

June __, 2020

Alicia Arnold
Director of Equitable Housing &
Community Development Division
Wake County
PO Box 550
Raleigh, North Carolina 27602

Re: \$290,000.00 Loan to Highland Seniors Limited Partnership by Wake County, North Carolina ("Lender")

Highland Seniors Limited Partnership ("Borrower"), a North Carolina limited partnership, intends to convert from a limited partnership to a North Carolina limited liability company (the "Conversion"). The Conversion will be effectuated in such a manner that the Borrower shall continue to exist, without interruption, but in the organizational form of a North Carolina limited liability company to be known as The Commons at Highland Village, LLC (the "Company"). The Borrower will complete the Conversion no later than July 31, 2020 (whether on that date or earlier, the "Conversion Date") by filing Articles of Organization Including Articles of Conversion with the North Carolina Secretary of State pursuant to §§ 57D-2-21, 57D-9-21 and 57D-9-22 of the General Statutes of North Carolina.

Borrower owns and operates an affordable apartment complex for seniors in the Town of Cary, Wake County, North Carolina (the "Apartments"). The development of the Apartments was financed through, among other sources, (i) the Loan (as defined below) provided by Lender, (ii) a loan provided by Mechanics and Farmers Bank, (iii) a loan provided by DHIC, Inc., and (iv) capital provided by (i) Nationwide Affordable Housing Fund IX – Apollo Tax Credit Fund – XXXI Limited Partnership, a Delaware limited partnership (the "Limited Partner") and (ii) RBC Community Investments Manager II, Inc. (the "Special Limited Partner"), pursuant to the Federal Low-Income Housing Tax Credit program, as more specifically defined in Section 42 of the Internal Revenue Code of 1986, as amended to date.

As part of a plan to facilitate the long-term affordability of the Apartments, the Limited Partner and the Special Limited Partner wish to transfer 100% of their partnership interests in the Borrower (the "Limited Partner Transfers") to Community Revitalization and Preservation Corporation ("CRPC"). CRPC is a North Carolina nonprofit corporation, exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended to date, and is an affiliate of DHIC, Inc. ("DHIC").

Following the completion of the Limited Partner Transfers, the current general partner of the Borrower, Highland Seniors Development, Inc., a North Carolina corporation, will transfer all of its interests in the Borrower to CRPC (collectively, the transfers of interests in Borrower to CRPC described in this letter are referred to herein as the "Transfers of Interest"). Ultimately, CRPC will be the sole member and manager of the Company.

The Lender has an outstanding loan to the Borrower (the "Loan"). The Loan is evidenced by that certain Promissory Note, in the original principal amount of \$290,000.00, dated as of November 21, 2002 (the "Promissory Note").



The Loan is secured by a Deed of Trust, dated as of the date of the Promissory Note, recorded in the Wake County Registry of Deeds (the "Deed of Trust" and together with the Promissory Note, the "Loan Documents").

The Loan Documents provide that the transfer of any beneficial interest in Borrower constitutes an event of default under the Loan Documents unless consented to in writing by Lender. The Transfers of Interest constitute events of the type contemplated under the Loan Documents. Thus, we request that the Lender consent to the Transfers of Interest.

Please indicate your consent by signing this letter in the space provided below, and returning a copy to me at your earliest convenience.

Thank you for your attention to this matter, and please call with any questions.

Sharon Lorden, Vice President

Statement of Lender Consent

The Lender hereby consents to the Transfers of Interest and agrees that they do not constitute an event of default under any previous agreements between the Borrower and the Lender. The Lender acknowledges that upon completion of the Transfers of Interest, CRPC will be the sole member and manager of the Company. Further, the Lender agrees that, as of the date hereof, there are no events of default under the Loan Documents, and Borrower's debt to the Lender is current.

Except as consented to herein, the Loan Documents remain in full force and effect.

Sincerely,

**COUNTY OF WAKE, NORTH CAROLINA, a
body politic and political subdivision of the State of
North Carolina**

By: _____
Name: _____
Title: _____