



October 18, 2021

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

Re: \$260,000 Loan and \$250,000.00 Loan to Highland Village Limited Partnership by Wake County, North Carolina ("Lender")

Highland Village 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 Highland Village, LLC (the "Company"). The Borrower intends to complete the Conversion by December 31, 2021 (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 in the Town of Cary, Wake County, North Carolina (the "Apartments"). The development of the Apartments was financed through, among other sources, (i) the Loans (as defined below) provided by Lender, and (ii) capital provided by (a) Community Housing Alliance L.P., a Maryland limited partnership and Community Housing Alliance II L.P., a Maryland limited partnership (collectively, the "Limited Partners"), 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 Partners 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., a North Carolina nonprofit corporation ("DHIC").

Following the completion of the Limited Partner Transfers, the current general partner of the Borrower, Highland Village 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 two outstanding loans to the Borrower, the "First Loan" and the "Second Loan" (collectively, the "Loans"). The First Loan is evidenced by that certain promissory note, in the original principal amount of \$260,000.00, dated as of October 29, 2002, and given by DHIC to the Lender (the "First Loan Promissory Note"). The First Loan is secured by a deed of trust, dated as of the date of the First Loan Promissory Note, recorded in the Wake County Registry of Deeds (the "First Loan Deed of Trust" and together with the First Loan Promissory Note and any other loan documents evidencing the First Loan, the "First Loan Documents"). The First Loan and the First

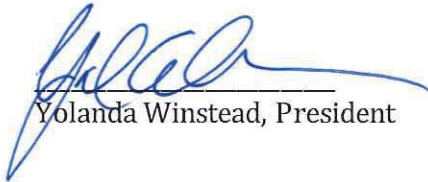
Loan Documents were assumed by Borrower pursuant to the terms of that certain Loan Assumption and Novation Agreement, dated as of December 29, 2004, by and among Borrower, Lender and DHIC (the "First Loan Assumption Agreement").

The Second Loan is evidenced by that certain promissory note, in the original principal amount of \$250,000.00, dated as of December 29, 2004, and given by Borrower to Lender (the "Second Loan Promissory Note"). The Second Loan is secured by a deed of trust, dated as of the date of the Second Loan Promissory Note, recorded in the Wake County Registry of Deeds (the "Second Loan Deed of Trust" and together with the Promissory Note and any other loan documents evidencing the Second Loan, the "Second Loan Documents"). The First Loan Documents and the Second Loan Documents are hereinafter collectively referred to as the "Loan Documents."

The Loan Documents provide that a change in the corporate structure of Borrower, or 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 Conversion and the Transfers of Interest constitute events of the type contemplated under the Loan Documents. Thus, we request that the Lender consent to the Conversion and 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.



Yolanda Winstead, President

Statement of Lender Consent

The Lender hereby consents to the Conversion and 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 in respect of the Loans. The Lender acknowledges that upon completion of the Conversion and 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 debts to the Lender are 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: _____