical Lutheran Good Samaritan Society
4800 W. 57th Street
Sioux Falls, SD 57108

RE: Housing Tax Credit Application
Sioux Falls Downtown Good Samaritan Housing – Sioux Falls

Dear Ms. Clark,

I am pleased to inform you that your application for the above referenced development has been selected to receive a conditional reservation of housing tax credits. The South Dakota Housing Development Authority (SDHDA) Board of Commissioners has reserved an amount of housing tax credits subject to the conditions set forth in the enclosed Conditional Reservation and Binding Commitment Agreement (Reservation Agreement).

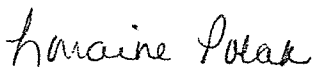
Be advised that time is of the essence in meeting the conditions of your Reservation Agreement. To accept the reservation of credits, you must execute and return the Reservation Agreement by **May 11, 2012**. Please read the Reservation Agreement and other enclosed documents immediately.

The Internal Revenue Code Section 42(b)(2) states that the temporary minimum credit rate for non-federally subsidized new construction buildings placed in service between July 31, 2008, and before December 31, 2013, shall not be less than nine percent (9.00%). If your building(s) is not placed in service before December 31, 2013, you would receive a tax credit rate of less than the 9.00% rate at which the project was underwritten. **You, as the owner of this project, will assume the potential financing gap resulting from a lower tax credit rate for any building that is not placed in service on or before December 30, 2013,**

If you would like to lock in the tax credit rate for May 2012, please execute the enclosed Applicable Rate Agreement and return it with the executed Reservation Agreement. If you choose to lock in the May 2012 tax credit rate, you will still eligible to receive the 9.00% tax credit rate if the building(s) is placed in service on or before December 30, 2013.

Please be sure to return the Reservation Agreement and all other required documents by May 11, 2012, or the date noted on the specific document. If you have any questions regarding this matter, please contact Scott Rounds, Housing Development Officer at (605) 773-4532.

Sincerely,



Lorraine Polak, Director
Rental Housing Development

LP/sar

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