FIRST HOUSING
SERVICE • FINANCE • COMPLIANCE

January 26, 2023

Broward County
C/O Ms. Debbie Zomermaand
192 Corsica Street
Tampa, FL 33606

Re: Douglas Gardens – Senior Health and Living ("Development")

Dear Ms. Zomermaand:

This letter is in regards to the Request to change Ownership Structures Final Credit Underwriting Report ("CUR") dated January 22, 2024, prepared by AmeriNat and reviewed by First Housing Development Corporation of Florida ("First Housing"):

1. The CUR recommended the substitution of W. Patrick McDowell 2001 Trust ("McDowell Trust") in place of Archipelago Housing, LLC ("Exiting Company") as a member of MHP Douglas SLP, LLC, (the Special Limited Partner of the Borrower), and the substitution of the McDowell Trust in place of Michael Lee and Kenneth P. Lee, as members of Developer X, a Member/Manager of MHP Douglas Developer, LLC, the developer of the property. Additionally, the CUR recommended that upon satisfaction of the terms illustrated in the Operating Deficit Guaranty, the Exiting Company and Kenneth P. Lee, individually, shall be released from all existing Guarantees upon the written approval of Broward County and the Servicer following the written request for release as illustrated in the Operating Deficit Guaranty documents.

First Housing agrees with the above recommendations for the Development.

Sincerely,

Taylor Arruda

Taylor Arruda
Senior Credit Underwriter

AMERINAT®

January 22, 2024

Melissa Levy
Managing Director of Multifamily Programs
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301

RE: Request to change Ownership Structures for the following Developments:
EKOS on Santa Barbara (f/k/a Harmony on Santa Barbara) MMRB 2021 Series P / CDBG-DR RFA 2019-102 (2020-046BD) / 4% HC 2019-562C
EKOS Magnolia Oaks (f/k/a Magnolia Oaks) MMRB 2020 Series F / SAIL, RRLP & ELI RFA 2019-111 (2020-074BR) / 4% HC 2019-546C
EKOS Allegro (f/k/a Allegro at Hacienda Lakes f/k/a Villa Verde) MMRB 2022 Series B-1 & Series B-2 / SAIL & ELI RFA 2019-116 (2020-385BS) / 4% HC 2019-563C
EKOS Cadenza (f/k/a Cadenza at Hacienda Lakes) MMRN 2022 Series H / SAIL & ELI RFA 2020-205 (2021-246BS) / 4% HC 2020-541C
EKOS at Arbor Park (f/k/a Arbor Park) MMRN 2022 Series L / SAIL, ELI & NHTF RFA 2020-205 (2021-253BSN) / ITP 2022 – SAIL CHIRP / 4% HC 2020-535C
EKOS at Lake Shadow (f/k/a Enclave at Lake Shadow) 9% HC RFA 2020-202 (2021-013C/2023-012C)
Southpointe Vista 9% HC RFA 2020-203 (2021-163C/2023-014C)
Douglas Gardens Senior Health and Living 4% HC (2022-512C)
Silver Pointe 9% HC RFA 2016-110 (2017-002C/2018-361C/2021-290C/2023-009C)

Dear Ms. Levy:

Florida Housing Finance Corporation ("Florida Housing" or "FHFC") has requested that AmeriNat® ("AmeriNat") review the requests dated January 15, 2024, submitted by MHP Bembridge, LLC, MHP Magnolia Oaks, LLC, MHP Collier LTD, MHP FL VII, LLLP, MHP FL X LLLP, MHP FL II, LLC, MHP FL I, LLC, Douglas Gardens IV, Ltd., and Silver Pointe, LTD, (singularly the "Borrower", collectively the "Borrowers"), for the proposed substitution of membership interests of the respective Borrower ownership structures of the Developments listed above. Specifically, AmeriNat has been requested to determine the impact to the existing entities. An analysis of each proposed change follows below.

<u>EKOS on Santa Barbara (f/k/a Harmony on Santa Barbara)</u>
The Borrower requests the substitution of W. Patrick McDowell 2001 Trust ("McDowell Trust") in place of Archipelago Housing, LLC ("Exiting Company") in the following capacities: (a) as a member of MHP Bembridge Member, LLC (the Member/Manager of the Borrower), and (b) as a member of MHP Developers, LLC ("MHP Developer"), a Member/Manager of MHP Bembridge Developer, LLC, the developer of the property.

<u>EKOS Magnolia Oaks (f/k/a Magnolia Oaks)</u>
The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company in the following capacities: (a) as a member of MHP Magnolia Oaks Member, LLC, (the Member/Manager of the

Borrower), and (b) as a member of MHP Developer, a Member/Manager of MHP Magnolia Oaks Developer, LLC, the developer of the property.

EKOS Allegro (f/k/a Allegro at Hacienda Lakes f/k/a Villa Verde)

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company in the following capacities: (a) as a member of MHP Collier SLP, LLC, (the Special Limited Partner of the Borrower), and (b) as a member of MHP Developer, a Member/Manager of MHP Collier Developer, LLC, the developer of the property.

EKOS Cadenza (f/k/a Cadenza at Hacienda Lakes)

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company as a member of MHP FL VII SLP, LLC, (the Special Limited Partner of the Borrower), and the substitution of the McDowell Trust in place of Michael Lee and Kenneth P. Lee, as members of MHP Developers X, LLC ("Developer X"), a Member/Manager of MHP FL VII Developer, LLC, the developer of the property.

EKOS at Arbor Park (f/k/a Arbor Park)

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company as a member of MHP FL X GP, LLC, (the General Partner of the Borrower), and the substitution of the McDowell Trust in place of Michael Lee and Kenneth P. Lee, as members of Developer X, a Member/Manager of MHP FL X Developer, LLC, the developer of the property.

EKOS at Lake Shadow (f/k/a Enclave at Lake Shadow)

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company as a member of MHP FL II Manager, LLC, (the Manager/Member of the Borrower), and the substitution of the McDowell Trust in place of Michael Lee and Kenneth P. Lee, as members of Developer X, a Member/Manager of MHP FL II Developer, LLC, the developer of the property.

Southpointe Vista

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company as a member of MHP FL I Manager, LLC, (the Manager/Member of the Borrower), and the substitution of the McDowell Trust in place of Michael Lee and Kenneth P. Lee, as members of Developer X, a Member/Manager of MHP FL I Developer, LLC, the developer of the property.

Douglas Gardens Senior Health and Living

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company as a member of MHP Douglas SLP, LLC, (the Special Limited Partner of the Borrower), and the substitution of the McDowell Trust in place of Michael Lee and Kenneth P. Lee, as members of Developer X, a Member/Manager of MHP Douglas Developer, LLC, the developer of the property.

Silver Pointe

The Borrower requests the substitution of the McDowell Trust in place of the Exiting Company as a member of MHP Developer, a Member/Manager of MHP Silver Pointe Developer, LLC, the developer of the property.

AmeriNat reviewed the request, performed certain due diligence, and formulated a recommendation. For purposes of this analysis, AmeriNat reviewed the following due diligence:

- Correspondence from the Borrowers
- Proposed organizational charts
- Financial statements for W. Patrick McDowell and W. Patrick McDowell 2001 Trust
- FHFC Past Due Report dated November 29, 2023
- FHFC Non-Compliance Report dated October 18, 2023

Current Ownership Structures and Proposed Ownership Structures:

Please see Exhibit A of this narrative for a complete illustration of the current and proposed organizational structure changes being requested.

Analysis of McDowell Trust

Per Mario Sariol, Chief Financial Officer for McDowell Properties, the financial statements for W. Patrick McDowell and the W. Patrick McDowell 2001 Trust are the same as his trust is a revocable trust and Mr. McDowell is the sole beneficiary and sole trustee of the trust. The current financial information for the W. Patrick McDowell 2001 Trust is as follows:

W. Patrick McDowell & W. Patrick McDowell 2001 Trust

September 20, 2023	(Unaudited)
Cash and Cash Equivalents:	$39,666,875
Total Assets:	$127,191,966
Total Liabilities:	$6,265,000
Total Equity:	$120,926,966

The financial information is based upon an unaudited balance sheet and income statement for the period ending September 30, 2023. Assets consist of cash and interests in various partnerships. Liabilities primarily consist of residence notes.

Additional Information

According to the FHFC Asset Management Noncompliance Report dated October 18, 2023, the following item exists for the Development Team:

- Jordan Bayou – HOME 2019-413H - Failure to document tenant eligibility upon initial occupancy

According to the FHFC Past Due Report dated November 29, 2023, the Development Team has no past due items.

This recommendation is subject to satisfactory resolution, as determined by Florida Housing, of any outstanding past due items or non-compliance items applicable to the Development Team prior to closing.

Upon satisfaction of the terms illustrated in the Operating Deficit Guaranty documents, the Exiting Company and Kenneth P. Lee, individually, shall be released from all existing Guarantees upon the written approval of Florida Housing and the Servicer following the written request for release as illustrated in the Operating Deficit Guaranty documents.

Recommendations

AmeriNat's review indicates that the ownership proposed does not have a materially adverse impact on the ownership structures and management abilities of the respective Borrowers. The presence of W. Patrick McDowell as a Guarantor in the transactions, as previously noted, offers sufficient financial support for said requests and the general partner/management structure is otherwise identical to those previously approved by FHFC and/or their Board of Directors.

Accordingly, AmeriNat recommends approval of the change of ownership interests as previously outlined subject to the following:

1. Receipt of the applicable organizational documents memorializing the requested ownership changes referenced herein, and the execution of any and all assumption documents Florida Housing and its Legal Counsel deem necessary to effectuate the transactions above.
2. Prepayment of any required compliance monitoring fees, as applicable.
3. Payment of any outstanding arrearages to Florida Housing, its Legal Counsel, Servicer or any Agent or Assignee of Florida Housing for past due issues applicable to the Development Team (Borrower or Developer or Principal, Affiliate or Financial Beneficiary, as described in Rule Chapters 67-21.0025 (5) and 67-48.0075 (5) F.A.C., of a Borrower or a Developer), if applicable.
4. Satisfactory resolution of any outstanding Florida Housing noncompliance and/or past due items, if applicable.
5. Payment of all costs and fees to Florida Housing, its Legal Counsel and Servicer associated with the ownership transfers, if applicable.
6. Review and approval of all loan documents consistent with the terms outlined above by Florida Housing, its Legal Counsel and Servicer.
7. Confirmation of approval of the transfers of ownership interests by all other lenders, if applicable.
8. Consent of the Equity Provider as deemed applicable.
9. Receipt of a non-refundable MMRB transfer and assumption fee of $2,500 for each MMRB transaction, if applicable, on the closing date.
10. Any other requirement of Florida Housing, its Legal Counsel and Servicer.

Please do not hesitate to contact me if you need further assistance.

Sincerely,

Kyle Kuenn
Multifamily Chief Credit Underwriter

Ms. Melissa Levy
Request to change Ownership Structures
January 22, 2024
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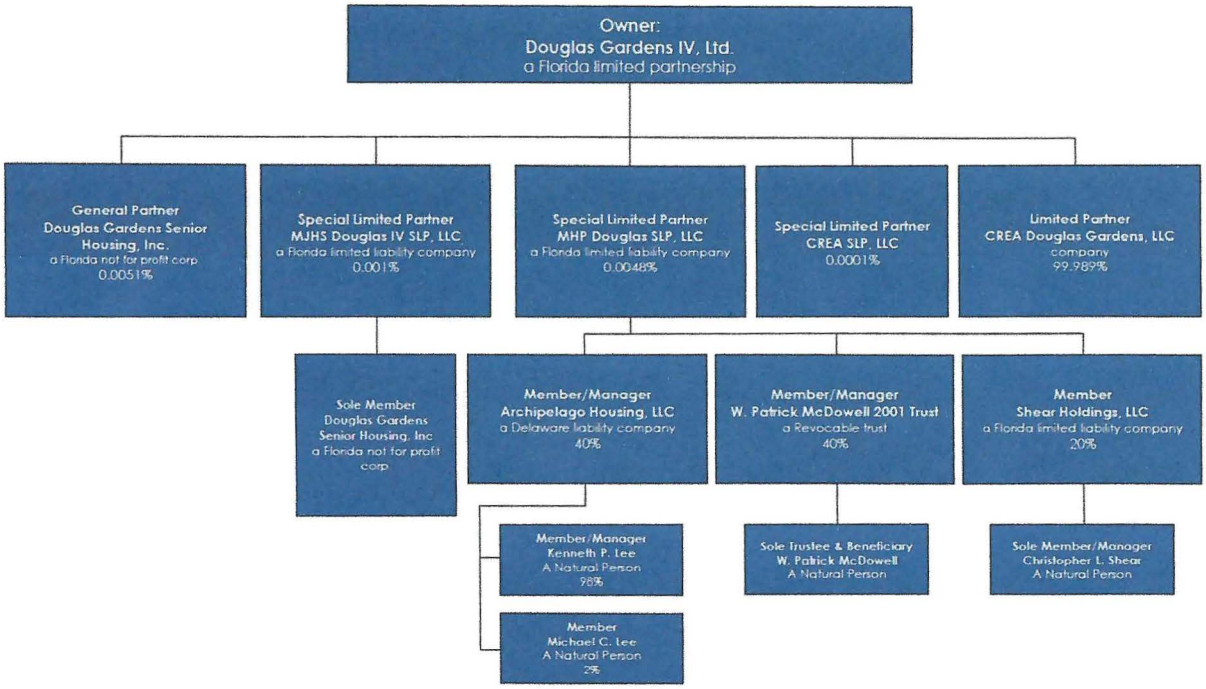
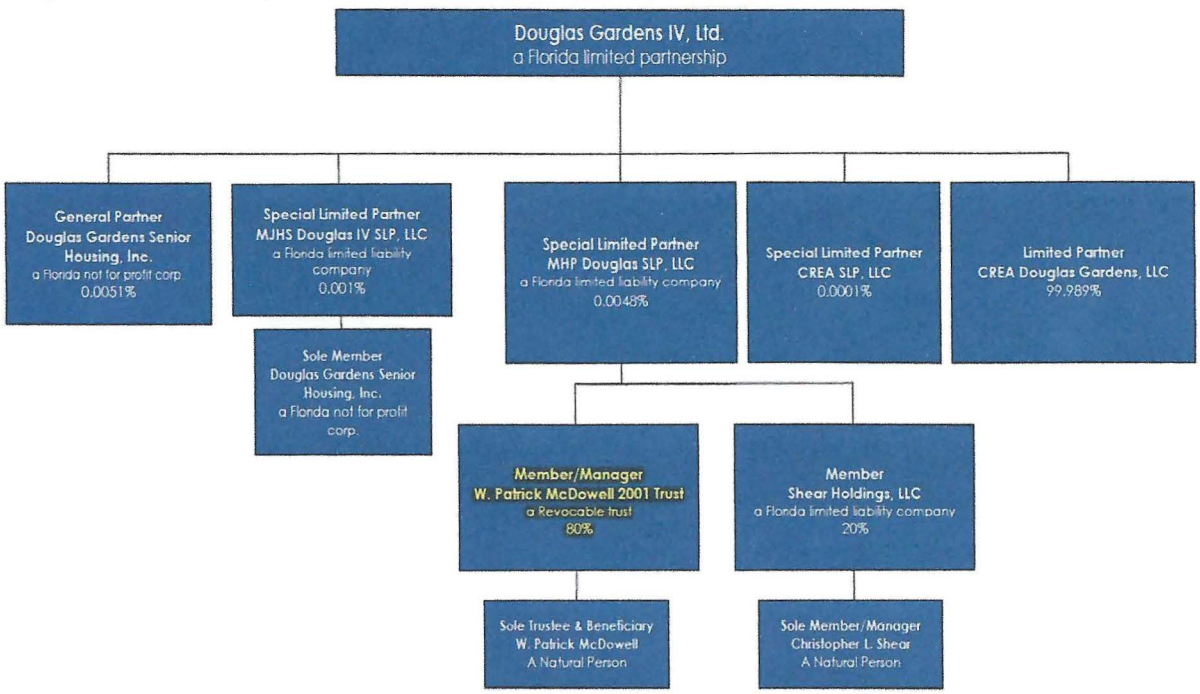
Douglas Gardens – Current Borrower Ownership Structure



Douglas Gardens – Proposed Borrower Ownership Structure