

APPENDIX E

Permanent Lender Letter of Intent / Commitment



Attn: Low Income Housing Tax Credit Program

The undersigned (Lender) hereby makes the following representations to induce the N.C. Housing Finance Agency to reserve to Laurel Street Residential, LLC, a North Carolina limited liability company, Low Income Housing Tax Credits for the development located at or to be located at 300 East Main Street, Durham North Carolina, known as or to be known as the 300 Block Affordable Housing, and consisting of or to consist of 105 affordable housing units (Development):

1. The Lender has issued a letter of intent (Letter) to Applicant to provide permanent financing in the amount not to exceed \$3,640,000 (the Loan amount).
2. The Letter does not contain any conditions which are not customary and reasonable for loans of this nature and amount and which are not reasonably expected by the Lender to be met at the time of loan funding.
3. The loan, if made, shall have a term of the lessor of (i) twenty (20) years, or (ii) the term of the first mortgage on the subject property for construction, equipping and operation of the Housing Structure, at a fixed interest rate of 3%.
4. The amortization period of the loan shall be the lesser of (i) twenty (20) years, or (ii) the term of the first mortgage on the subject property for construction, equipping and operation of the Housing Structure.
5. The anticipated security interest of the Lender shall be a "Ground Lease" and shall convey a leasehold interest in the Housing Structure Site for a term of ninety-nine (99) years or such term as may be required by an investor member.
6. Provided Laurel Street Residential, LLC is successful in closing on the necessary financing for the construction of the Housing Structure as further described in the Development Budget, the County shall make a grant to the owner of the Housing Structure in the amount of \$1,730,000 for the construction, equipping and operation of the Housing Structure.
7. The County will lease a maximum of 105 parking spaces to Laurel Street Residential, LLC without charge for the residents of the affordable housing units.
8. This Letter of intent shall be valid until completion of the 300 Block Affordable Housing.
9. The total amount of fees associated with permanent financing (i.e. origination) are \$0.00. The Lender understands that the Agency needs this information to determine the Development's eligible basis.

Durham County Government
Name of Lender

By: _____