Exhibit 7.20.4-6 (04-01-2008)
Low Income Housing Tax Credit Limited Partnership Memorandum

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

July 30, 2007

MEMORANDUM FOR MANAGER, EO DETERMINATIONS

FROM: Robert S. Choi
Director, EO Rulings and Agreements

SUBJECT: Low Income Housing Tax Credit Limited Partnerships

This memorandum supersedes the Memorandum entitled "Low Income Housing Tax Credit Limited Partnerships" dated April 25, 2006. The original memorandum provided a framework to permit the Internal Revenue Service to approve an exemption application submitted by a general partner before the partnership agreement was finalized. This memorandum clarifies the April 25, 2006 memorandum to require that the applicant identify a specific proposed housing project to be operated by the limited partnership and deletes the request that a copy of a final limited partnership agreement be provided upon execution.

The purpose of this memorandum is to provide a framework for processing applications for recognition of exemption under section 501(c)(3) or (c)(4) of the Internal Revenue Code where the applicant proposes to further its purposes by participating, as a general partner, in a section 42 low income housing tax credit (LIHTC) limited partnership. An organization must meet items 1 through 4 to have this memorandum apply. Failure to meet a particular factor listed in item 5 may not adversely affect an application where the applicant can otherwise describe how it will satisfy the particular concern described in the factor. Application of this framework assumes that an organization otherwise qualifies for exemption.

1. The applicant must identify the specific proposed housing project to be operated by the limited partnership and explain how it will accomplish its charitable purposes, as an organization that provides low-income housing, consistent with the safe harbor or the facts and circumstances test set forth in Rev. Proc. 96-32, 1996-1 C.B. 717.
    - This requirement is consistent with section 5.02 of Rev. Proc. 90-27, 1990-1 C.B. 514, 516, which requires that proposed activities be described in sufficient detail to permit a conclusion that an organization qualifies for the exemption claimed.
2. The applicant is not required to provide a final limited partnership (LP) agreement or limited liability company (LLC) governing document (formative documents). However, in the absence of a final governing document, written representations set forth in item 3 below are required.

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3. The applicant must provide a written representation that the formative documents will require that charitable purposes be advanced as follows:
   a. The formative documents will specify that the LP or LLC will operate housing that it owns in a manner that furthers charitable purposes by providing decent, safe, sanitary and affordable housing for low income persons and families (including the elderly or physically handicapped, where appropriate).
   b. The formative documents will also include a provision specifying that in the event of a conflict between the obligations of the applicant (in its capacity as general partner or managing member) to operate the LP or LLC in a manner consistent with such charitable purpose and any duty to maximize profits for the limited partners or other members, the charitable purposes contained in the LP agreement or the LLC governing documents will prevail.
4. The applicant must adopt a conflict of interest policy to protect the applicant's interest when it is contemplating entering into a transaction or arrangement that might result in an excess benefit transaction or might benefit the private interests of the applicant's officers, directors, trustees or its partners. The sample conflict of interest contained in the *Instructions for Form 1023*, or a similar conflict of interest policy, may be adopted.
5. The applicant must provide written representations with respect to the following factors, all of which limit the applicant's financial exposure in the event the housing project does not go forward as planned. Some representations are with respect to terms and conditions that will be contained in the final formative documents. Other representations are with respect to actions that the applicant has performed, is performing, or will perform.
   a. Prior to entering into a formative document, the applicant shall review an independent Phase I environmental report on the proposed project and exercise due diligence to minimize any risk before entering into any agreements for any environmental indemnification.
   b. The applicant will require the LP or LLC to enter into a fixed price construction contract with a contractor that is bonded or that provides a performance letter of credit or adequate personal guarantee.
   c. To the extent the agreement requires the general partner to provide an operating deficit guarantee, the agreement must limit the general partner's liability in one or more of the following ways:
      1. Limit the guarantee to not more than five years from the date the project first achieves break-even operations. Prior to entering into the

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formative documents, the applicant will obtain a market study or undertake other due diligence to verify that break-even operations for the project are expected within a reasonable period following completion of construction.

- Break-even operations means the date upon which
  - (i) the project achieves 95 percent occupancy, and
  - (ii) the revenues received from the normal operation of the project equal all accumulated operational costs of the project for a period of three consecutive months after completion of construction computed on a cash basis and in accordance with the project and loan documents.

2. Limit the guarantee to six months of operating expenses (including debt service). An operating debt reserve may be established based on projected operating expenses.

d. If the formative documents require the applicant to make a payment to the investors in the event of a reduction in the amount of tax credits received by the LP or LLC (other than any reductions to the investor's capital contributions required under the agreement) from the amount expected at the time the agreement is signed, the agreement must limit the payments in one or more of the following ways:

(1) Where the formative documents include separate tax credit adjuster provisions due to (i) a permanent reduction in tax credits, (ii) a timing difference in tax credits where the projected tax credits for the first year must be delayed and taken in a later year(s), and/or (iii) ongoing shortfalls or credit recapture, limit payment under each separate adjuster provision to an amount that does not exceed the aggregate amount of developer and other fees (both payable and deferred) that the applicant (or any affiliate) is entitled to receive in connection with the project.

(2) Provide that payments by the applicant will be treated as a capital contribution to the entity or as a loan, which shall take priority over any other distribution of residual assets to partners upon sale or refinancing of the property.

e. The applicant must secure a right of first refusal to acquire the project at the end of the LIHTC compliance period. The applicant's board of directors shall review any purchase of the project to ensure that the

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purchase price is reasonable and consistent with the applicant's status as an organization described in section 501(c)(3) or (c)(4).

f. To the extent the formative documents require that the general partner or managing member repurchase the investors' interest in the LP or LLC in the event of a failure to meet certain fundamental requirements relating to the viability of the project, such as failure to qualify for the LIHTC in whole or substantial part, failure to obtain permanent financing, and/or commencement of foreclosure proceedings on the construction loan, the repurchase price may not exceed the amount of capital contributions.

g. If the formative documents provide that the applicant must obtain the consent of the limited partners or the investor members with respect to certain matters that do not involve day to day operations, including, but not limited to, the following: (i) sale or refinancing of the LIHTC project; (ii) admission of a new partner or member; (iii) acquisition of additional property; (iv) transfer of the applicant's interest in the limited partnership or limited liability company; (v) borrowing substantial additional funds; (vi) entering into contracts with affiliated entities; (vii) amendment of the limited partnership agreement or operating agreement; (viii) change of accountant or property manager; and/or (ix) approval of annual budget, then such consent shall not be unreasonably withheld. Consent may be withheld if one or more of the above actions would likely be inconsistent with preserving the housing as a low-income housing project.

h. Any right of the limited partner(s) or other member(s) to remove the applicant as general partner should only be for cause as set forth in the agreement or governing documents. In this circumstance, the agreement shall also require that the applicant be provided with written notice of any proposed removal, which states the cause for such action, and a reasonable period to cure the enumerated deficiencies.