BEFORE THE STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

REGATTA BAY PARTNERS, LTD., BRENTWOOD CLUB ON MILLENIA BLVD. PARTNERS, LTD., LANDINGS ON MILLENIA BLVD. PARTNERS, LTD,

Petitioners,

vs.

FLORIDA HOUSING FINANCE CORPORATION,

Respondent.
_____/

FHFC Case No. 2021-0316A
Application No. 2002-541C

FHFC Case No. 2021-0306A
Application No. 2002-501C

FHFC Case No. 2021-0296A
Application No. 2003-501C

FORMAL WRITTEN PROTEST AND
PETITION FOR ADMINISTRATIVE HEARING

Petitioners, Regatta Bay Partners, Ltd. ("Regatta Bay"), BRENTWOOD CLUB ON MILLENIA BLVD PARTNERS, LTD. ("Brentwood Club"), LANDINGS ON MILLENIA BLVD PARTNERS LTD. ("Landings") (collectively "Petitioners") pursuant to Section 120.569 and 57, Florida Statutes ("F.S."), and Rules 28-106.201, and 28-110, Florida Administrative Code ("FAC") petition Respondent, Florida Housing Finance Corporation ("Florida Housing") for a formal administrative hearing to challenge Florida Housing's actions concerning the Qualified Contract process related to Petitioners and their respective affordable housing Developments.[1] In support Petitioners provide as follows:

PARTIES

1. Petitioner Regatta Bay, is a limited liability company authorized to do business in the State of Florida. Regatta Bay is the owner of an affordable housing Development in

[1] Petitioners individually requested extensions of time which were granted until July 8, 2021. While separate case numbers have been assigned for efficiency and judicial economy one Formal Written Protest and Petition is being filed.

Kissimmee, Osceola County, Florida. Regatta Bay's address for purposes of this Petition is the address of its undersigned counsel.

2. Petitioner, Brentwood Club, is a limited liability company authorized to do business in the State of Florida. Brentwood Club is the Owner of an affordable housing Development in Orlando, Orange County, Florida. Brentwood Club's address for purposes of this Petition is the address of its undersigned counsel.

3. Petitioner, Landings, is a limited liability company authorized to do business in the State of Florida. Landings is the owner of an affordable housing Development in Orlando, Orange County, Florida. Landings address for purposes of this proceeding is the address of its undersigned counsel.

4. Florida Housing is the affected state agency whose address is 227 N. Bronough Street, Tallahassee, Florida 32399.

NOTICE OF AGENCY ACTION

5. Petitioners all received a letter signed by Mrs. Laura J. Cox, Director of Asset Management and Guarantee Program, dated April 24, 2021, and actually received May 3, 2021. The letter indicates an apparent decision by Florida Housing as to whether a Qualified Contract had been provided to Petitioners and whether a purchaser who in good faith intended to enter into negotiations to purchase property had been found within one year as required by IRC Section 42 and Rule 67-48.031, F.A.C.. The letters provide no point of entry. (See letters attached as Exhibit A)

SUBSTANTIAL INTERESTS AFFECTED

6. Petitioners interests will be substantially and adversely affected by Florida Housing's actions and decisions made in the letters dated April 24, 2021, and received May 3, 2021.

STATEMENT OF ULTIMATE FACTS

7. In 2002 Petitioners, Regatta Bay and Brentwood Club, submitted Applications for funding to Florida Housing and were ultimately awarded low income housing tax credit funding ("tax credits") through the Universal Application Cycle process for the construction of affordable housing developments. Similarly, Petitioner Landings in 2003 submitted an Application to Florida Housing that was ultimately awarded tax credit funding.

8. Petitioners have constructed and operated their respective Developments consistent with the tax credit program as laid out in the Universal Application, applicable rules and regulations.

9. Pursuant to IRC Section 42, tax credit properties are subject to a minimum 30 year affordability commitment: A 15 year initial compliance period, plus a minimum 15 year extended use period. The commitment, through an Extended Low Income Housing Agreement ("ELIHA") placed on the property, puts restrictions on tenants income and limits the amount of rents that can be charged. The ELIHA is executed by the owner of the property and Florida Housing and is recorded in the public record.

10. IRC Section 42 includes a provision that allows affordable housing property owners to be released from the extended 15 year affordability restrictions through a Qualified Contract option. The Qualified Contract option involves the submittal of an application to the appropriate state housing finance agency any time after the 14th year of the initial 15 year

compliance period. Once the application is submitted, the state housing finance agency has one year to provide a "Qualified Contract" from a buyer who will maintain the affordability restrictions on the property for the 15 year extended use period.

11. Pursuant to the Qualified Contract option if the state housing finance agency is unable to provide the owner with a purchaser and a Qualified Contract during the one year period, then the owner is relieved of the 15 year extended affordability restrictions and the ELIHA on the property is terminated.

12. The ability to terminate the tenant income and rent restrictions are an integral part of the tax credit program. Owners such as Petitioners who sought and obtained tax credits over 15 years ago did so with the understanding and expectation that termination of restrictions through a fair Qualified Contract process would be available to them, absent the presentation of a bona fide contract to purchase the Developments. Termination was and is part of the "quid pro quo" of obtaining tax credits. To eliminate or implement the process in a fashion that deems it unworkable would be arbitrary and violate the understanding of the parties when the deals were originally contemplated and ultimately closed.

13. For purposes of the Qualified Contract process, Florida Housing is the designated state housing finance agency in Florida and has adopted Rule 67-48.031, F.A.C., to implement the Qualified Contract process in Florida.

14. In relevant part the Qualified Contract rule provides:

67-48.031 Qualified Contracts.

(1) An owner's written request to the Corporation for a qualified contract (a "qualified contract request") shall be governed by 26 CFR 1.42-18 (the "qualified contract regulations"), Section 42 of the IRC, as applicable, and this rule section in effect at the time of the qualified contract request.

(2) In submitting a qualified contract request, and in keeping with the intent of this rule and the governing law, the owner of the Development is presumed to do so with good faith intent to sell the Development when presented with a qualified contract. While the qualified contract request may ultimately result in the termination of the Extended Use Agreement should the Corporation fail to present the owner with a qualified contract during

the one-year period (as same may be suspended from time to time), that is the default position and not the intended purpose of a qualified contract request. To that end, for purposes of this rule and processing a qualified contract request, the Corporation shall be deemed to have fulfilled its responsibility to present the owner with a qualified contract by presenting the owner with a contract that meets the requirements of subsection (3), below. It shall be the owner's responsibility to negotiate with the purchaser, in good faith and with the intent to sell the development, the specific terms of the contract, and the owner's rejection of the contract or failure to act on the contract because of terms other than those required in subsection (3), below, shall in no way affect the status of the contract as a qualified contract. The Corporation shall have no duty and is not responsible to either the owner or the purchaser for negotiating the details of the contract following its submission to the owner.

(3) Qualified contract means a bona fide contract (as defined herein) to acquire the development (within a reasonable period after the contract is entered into) for the qualified contract amount (also referred to as the qualified contract price). Bona fide contract means a certain and unambiguous offer to purchase the Development for an amount which equals or exceeds the qualified contract amount (the qualified contract purchase price) made by a purchaser with the intent that such offer result in the execution of an enforceable, valid and binding contract to purchase. The bona fide contract shall be in the form of a contract for sale signed by the purchaser, which states that acceptance of the contract is contingent upon approval by the Corporation, and must provide for an initial earnest money deposit (the initial deposit) from the purchaser in the minimum amount of $50,000 and obligate the purchaser to make a second earnest money deposit (the second deposit) (the initial and second deposits shall be refundable in the event of the seller's failure to deliver insurable title or in the event of seller's default, otherwise the deposits shall be non-refundable) equal to three (3) percent of the qualified contract price as follows: The initial deposit must be deposited with a nationally recognized title insurance company which offers escrow services ("escrow agent") designated by the owner at the time of submission of the qualified contract request, or if no such escrow agent is designated by the owner, with an escrow agent selected by the purchaser, contemporaneously with the submission of the contract to the owner; and, by its terms, the contract must obligate the purchaser to deposit the second deposit with the escrow agent within 15 business days following the end of the due diligence period (subject to any rights reserved by the purchaser to cancel or terminate the contract during such period) which period shall end no later than 90 Calendar Days following execution of the contract by the owner. A contract submitted to the owner which otherwise meets the requirements of this subsection (3), including the deposit of the initial deposit with the escrow agent, which is accepted by owner within 15 business days after its submission, shall be deemed a qualified contract for purposes of this rule and the qualified contract regulations at such time as the second deposit is deposited with the escrow agent in accordance with the terms of the contract, as same may be amended from time to time, unless waived in writing by the owner. And, in such event, the Corporation shall be deemed to have fulfilled its responsibility to present the owner with a qualified contract. A contract submitted to the owner which otherwise meets the requirements of this subsection (3), including the deposit of the initial deposit with the escrow agent, which is not accepted by owner within 15 business days after its submission, shall be deemed a qualified contract for purposes of this rule and the qualified contract regulations at such time as the 15-day period expires. And, in such event, the Corporation shall be deemed to have fulfilled its responsibility to present the owner with a qualified contract.

(4) After the fourteenth year of the Compliance Period, unless otherwise obligated under the Extended Use Agreement, or a Land Use Restriction Agreement under another Corporation program, and provided the right to request a qualified contract for the Development was not waived in exchange for or in connection with the award of Housing Credits, the owner of a Development may submit a qualified contract request to the Corporation. When submitting a qualified contract request, the owner shall utilize the Qualified Contract Package in effect at the time of the request and shall remit payment of

> the required Qualified Contract Package fee as provided therein. The Qualified Contract Package consists of the forms and instructions, obtained from the Corporation at 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, or on the Corporation's website under the Multifamily Programs link or from http://www.flrules.org/Gateway/reference.asp?No=Ref-12013, which shall be completed and submitted to the Corporation in order to request a qualified contract. The Qualified Contract Package, Rev. 03-2020, is adopted and incorporated herein by reference.

15. In essence Rule 67-48.031, F.A.C. codifies the Qualified Contract process in Florida and has as its primary component that Florida Housing will locate a potential buyer of the property that will negotiate "in good faith" with the owner with the intent to buy the Development identified in the Qualified Contract Process Application and maintain the Development as affordable housing. If a buyer who will negotiate in good faith cannot be found and a Qualified Contract not provided within one year, then the owner may request that the extended 15 year affordability limitations be terminated and no longer applicable to the development.

16. As indicated by the Rule, Florida Housing within one year must provide a Qualified Contract to the owner. A Qualified Contract is defined as a "bona fide contract." Bona fide contract as defined by Florida case law must contain certain elements including a ready, willing and able buyer. Specifically to constitute a bona fide contract, the Rule provides that the following additional requirements must be satisfied:

a) a certain and unambiguous offer to purchase the development;
b) a contract price that equals or exceeds the "qualified contract" calculated pursuant to federal regulation;
c) that the purchaser have the intent to execute an enforceable, valid and binding contract.
d) An individual non-refundable deposit of $50,000; and
e) A second deposit equal to three percent (3%) of the qualified contract price.

17. Rule 67-48.031, F.A.C also governs the refundability of the escrow deposits and describes the two circumstances whereby the deposits may be refundable to the potential buyer. Specifically, the Rule provides that a deposit is only refundable in the event of a seller's failure

to deliver insurable title or in the event of a seller's default. These are the only circumstances identified by rule otherwise the deposits are nonrefundable.

18. On April 22, 2020, Petitioner Regatta Bay submitted to Florida Housing a Qualified Contract Package Application initiating the Qualified Application process. Accordingly Florida Housing had until April 23, 2021, to locate a good faith purchaser and provide a Qualified Contract. On June 12, 2020, both Petitioner Landings and Petitioner Brentwood Club likewise submitted Qualified Contract Package Applications initiating the Qualified Contract process. Accordingly Florida Housing had until June 12, 2021, to locate a good faith purchaser and provide a Qualified Contract.

19. On February 22, 2021, almost 11 months after submitting its original Application, Florida Housing through its agent provided Petitioner Regatta Bay a "Multifamily Property Sales Agreement" for the Regatta Bay Development from an entity named Equity Management Partners, Inc. ("Equity Management"). On May 5, 2021, two additional Multifamily Property Sales Agreements from Equity Management were provide to Brentwood Club and to Petitioner Landings (collectively "Equity Agreements"). The Equity Agreement represented a substantial investment obligation of $92,082,090. These Agreements were submitted by Equity Management having done no due diligence or even inspecting the properties allegedly being purchased.

20. At the time of submittal, the Equity Agreements on their face did not constitute bona fide contracts as defined by Rule. Indeed, the Equity Agreements failed to identify the seller, the property being conveyed or even include a legal description. Indeed the Equity Agreements were not even signed by the buyer nor do they even identify the correct name of the buyer. The Buyer in the Agreement is identified as Equity Managment Partners, Inc., however

according to the Florida Secretary of State the correct name of the buyer is Equity Management Partners, Inc. All missing and incorrect information was readily available to Equity Management through minimal investigation.

21. Notwithstanding the fact that Florida Housing provided contracts that failed to constitute bona fide contracts, in a good faith attempt to move the process forward Counsel for Petitioner Regatta Bay on March 26, 2021, provided Equity Management with a redlined version of the Equity Agreement for Regatta Bay. The redline version attempted to address the obvious errors and omissions and provide suggested edits which conformed the Equity Agreement to the provisions of Rule 67-48.031, F.A.C. The redline version even attempted to correct the name of the buyer. Equity Management to this date has provided no comments in response to this redline version.

22. Over several months Petitioners attempted in good faith to communicate with Equity Management. In response Petitioners were advised numerous times that Equity Management was not interested in any of Petitioners' Developments identified in the Qualified Contract Applications. Instead it is clear that Equity Management through the Qualified Contract process is seeking to negotiate better prices for other Developments owned and maintained by Petitioners' and affiliated entities.

23. For example during communications between counsel for Petitioners and Counsel for Equity Management it has many times been indicated that the Equity Agreements for Regatta Bay, Brentwood Club and Landings Developments were no longer of interest and would ultimately be withdrawn.

24. While withdrawals have been communicated, no actions to further those communications have occurred to date. Rather Counsel for Equity Management has asked about

negotiating prices for other Developments not involved in the Qualified Contract process but controlled by Principals of Petitioners. A timeline of the communications attached at Exhibit B provides more detail of these communications.

25. Principals of Petitioners previously had communications and discussion with Equity Management where Equity Management attempted to use the Qualified Contract process to buy assets controlled by the Principals below market value. In fact in 2018, Equity Management provided 5 Purchase and Sale Agreements similar to the Agreements provided in the instant case. The Agreements were submitted for the following projects:

Hunters Run Partners, Ltd. (2003-507C)
Fox Chase Partners, Ltd. (2003-508C)
Charleston Club Partners, Ltd. (2002-515C)
Millenia Club Partners, Ltd. (2002-514C)
University Club Partners, Ltd. (2002-519C)

The admitted purpose of submitting these Agreements in 2018, was for negotiating better prices on other Developments that were not even part of the Qualified Contract process.

26. For one particular project, Hunters Run, Florida Housing correctly acknowledged that the Qualified Contract process was not to be used as a mechanism to extort lower prices on other Developments. Indeed Florida Housing did not consider the Equity Agreement for Hunters Run to be a bona fide contract from a purchaser intending to actually in good faith purchase the Hunters Run Development. Therefore, a Qualified Contract had not been provided within one year and Florida Housing allowed for the termination of the 15 year extended affordability period for the Hunters Run Development. In essence Florida Housing considered the Hunters Run Equity Agreement as "withdrawn."

27. On May 3, 2021, Petitioners received the letters from Florida Housing which among other things concluded that by providing Petitioners with incomplete Equity Agreements

it had satisfied its requirements under the Qualified Contract rule. Further the letters indicate that should Petitioners fail to enter into a "commercially reasonable" form of earnest money agreement or other contract for the sale or the Developments, Petitioners irrevocably waive any right to further request a qualified contract and the Developments will subject to the affordability requirement for the rule extended use period.

28. As further illustrated by Exhibit B, Petitioners advised Florida Housing staff of the issues encountered while attempting to work in good faith with Equity Management and that Equity Management had no intention of entering into any commercially reasonable contracts to purchase the Developments as required by the Qualified Contract rule. Each time Florida Housing Staff ignored Petitioner's comments.

29. On June 4, 2021, a Letter of Intent from Asia Capital Real Estate Management, LLC ("ACRE") was provided to Petitioner Brentwood Club, which purported to discuss an intent to purchase Brentwood Club. On June 9, 2021, an Agreement for the Purchase and Sale of Real Property was forwarded to Petitioner Brentwood Club also from ACRE also purporting to purchase Brentwood Club. This Purchase and Sale Agreement was provided less than 3 days before the expiration of Florida Housing's one year requirement to locate a purchaser for the Qualified Contract price. Florida Housing took this action even though it had already provided Petitioner an alleged Qualified Contract from Equity Management.

30. On June 10, 2021, Florida Housing provided an Agreement from ACRE For the Purchase and Sale of Real Property to Petitioner Landings. This Agreement was provided 2 days before the end of the one year period. Florida Housing took this action even though it had already provided an alleged Qualified Contract from Equity Management.

31. On June 11, 2021, at 12:44 p.m. Petitioner Brentwood Club was provided an Agreement for Purchase and Sale of Real Estate from an entity named 5B, LLC ("5B") as an alleged purchaser of Brentwood Club. The 5B Agreement for Purchase and Sale was forwarded 1 day before the end of the one year period. Florida Housing took this action even though it had already provided an alleged Qualified Contract from Equity Management. Interestingly enough it appears that ACRE and 5B share some of the same principals and inexplicably appear to be competing against each other for same Brentwood Club Development.

32. On June 11, 2021, late in the afternoon Florida Housing extended the one year period until June 15, 2021, at 3:00 p.m. to allow for the escrow deposit process for ACRE and 5B to be completed to an escrow agent other than the one selected by Petitioners Landings or Brentwood Club in their respective Qualified Contract Process Applications. Florida Housing justified its tolling on the alleged failure of the Petitioners to comply with the Qualified Contract rule even though Petitioners had indeed identified an escrow agent as required by Rule.

33. Having been unable to negotiate with Equity Management and having never been timely provided bona fide contacts from either Equity Management, ACRE or 5B, on June 14, 2021, Petitioners via email requested that the extended affordability limitations of the ELIHA's be terminated. Florida Housing via email declined Petitioners' request, once again asserting that it had met its Qualified Contract Rule requirements.

34. Florida Housings conclusions are erroneous for several reasons. Initially, Equity Management is doing now exactly what Florida Housing in 2018 considered as inappropriate in the Hunters Run Qualified Application process.

35. Specifically in Hunters Run, Equity Management submitted a contract but then subsequently declined to pursue acquisition of the Development and indicated that it was only

interested in the Hunter's Run Development if it could also acquire an adjacent phase of the same development Hunter's Run Phase II, but at a substantially discounted per-unit price relative to the Hunter's Run Phase I Qualified Contract price. Hunter's Run Phase II was not the subject of the Qualified Contract Application and was not even offered for sale. In response to the way Equity Management was attempting to use the Qualified Contract process, Florida Housing staff took the position that Equity Management "withdrew" its offer on the Hunter's Run Phase I Development and executed an ELIHA termination for that property.

36. Equity Management is using the same tactics here. Indeed as reflected at Exhibit B, Counsel for Equity Management suggests "I don't know why they just don't feed us til were full." This single statement reflects the sole intent and desire of Equity Management to use the Qualified Contract process for the simple purpose of gaining prior advantages on other properties until they are full.

37. Notwithstanding Equity Management's clear intent, Equity Management failed to respond to Petitioners attempts to in good faith negotiate a commercially reasonable contract. Indeed as Exhibit B illustrates Petitioner's Counsel forwarded redlined comments to Counsel for Equity Management which were ignored and not responded to despite numerous requests for response. Rather, Equity Management seemed more interested in obtaining better below market prices for other Developments including Hunters Creek, Charleston Club, and Brittany Bay which are not the subject of any Qualified Contract Process Applications. Counsel for Equity Management indicated in fact if good sale prices could be arranged for these other Developments there could be a "gentelmens agreement on everything else."

38. Only after the one year limitation period had expired and after repeated comments otherwise did counsel for Equity Management indicate any desire to move forward with the

Regatta Bay, Brentwood Club, and Landing contracts while still having not provided any response to Petitioners' early red-lined comments. Upon knowledge and belief this change of position appears to be the result of communications with Florida Housing staff.

39. Notwithstanding this sudden change in position the Equity Agreements for Regatta Bay, Brentwood Club and Landings as of the filing of this Petition still are not bona fide contracts as they lack basic elements, including the identification of actual property being purchased. These contracts are missing vital information because Equity Management never intended to in good faith enter into commercially acceptable real estate contracts.

40. In addressing the ACRE Agreements and the 5B Agreement, as did the Equity Agreements these also fail to include vital information including the correct seller or identify the actual property being conveyed. These agreements also were submitted without any due diligence or even a site inspection. These agreements also fail to meet the definition of a bona fide contract and therefore cannot be Qualified Contracts provided within one year.

41. Additionally, it is not clear that submitting contacts two or three days before the one year limitation period ends is timely submission under the Qualified Contract rule. This is true because the rule provides 15 days for the owner to review any contract. The one year limitation ran out before this 15 day period could even be completed. A timely contract from a bona fide purchaser intending to actually purchase these Developments would have been provided earlier in the process.

42. Moreover, the Qualified Contract process as written does not contemplate multiple Qualified Contracts being provided to an owner by Florida Housing. Rather it contemplates Florida Housing locating a single purchaser whom the owner can work with in good faith to enter into a commercially reasonable contract. Given that the price of the

Development is already established, multiple contracts are not warranted or even contemplated here. In essence for the Qualified Contract process to work properly, it must be a "first come, first served" process. With the provision of the Equity Management Agreements no other contracts were allowed or necessary.

43. This conclusion is further illustrated by the fact that in the instant case the designated escrow agent for the Regatta, Brentwood Club, and Landings Developments had reservations and in fact would not accept the late escrow deposits of ACRE or 5B because it already was holding deposits on the Regatta Bay, Brentwood Club and Landings Developments from Equity Management. Competing escrow deposits on the same properties was problematic to the escrow agent and is problematic as to Florida Housing providing multiple contracts for the same reason. Accordingly, the ACRE and 5B Agreements are untimely as Florida Housing has taken the position that it already provided bona fide contracts to Petitioners.

44. In the instant case Florida Housing has not presented Petitioners with bone fide contracts consistent with Florida law or as defined by Rule 67-48.031, F.A.C. within one year of the submission of Qualified Contract Process Applications. None of the Agreements provided by Florida Housing are legally binding, as they do not contain basic information such as the legal name of the Seller nor the underlying property to be conveyed. In the case of the Equity Agreements, the "Buyer" didn't even provide the correct legal name for their own entity. Contracts that do not clear a basic hurdle of being valid legal contracts fall far short of being bona fide contracts, as required under the Qualified Contract Rule. From a practical perspective, none of the "Buyers" performed basic due diligence, acted in good faith to negotiate a contract, or even visited the Developments

Accordingly, no Qualified Contracts have been provided and the ELIHA's covering the Developments must be terminated.

STATEMENT OF MATERIAL FACTS THAT ARE EXPECTED TO BE IN DISPUTE

45. Whether Qualified Contracts have been provided to Petitioners.

46. Whether bona fide contracts have been provided to Petitioners.

47. Whether a purchaser who in good faith intends to purchase each Development has been located within a year.

48. Whether Florida Housing has satisfied its obligations under the Qualified Contract process.

49. Whether the escrow deposits are refundable to buyer.

50. Whether the escrow deposits are nonrefundable and should be released to owners/sellers.

51. Petitioners reserve the right to amend this Petition.

RELIEF SOUGHT

WHEREFORE Petitioners Bay requests the following relief that it be granted an administrative hearing to challenge Florida Housing's actions and that ultimately a Recommended and Final Order be entered finding that Petitioners have not been presented with Qualified Contracts as required by Rule 67-48.031, F.A.C. Such other relief as is proper, including fees and costs as may be allowed by law.

CARLTON, FIELDS

/s/ Michael P. Donaldson

MICHAEL P. DONALDSON
Florida Bar No. 0802761
Post Office Drawer 190

215 S. Monroe St., Suite 500
Tallahassee, Florida 32302
Telephone: 850/224-1585
Facsimile: 850/222-0398
Email: mdonaldson@carltonfields.com

Counsel for Regatta Bay Partners, Ltd., Brentwood Club on Millenia Blvd. Partners, Ltd, Landings on Millenia Blvd. Partners, Ltd.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing Formal Written Protest and Petition for Administrative Hearing was filed by e-mail with Ana McGlamory, Corporation Clerk, at (CorporationClerk@floridahousing.org), and a copy via email to Hugh Brown, General Counsel, at (Hugh.brown@floridahousing.org), both with the Florida Housing Finance Corporation, 227 North Bronough Street, Suite 5000, Tallahassee, FL 32301, this 8th day of July 2021.

/s/ Michael P. Donaldson
MICHAEL P. DONALDSON

we make housing affordable™
Florida Housing
Finance Corporation

227 North Bronough Street, Suite 5000 • Tallahassee, Florida 32301
850.488.4197 • Fax: 850.488.9809 • www.floridahousing.org

April 24, 2021

Regatta Bay Partners, Ltd.
ATTN: Brian Spear
2605 Maitland Center Parkway, Suite A
Maitland, Florida 32751

RE: Regatta Bay Partners, Ltd. (2002-541C)
Qualified Contract Offer

Dear Mr. Spear:

Per Section 42 of the Internal Revenue Code and Rule 67-48 F.A.C., Florida Housing Finance Corporation, as "housing credit agency" for the state of Florida, has one year from the date (April 24, 2020) that we received your Qualified Contract Package (QCP) for Regatta Bay Apartments (Development) to present Regatta Bay Partners, Ltd. (Seller) with a qualified contract for the sale of the Development to a qualified buyer who is willing to keep the set-aside restrictions intact for the remainder of the Extended Use Period.

As such, the attached Multifamily Property Sales Agreement between Regatta Bay Partners, Ltd. and executed by Equity Management Partners, Inc. (Purchaser) satisfies this requirement.

As acknowledged by your execution of the Qualified Contract Package application ("Application") dated April 22, 2020, in the event that Florida Housing finds a prospective purchaser willing to present an offer to purchase the Development for an amount equal to or greater than the "qualified contract" price, you agree to enter into a commercially reasonable form of earnest money agreement or other contract of sale for the Development which will allow the prospective purchaser a reasonable period of time to undertake additional, customary due diligence prior to closing the purchase. Your execution of the Application further acknowledged that if you fail to enter into a commercially reasonable form of earnest money agreement or other contract of sale for the Development, you irrevocably waive any right to further request that Florida Housing present a "qualified contract" for the purchase of the Development and the Development will remain subject to the requirements of the Extended Use Agreement for the full extended use period.

We thank you for your commitment to affordable housing and the preservation of affordable units in the state of Florida.

Sincerely,

Laura E. Cox
Director of Asset Management and Guarantee Program

EXHIBIT A

we make housing affordable™
Florida Housing
Finance Corporation

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850.488.4197 • Fax: 850.488.9809 • www.floridahousing.org

April 24, 2021

Brentwood Club on Millenia Blvd. Partners, Ltd.
ATTN: Brian Spear
2605 Maitland Center Parkway, Suite A
Maitland, Florida 32751

RE: Brentwood Club on Millenia Blvd. Partners, Ltd. (2002-501C)
Qualified Contract Offer

Dear Mr. Spear:

Per Section 42 of the Internal Revenue Code and Rule 67-48 F.A.C., Florida Housing Finance Corporation, as "housing credit agency" for the state of Florida, has one year from the date (June 12, 2020) that we received your Qualified Contract Package (QCP) for Brentwood Club on Millenia Blvd. Apartments (Development) to present Brentwood Club on Millenia Blvd. Partners, Ltd. (Seller) with a qualified contract for the sale of the Development to a qualified buyer who is willing to keep the set-aside restrictions intact for the remainder of the Extended Use Period.

As such, the attached Multifamily Property Sales Agreement between Brentwood Club on Millenia Blvd. Partners, Ltd. and executed by Equity Management Partners, Inc. (Purchaser) satisfies this requirement.

As acknowledged by your execution of the Qualified Contract Package application ("Application") dated June 11, 2020, in the event that Florida Housing finds a prospective purchaser willing to present an offer to purchase the Development for an amount equal to or greater than the "qualified contract" price, you agree to enter into a commercially reasonable form of earnest money agreement or other contract of sale for the Development which will allow the prospective purchaser a reasonable period of time to undertake additional, customary due diligence prior to closing the purchase. Your execution of the Application further acknowledged that if you fail to enter into a commercially reasonable form of earnest money agreement or other contract of sale for the Development, you irrevocably waive any right to further request that Florida Housing present a "qualified contract" for the purchase of the Development and the Development will remain subject to the requirements of the Extended Use Agreement for the full extended use period.

We thank you for your commitment to affordable housing and the preservation of affordable units in the state of Florida.

Sincerely,

Laura J. Cox
Director of Asset Management and Guarantee Program

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850.488.4197 • Fax: 850.488.9809 • www.floridahousing.org

April 24, 2021

Landings on Millenia Blvd. Partners, Ltd.
ATTN: Brian Spear
2605 Maitland Center Parkway, Suite A
Maitland, Florida 32751

RE: Landings on Millenia Blvd. Partners, Ltd. (2003-501C)
Qualified Contract Offer

Dear Mr. Spear:

Per Section 42 of the Internal Revenue Code and Rule 67-48 F.A.C., Florida Housing Finance Corporation, as "housing credit agency" for the state of Florida, has one year from the date (June 12, 2020) that we received your Qualified Contract Package (QCP) for Landings on Millenia Blvd. Apartments (Development) to present Landings on Millenia Blvd. Partners, Ltd. (Seller) with a qualified contract for the sale of the Development to a qualified buyer who is willing to keep the set-aside restrictions intact for the remainder of the Extended Use Period.

As such, the attached Multifamily Property Sales Agreement between Landings on Millenia Blvd. Partners, Ltd. and executed by Equity Management Partners, Inc. (Purchaser) satisfies this requirement.

As acknowledged by your execution of the Qualified Contract Package application ("Application") dated June 11, 2020, in the event that Florida Housing finds a prospective purchaser willing to present an offer to purchase the Development for an amount equal to or greater than the "qualified contract" price, you agree to enter into a commercially reasonable form of earnest money agreement or other contract of sale for the Development which will allow the prospective purchaser a reasonable period of time to undertake additional, customary due diligence prior to closing the purchase. Your execution of the Application further acknowledged that if you fail to enter into a commercially reasonable form of earnest money agreement or other contract of sale for the Development, you irrevocably waive any right to further request that Florida Housing present a "qualified contract" for the purchase of the Development and the Development will remain subject to the requirements of the Extended Use Agreement for the full extended use period.

We thank you for your commitment to affordable housing and the preservation of affordable units in the state of Florida.

Sincerely,

Laura J. Cox
Director of Asset Management and Guarantee Program

Timeline for Regatta Bay, Brentwood and Landings Qualified Contract application

2/22/2021	Regatta receives an unsigned draft "Multifamily Property Sales Agreement" from Equity Management Partners Inc. (*sic*) ("Equity").
2/26/2021	Counsel for Regatta calls counsel for Equity to make introductions and discuss the draft contract.
2/26/2021	Counsel for Regatta emails counsel for Equity confirming that day's call.
3/1/2021	Counsel for Equity emails counsel for Regatta regarding deposit wire instructions from FHFC.
3/2/2021	Counsel for Equity emails counsel for Regatta following up on email from prior day.
3/5/2021	Counsel for Equity emails escrow agent regarding wiring of deposit.
3/5/2021	Escrow agent emails Regatta and Equity confirming receipt of deposit.
3/9/2021	Counsel for Equity emails counsel for Regatta checking on contract status.
3/9/2021	Counsel for Regatta emails counsel for Equity to provide contract status update.
3/9/2021	Counsel for Equity emails counsel for Regatta thanking Counsel for Regatta for the email.
3/12/2021	FHFC emails Regatta to state that FHFC has received and reviewed a signed draft of Equity's contract and is "ready to proceed with the seller's determination period of 15 business days."
3/26/2021	Counsel for Regatta sends revised contract and redline against initial contract draft to counsel for Equity via email. The redline attempted to correct numerous errors in the initial Equity Agreement including correcting the ***legal*** name of the buyer, ***the legal name of the seller, and the underlying property to be conveyed in the agreement.***

In the subsequent weeks, Regatta repeatedly requests comments and revisions to the Regatta Bay draft contract from Equity's counsel but none are ever provided.

3/26/2021	Counsel for Equity requests copy of Regatta Bay mortgage via email to counsel for Regatta.

3/26/2021 Counsel for Regatta sends copy of mortgage to counsel for Equity via email.

3/29/2021 Counsel for Equity requests copy of Regatta Bay note via email to counsel for Regatta .

3/30/2021 Counsel for Regatta sends copy of note to counsel for Equity via email.

3/30/2021 Teleconference between counsel for Regatta and counsel for Equity regarding Regatta's revisions to contract.

Counsel for Equity makes several statements questioning if Regatta is interested in selling Regatta Bay, pointing out that under the FHFC rules Regatta will be required to maintain affordability on this and other communities which his client is putting offers on.

Counsel for Equity states "I don't know why they don't just feed us 'til we're full."

Counsel for Regatta asks Counsel for Equity specifically what client is looking for to be "full." Counsel for Equity says he will discuss this question with client and get back to Counsel for Regatta.

4/5/2021 Counsel for Regatta sends email to counsel for Equity to request Counsel for Regatta for an update on status of revisions to the Regatta Bay contract.

Two additional draft contracts which Counsel for Equity has recently submitted on behalf of his client on two other communities owned by CED entities ("Brentwood" and "Landings") are referenced. Counsel for Regatta conveys to Counsel for Equity that Counsel for Regatta will take Counsel for Equity's comments to the Regatta Bay contract into consideration when revising the Brentwood and Landings contracts so as to save all parties some time. Counsel for Regatta requests Counsel for Equity's availability for a call the following day.

4/6/2021 Counsel for Equity emails counsel for Regatta with a question about Regatta financials, stating "That will help us make a final decision on this deal."

4/7/2021 Counsel for Regatta calls counsel for Equity for status on Regatta.

4/8/2021 Counsel for Regatta emails counsel for Equity regarding financials for Regatta and asks about availability for a call.

4/8/2021 Counsel for Equity emails response to counsel for Regatta about scheduling a call for the next day.

4/8/2021 FHFC emails Regatta to check on status of the Regatta Bay Contract.

4/9/2021 Regatta emails FHFC to advise that Regatta's comments were provided to Equity's counsel but Regatta has yet to receive any response.

4/9/2021 FHFC emails Regatta with the following:

"The terms of the sales contract can be negotiated between the two parties moving forward, the qualified contract is one which satisfies the requirements of the Rule and we made that determination at the time they were presented to the seller. And, if accepted within 15 days, the contracts ripen into qualified contracts at such time as the second deposit is deposited; if not accepted within 15 days, the contracts are deemed qualified contracts upon the expiration of the 15- day period."

4/9/2021 Counsel for Equity calls counsel for Regatta as scheduled to discuss Regatta Bay as well as Brentwood and Landings.

Counsel for Equity states several times that he thinks Equity will not be moving forward with Regatta Bay. Counsel for Regatta states that he understands and will be looking for a withdrawal of the draft contract.

After further discussions regarding Brentwood and Landings Counsel for Equity expresses several times that these communities will also likely not work for his client.

Counsel for Regatta informs Counsel for Equity that CED has many more communities coming up for sale in the next several months. Counsel for Equity expresses that his client would appreciate hearing about these communities including possibly having an in-person meeting to discuss.

4/12/2021 Counsel for Regatta leaves voicemail for counsel for Equity to confirm that Equity will be withdrawing Regatta Bay contract draft.

4/12/2021 Counsel for Regatta emails counsel for Equity. Email includes the statement "From our call it sounds like you are definitely withdrawing from Regatta, so whenever you can send that withdrawal please be sure to copy us and the Escrow Agent."

Email further states that if Counsel for Equity intends to pursue Brentwood and Landings, "please forward me your revisions to Regatta—even if you are withdrawing it—so I can keep my changes to Brentwood and Landings consistent with your Regatta comments. I don't want you go have to comb through two more contracts to cull out the same terms again if you've already

made these changes. If that is not possible and you decide to pursue Brentwood and Landings I will get you our revisions as soon as possible."

4/13/2021 Counsel for Equity emails response to counsel for Regatta and states that he has a call set with his client for later in the day to "figure out where he wants to go on" Regatta Bay, Brentwood and Landings.

4/13/2021 Counsel for Regatta calls counsel for Equity and leaves a voicemail to ask about the intended withdrawal of Regatta Bay, Brentwood and Landings, and lets Counsel for Equity know that CED will not be contesting the release of the deposit.

4/13/2021 Counsel for Regatta emails counsel for Equity asking about the intended withdrawal of Regatta Bay, Brentwood and Landings, and lets Counsel for Equity know that he should copy the escrow agent on the withdrawals so CED can reply back to confirm for the escrow agent that CED will not be contesting the release of the deposit.

4/13/2021 Counsel for Equity emails response to counsel for Regatta and states that he will "not be circulating the withdrawals today on the 2 companion deals. We still have some interest in those."

4/13/2021 Counsel for Regatta speaks with Counsel for Equity briefly to discuss status of Regatta Bay withdrawal.

4/13/2021 Counsel for Regatta emails counsel for Equity to document the prior call and further expand on what was discussed.

Counsel for Regatta states in the email that he "understood from our conversation on Friday that your client is no longer interested in Regatta, and that there's a good chance that after further review your client will not be interested in Brentwood and Landings either" and that CED is happy to show client other CED communities which are coming up for sale soon, as previously discussed, as Counsel for Equity's client might be interested in those communities.

4/14/2021 Counsel for Equity calls counsel for Regatta , and states that his client is looking to buy deals but feels like they were not treated fairly by CED in the past.

Counsel for Equity goes on to state that his client would like to look at a certain CED community previously referenced which are coming on market soon and requests the address, the financials and the price, and states that he can "make

a decision today" if they determine that CED is serious about working with them not just "jerking us around."
Counsel for Equity goes on to express disbelief when told by Counsel for Regatta that a price hadn't yet been determined for the community Counsel for Equity was asking about, and states that once CED sends all the information requested regarding address, financials and price, client will determine if CED is "serious" about working with client and they can "back away from" the current contracts "and others."

Counsel for Equity expresses interest in seeing deals prior to those deals being marketed to the public because client can move quickly and save on broker's fees, and if client determines CED is "serious" about working with him on other communities CED "won't have to worry about these three deals" (Regatta, Brentwood and Landings).

4/14/2021 Counsel for Regatta calls counsel for Equity and leaves a voicemail to follow up.

4/15/2021 Counsel for Equity calls counsel for Regatta.

Counsel for Equity asks about the price on the new community about which he and Counsel for Regatta had previously spoken ("Hunter's Creek"). Counsel for Regatta tells Counsel for Equity that a price is still being determined and lets Counsel for Equity know that the financials for Hunter's Creek will be forthcoming.

In light of how many times over the past few weeks Counsel for Equity has conveyed to Counsel for Regatta that Equity is no longer interested in Regatta Bay, Counsel for Regatta asks Counsel for Equity to please withdraw the Regatta Bay contract. Counsel for Equity replies that he "can't make that decision" to send the withdrawal but "I don't see why not" as Equity is no longer interested in Regatta Bay.

Counsel for Regatta asks Counsel for Equity if client is still interested in Brentwood and Landings in light of the availability of Hunter's Creek, to which Counsel for Equity responds that client might still be interested in Brentwood and Landings, but if there is a deal as to Hunter's Creek he would "probably" withdraw them as well to "move on to deals without as much hair on them."

4/16/2021 Counsel for Regatta emails counsel for Equity to provide financials for Hunter's Creek.

4/19/2021 Counsel for Regatta emails FHFC to advise him know that Petitioners have been attempting to get comments from Counsel for Equity for some time now but has yet to receive any comments.

4/20/2021	Counsel for Equity emails counsel for Regatta stating that client has reviewed the financials [for Hunter's Creek] and checked out these properties. He is interested. Please let us have a price.
4/23/2021	Counsel for Regatta calls counsel for Equity to discuss price for Hunter's Creek and status of Regatta, Brentwood and Landings, leaves voicemail.
4/23/2021	The 1-year QC period expires for Regatta Bay.
4/26/2021	Counsel for Regatta calls counsel for Equity to provide pricing information on Hunter's Creek and ask if Counsel for Equity has received approval from his client to withdraw the Regatta Bay contract. Counsel for Equity states that he has not yet received approval to withdraw but that he will get "an answer on Regatta and on those other two as well" today. Counsel for Regatta thanks Counsel for Equity and lets him know that if his client decides to move forward with Brentwood and Landings then Counsel for Regatta will send revisions to Brentwood and Landings, but that Counsel for Regatta doesn't want to waste anyone's time if Equity is not interested in pursuing either of those deals either. Counsel for Equity says that he will let Counsel for Regatta know.
4/29/2021	Counsel for Equity emails counsel for Regatta to state that he will be in touch the following day about the "pending deals."
5/3/2021	Counsel for Regatta emails counsel for Equity to check on status of pending deals.
5/5/2021	Counsel for Regatta emails counsel for Equity to check on status of pending deals, as Counsel for Equity had not followed up as previously indicated.
5/12/2021	Counsel for Regatta emails counsel for Equity to check on status of pending deals, as Counsel for Equity had not followed up with Counsel for Regatta as previously indicated.
5/14/2021	Counsel for Equity emails counsel for Regatta to request copies of ground leases for Brentwood and Landings. Counsel for Equity states in email "We are likely going to drop Regatta" and states that client believes the price provided for Hunters Creek "is well over market."
5/14/2021	Counsel for Regatta emails counsel for Equity to let him know a drop box link is being sent to him with the requested Brentwood and Landings ground leases.

An Email states "Whenever you can send that Regatta termination it would be much appreciated."

5/17/2021 Counsel for Regatta emails counsel for Equity to provide drop box link to requested documents.

5/18/2021 Counsel for Equity emails counsel for Regatta to acknowledge receipt of documents.

5/25/2021 Counsel for Regatta emails counsel for Equity to see if there are any questions about the ground lease documents provided the prior week. An Email states "If you could please send that Regatta termination it would be appreciated."

5/25/2021 Counsel for Equity emails counsel for Regatta with a question regarding the ground leases for Brentwood and Landings.

5/28/2021 Counsel for Equity calls counsel for Regatta to discuss open items. Counsel for Regatta answers questions regarding ground leases for Brentwood and Landings and Counsel for Equity confirms that it all he needed to know. Counsel for Regatta requests the status of the termination for Regatta and Counsel for Equity states "I've got to find out about Regatta for you."
Counsel for Equity then brings up two other CED communities in which his client has interest: Charleston Club and Brittany Bay. Counsel for Equity requests that Counsel for Regatta obtain pricing information from CED, but that he is not looking for a "pie in the sky" price, but rather something fair to everyone with a quick cash closing and limited due diligence.
Counsel for Equity states that he would be sending over an email requesting information on Charleston Club and Brittany Bay and we can get him price terms. Counsel for Equity then states "and then we can have a gentleman's agreement on everything else."
Counsel for Regatta asks if Counsel for Equity is interested in seeing revisions to Brentwood and Landings, and if so, if Counsel for Equity could please provide his comments from Regatta—even if only handwritten markups-- so as not to duplicate efforts. Counsel for Equity states that it has been so long since he looked at Regatta he doesn't remember his comments but that he felt there were things Counsel for Regatta included in Regatta which were not market, specifically Equity's right to terminate. Counsel for Regatta restates that he is happy to make changes to Brentwood and Landings if client is interested but doesn't want to waste everyone's time repeating terms from Regatta without seeing Counsel for Equity's comments to Regatta.
Counsel for Regatta requests that Counsel for Equity please let him know if client is still interested in Brentwood and Landings. Counsel for Regatta asks for an email indicating client's interest in Brentwood and Landings, and Counsel for Regatta tells Counsel for Equity that if Counsel for Equity does confirm

client's interest then Counsel for Regatta will send revisions to Brentwood and Landings despite never receiving comments on Regatta, but Counsel for Equity should understand that the revisions will look similar to Counsel for Regatta's prior revisions to Regatta.

6/3/2021 Counsel for Regatta calls counsel for Equity to check on status as Counsel for Regatta has not received an email indicating that client is still interested in Brentwood and Landings, nor has Counsel for Regatta received the withdrawal of Regatta. Counsel for Equity does not answer, Counsel for Regatta leaves a voicemail.

6/8/2021 Counsel for Regatta calls counsel for Equity. and discussing pricing for Charleston Club and Brittany Bay. Counsel for Regatta and Counsel for Equity talk generally about how hot the market is right now. Counsel for Regatta asks if client is still interested in Brentwood and Landings. The existence of the ground leases for Brentwood and Landings were a problem for his Equity. Counsel for Regatta asks where things stand on the termination of Regatta as it has been hanging out there for a very long time. Counsel for Regatta makes a statement regarding following up with his client about it.

6/10/2021 Counsel for Regatta emails counsel for Equity in an attempt to get definitive updates as to various open matters as it has been very difficult to make progress with Counsel for Equity. Specifically, Counsel for Regatta asks for a scheduled, time-certain call and tells Counsel for Equity that Counsel for Regatta's understanding of status is as follows:

- Regatta
  - Counsel for Equity will be speaking with client regarding withdrawal of this contract.
- Brentwood
  - If client is still interested Counsel for Equity will let Counsel for Regatta know and Counsel for Regatta will get Counsel for Equity revisions to the contract.
- Landings
  - If client is still interested Counsel for Equity will let Counsel for Regatta know and Counsel for Regatta will get Counsel for Equity revisions to the contract.
- Hunters Creek
  - Client is not interested in this community any longer due to pricing.
- Charleston Club
  - Counsel for Equity will be passing on the pricing information for this community to client.
  - If client is interested, Counsel for Regatta can coordinate getting Counsel for Equity more information on this property.

- Brittany Bay
    - Counsel for Equity will be passing on the pricing information for this community to client.
    - If client is interested, Counsel for Regatta can coordinate getting Counsel for Equity more information on this property.