



U.S. Department of Housing & Urban Development
Office of the Regional Counsel - Region V
77 West Jackson Boulevard, Room 2617
Chicago, IL 60604-3507

PRIVILEGED AND CONFIDENTIAL

MEMORANDUM FOR: Debbie Gray, Director, Project Management, 5AHMLAP

FROM: Courtney Minor, Regional Counsel, SAC

ATTN: Debra Head, Asset Resolution Specialist, 5AHMLAP

DATE: May 18, 2017

SUBJECT: Review of Transfer of Physical Assets ("TPA")
Willow Lake Apartments (the "Project")
Lombard, Illinois
Project No. 071-11339

As requested, this office reviewed the modified TPA request for the referenced Project, a 404-unit Section 223(f) project located in Lombard, Illinois. The Project is owned by Shree Siddhi Vinayak Housing LLC, an Illinois limited liability company ("Owner"). Currently, the Owner's sole Manager is Niranjana S. Shah ("Manager") who has a 52% interest in the Owner. The Owner has two Members, The Legacy Property Group, LLC ("Legacy") and Pratima N. Shah, Trustee of the Smita Shah GST Exempt Trust c/u Shah 2011 Gift Trust ("Trust"). The Trust and Legacy each hold a 24% interest in the Owner. Pursuant to the proposed transfer, Legacy intends to transfer its 24% interest to Trust and Manager intends to transfer 20% of its 52% interest to Trust. This transfer would result in the Trust having a 68% interest in the Owner and Manager with a 32% interest in the Owner.

Our review was conducted pursuant to Handbook 4350.1, MAP Guide 12.4.1 and HUD Notice H99-13. Please note that we have not reviewed items that are not subject to legal review, nor programmatic matters within the purview of your office.

Even though the current transfers from Legacy to Trust and from Manager to Trust result in only a 44% transfer of ownership interest in Owner, there is a transfer in control of Owner because Trust's interest in Owner now stands at 68%. Pursuant to Owner's Operating Agreement at Section 4.6, each Member of the Owner has the right to vote in proportion to his percentage of ownership in the Owner and a majority vote will control all decisions. Thus, a change in Owner control subjects this transfer to the HUD

modified TPA review. After reviewing the submitted materials and the applicable guidance, we have no legal objection to your office granting preliminary approval to the TPA proposal for the Project.

Please contact Kim Yow Harris (extension 8617) of my staff if we may provide further assistance.