

STRUCTURING GENERAL & LIMITED PARTNER TRANSFERS / ASSET SALES DURING THE COMPLIANCE PERIOD

**IPED's Tax Credit Property Dispositions
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OUR SPEAKERS



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GENERAL PARTNER VS. LIMITED PARTNER TRANSFERS

Current state of the market (who's buying, who's selling, etc.)

Differences in the buyer (and seller) processes

SUCCESSFULLY COMPLETING A GENERAL OR LIMITED PARTNER TRANSFER

Understanding buyer/seller perspectives

Common due diligence traps

Obtaining required consents

/ Partners

/ Lenders

/ Agencies

Processing general partner transfers: the investor perspective

UNDERSTANDING GP SELLER'S MOTIVATION TO SELL

Retirement/family succession issues

Corporate merger/sale/restructuring of developer

Workout/removal situation

Death/incapacity/bankruptcy

Insufficient access to additional resources

An evolved and active market

Attractive prices

UNDERSTANDING GP BUYER'S MOTIVATION TO BUY

Access to other debt/equity not available to current owner

ESG focus – dedicated capital

Future acquisition/rehabilitation transaction

Synergies

- / Efficiencies with nearby projects
- / Affiliate income - property management, construction, etc.
- / Scale

Unlocking residual value

- / Reworking debt, property taxes, partner buyouts, etc.

LIMITED PARTNER PERSPECTIVE

Know your Partnership Agreement!

Exit Mechanisms

- / Put / Call Option
- / Forced Sale Rights
- / ROFR
- / Amount of 3rd party and LP Leverage

LP interest buyout vs. Real Estate Purchase

WHO GETS WHAT?

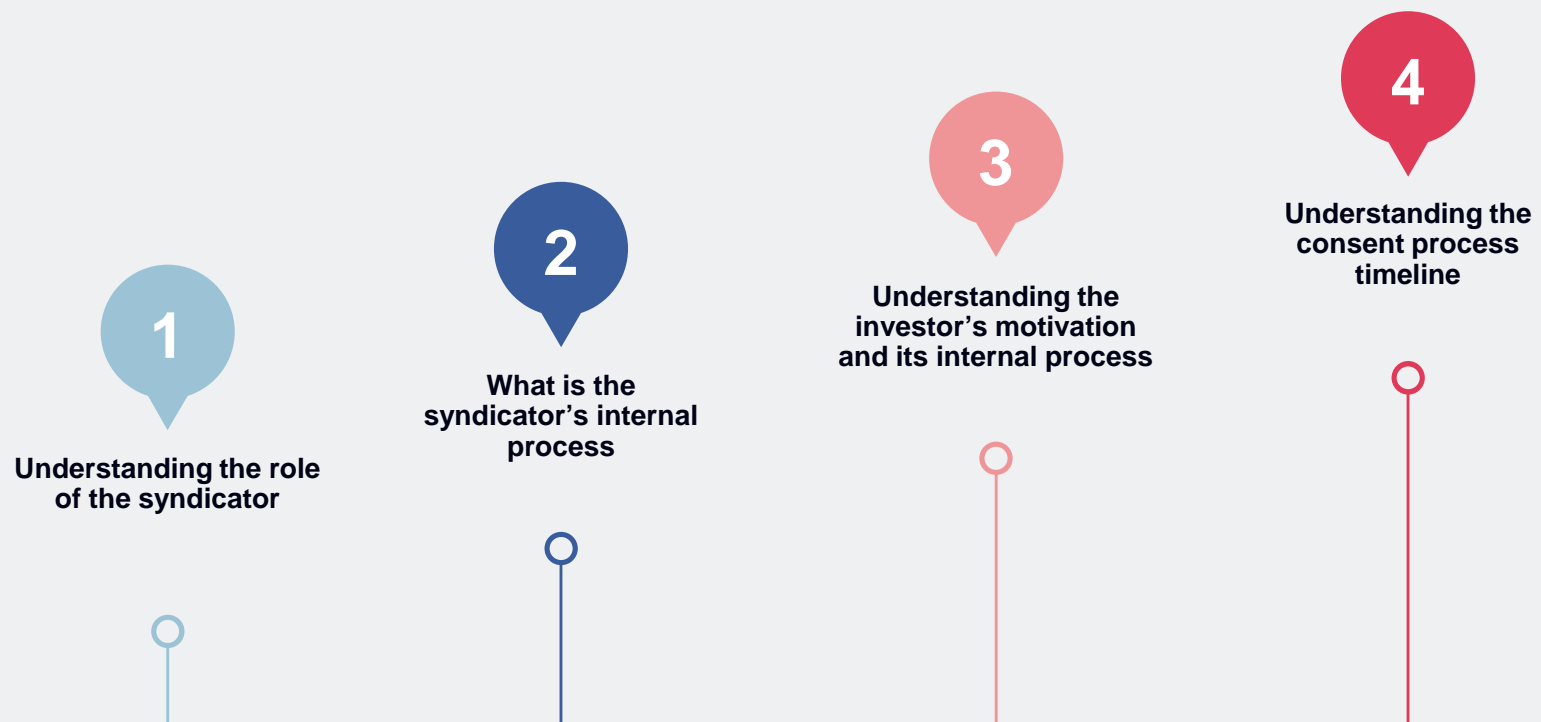
Determining Real Estate Valuation

Arriving at GP's / LP's portion of distributable cash

Liquidation versus Capital Transaction



INVESTOR CONSENT PROCESS



WHAT CAN GO WRONG?

Investor opinion on Early Exits is changing

- / Guarantee requirements → tighter
- / Recapture risk
- / Proceed with caution

Distribution of proceeds

- / Capital transaction waterfall vs. liquidation of capital accounts

Valuation

- / “Open market campaign”
- / Third Party Opinion (“BOV”)

UNDERSTANDING CONSENT REQUIREMENTS

Lenders

Issuer/Bond Holder

Tax credit agency

HUD

Syndicator/investor

Other partners

Local jurisdiction (if tax exemption/PILOT)

THANK YOU



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