

MAINE STATE HOUSING AUTHORITY
APPLICATION FOR TRANSFER OF OWNERSHIP INTEREST

PART I

Part I of this Application must be completed by the current Owner of the MaineHousing Project. It is in fillable PDF format and may be completed on-line. We recommend that you save Part I to your own computer before starting. If you download and install the free Adobe Reader XI, available at <http://www.adobe.com/products/reader.html>, it will allow you to fill out Part I, either partially or completely, and then save your responses. You'll then be able to go back to Part I to make changes or to complete it. After Part I has been completed, you'll need to print and sign it.

If the Transfer involves a transaction that will result in a new owner of the MaineHousing Project, Part II of the Application for Transfer of Ownership Interest must also be completed by the proposed new owner of the Project.

Scan in the completed and signed Part I (or both Part I and Part II in the case of a proposed Transfer of the MaineHousing Project to a new owner), then upload and submit your Application and all supporting documents by clicking on the secure *Upload and submit your Application* link at www.mainehousing.org/ownershiptransfer. **PLEASE NOTE:** Any documents submitted in response to questions in Part I should refer to the item numbers to which they relate.

Your \$500 Application fee must be received by MaineHousing for your Application to be considered complete. For information on how to submit your Application fee, please see Application and Processing Fees at www.mainehousing.org/ownershiptransfer.

Definitions of capitalized terms used in Part I are included in Appendix A.

If you have questions as you complete Part I, please e-mail your questions to MaineHousing's Ownership Transfer mailbox at OwnershipTransfer@mainehousing.org

MaineHousing may request additional information it considers necessary in reviewing this Application.

Please complete the following. Please answer all questions.

1. Name of Project (complete a separate Application for each Project)

2. Physical address of Project (street and town/city) _____

3. MaineHousing Project number _____

4. Current Owner name _____

5. Current Owner mailing address _____

6. Current Owner telephone number(s) _____

7. Principal contact for current Owner for this Application

Name _____

Telephone number(s) _____

E-mail address _____

8. What date are you proposing as a closing date for the Transfer? ***Note: In proposing a closing date, please keep in mind the estimated time for a decision on your Application noted in Timing of MaineHousing Consent at www.mainehousing.org/ownershiptransfer and allow reasonable additional time beyond that time estimate to close the Transfer.***

9. ***Type of Transfer.*** This Transfer involves (***For A, B, C and D below, check all that apply***)

A. A sale of the Project to a new owner and the assumption of the MaineHousing loan(s) by the new owner

(1) Name and address of new owner. ***Please note: New owner must complete Part II of the Application.***

Name _____

Address _____

(2) Reason for sale of Project

(3) Is there a written agreement containing the terms of the sale?

Yes No

If you checked Yes, submit a copy of the agreement. If no written agreement exists, describe the arrangement or understanding.

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(4) Is a like-kind (1031) exchange intended as part of this sale of the Project?

Yes No

(5) Other than the MaineHousing mortgage, are there any other mortgages on the Project?

Yes No

a. If Yes, list all other mortgage holders and outstanding amount

<u>Mortgage holder</u>	<u>Outstanding amount</u>

b. Is consent of other mortgage holder(s) required for the Transfer?

Yes No

B. A merger of the current Owner with one or more business entities

(1) Name and address of all other business entities involved in merger

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(2) Reason for merger

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(3) Will current Owner be the surviving company and still continue in business after the merger occurs?

Yes No

If No, provide name and address of surviving company

Name _____

Address _____

(4) Is there a written merger agreement or plan of merger?

Yes (submit copy) No (describe merger plans)

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C. The current Owner will continue to own the Project, but will make one or more of the following changes to its business structure (**check all appropriate boxes**):

(1) The current Owner is a general partnership and one or more of the partners of the general partnership will change.

(i) List all current partners and percentage interest

<u>Partners</u>	<u>% Interest</u>

(ii) List all partners and their addresses and percentage interests after the change

<u>Partner Names and Addresses</u>	<u>% Interest</u>

(2) The current Owner is a limited liability company ("LLC") and 51% or more of the member interests in the LLC will change in a transaction that is not a LIHTC Investor Buyout Transaction.

(i) List all current LLC members and percentage interest

<u>LLC Members</u>	<u>% Interest</u>

(ii) List all LLC members and their addresses and percentage interests after the change

<u>LLC Members and Addresses</u>	<u>% Interest</u>

(3) The current Owner is a limited partnership and a new general partner ("GP") will be substituted for an existing GP or added as a GP without any substitution.

(i) List all current GPs

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(ii) List all GPs and their addresses after the change

(iii) Reason for change

(4) A change *within* a general partner ("GP") of a limited partnership Owner of a Project is proposed. ***(Check box a. or b. and complete related tables)***

a. GP is a limited liability company ("LLC") and 51% or more of the member interests in the LLC will change.

Name of LLC:

(i) List all current members of LLC and percentage interests

<u>LLC Members</u>	<u>% Interest</u>

(ii) List all members of LLC and their addresses and percentage interests after the change

<u>LLC Members and Addresses</u>	<u>% Interest</u>

- b. GP is a corporation and 51% or more of the shareholder interests in a for-profit (business) corporation or voting member interests in a non-profit corporation will change.

Name of corporation:

- (i) List all current shareholders or voting members of the corporation and percentage interests

<i>Shareholders or Voting Members</i>	<i>% Interest</i>

- (ii) List all shareholders or voting members of the corporation and their addresses and percentage interests after the change

<i>Shareholders or Voting Members and Addresses</i>	<i>% Interest</i>

- (5) A majority or more of the Board of Directors of the current Owner of the Project will be replaced by Board members of a different business entity (whether or not that entity is an Affiliate of the current Owner).

Name of other business entity:

- (i) List Board members of current Owner of Project

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(ii) List Board members of current Owner after the change

(iii) Reason for change

(iv) Is there a written agreement concerning the change of board members (sometimes called a "Change of Control Agreement")?

Yes (submit copy) No (describe plans)

D. Check this box if the Transfer is not listed under A, B or C above. Please describe briefly and submit any agreements concerning the Transfer.

10. Is there a Housing Assistance Payments (HAP) contract for this Project?

Yes No

If Yes, do you have, or have you applied for, HUD approval of a Previous Participation Certification (HUD Form 2530) and, if necessary, assignment of the HAP contract?

Yes No

11. In the past year, has the current Owner received any notice or citation from any federal, state or local governmental agency or office concerning any violation, deficiency, environmental condition, lien (including but not limited to a tax lien), or recapture event relating to the Project?

Yes (explain) No

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12. Does the current owner intend to use funds in any Project account(s) in connection with the Transfer?

Yes No

If you checked Yes, please complete the following table:

<i>Project Account Name</i>	<i>Amount</i>	<i>Purpose</i>

CERTIFICATION OF CURRENT OWNER

I hereby certify that I have the authority to sign Part I of this Application on behalf of the current Owner named above and that the responses above are true and complete to the best of my knowledge. I acknowledge and understand that any intentional misstatement may result in the rejection of this Application or the imposition of additional conditions to the Transfer by MaineHousing. I acknowledge and agree that MaineHousing may provide Project-related information, including financial information, to any other party involved in this Transfer, including any proposed new owner of the Project.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

APPENDIX A – DEFINITIONS

The following terms have the following meanings:

"Additional Circumstances" means any one or more of the following in connection with the Transfer of an Ownership Interest: a request for additional MaineHousing financing or for refinancing by MaineHousing of existing MaineHousing loan obligations; the existence of a HUD housing assistance payments contract for the Project; management issues; a Project that is troubled, on MaineHousing's watch list or in default; or increased risks to a Project as assessed by MaineHousing.

"Affiliate" means, with respect to any entity, another entity that it controls, is controlled by, or is under common control with.

"Application" means the form of application required or recommended by MaineHousing and any other information required or considered by MaineHousing in connection with the Transfer of an Ownership Interest in a Project.

"Controlling Interest" means an interest of fifty-one percent (51%) or greater, alone or in the aggregate.

"HUD" means the United States Department of Housing and Urban Development.

"Investor Limited Partner" means a limited partner of a limited partnership Owner of a LIHTC Project that is required to make capital contributions in exchange for low-income housing tax credits allocated pursuant to Section 42 of the Internal Revenue Code of 1986, as amended ("Section 42").

"Investor Member" means a non-managing member of a limited liability company Owner of a LIHTC Project that is required to make capital contributions in exchange for low-income housing tax credits allocated pursuant to Section 42.

"LIHTC Investor Buyout Transaction" means a Transfer of the Ownership Interest of an Investor Limited Partner or an Investor Member in a LIHTC Project to the Sponsor of the LIHTC Project or an Affiliate of the Sponsor.

"LIHTC Project" means a Project to which MaineHousing has allocated low-income housing tax credits pursuant to Section 42.

"MaineHousing" means Maine State Housing Authority.

"Owner" means a person or entity having an Ownership Interest in a Project.

"Ownership Interest" means any of the following:

- (1) a fee simple interest in a Project;

- (2) a leasehold or sub-leasehold interest under a lease of a Project with a term not shorter than the term of the MaineHousing mortgage loan secured by the Project;
- (3) the general partner interest of a general partner of a limited partnership Owner of a Project;
- (4) the partner interest of a partner of a general partnership Owner of a Project;
- (5) the limited partner interest(s) of one or more limited partners holding 51 percent or greater of the limited partner interests in the aggregate in a limited partnership Owner of a Project, or any lower percentage that may be established by HUD;
- (6) an Investor Limited Partner interest in a LIHTC Project;
- (7) the member interest(s) of one or more members holding 51 percent or greater of the member interests in the aggregate in a limited liability company Owner of a Project, or any lower percentage that may be established by HUD;
- (8) an Investor Member interest in a LIHTC Project;
- (9) the interest of a shareholder in a for-profit corporation or of a voting member in a non-profit corporation holding a 51 percent or greater interest in a corporate Owner of a Project; or
- (10) any other Controlling Interest in an Owner.

"Project" means a multifamily or supportive housing project for which MaineHousing has provided financing and on which MaineHousing holds a mortgage loan secured by the multifamily or supportive housing project at the time of the request for MaineHousing consent to the Transfer.

"Sponsor" means the entity that exercises management control over the general partner of a limited partnership Owner of a LIHTC Project or the managing member of a limited liability company Owner of a LIHTC Project.

"Transfer" means a change, whether voluntary or involuntary, of all or part of an Ownership Interest in a Project regardless of the type or nature of the change or the means used to accomplish it, including but not limited to a sale, mortgage, lease (except residential tenant leases in the ordinary course of business of operating a Project as a residential rental project), sub-lease, assignment, bond or contract for deed, land installment contract, like-kind (1031) exchange, real estate investment trust, merger, consolidation, change of control, gift, grant, death, or operation of law.