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Amon Martin, Regional Vice President
Pennrose LLC
675 Ponce De Leon Avenue, Suite 8500
Atlanta, GA 30308

Re: **RHA Redevelopment**

Property Address: **199 Grove Way,
Roswell, GA 30075**

Dear Mr. Martin:

Fulton County, Georgia on behalf of its Department of Community Development is excited about the partnership of Pennrose, LLC (Pennrose) and The Roswell Housing Authority (RHA) on the development of the Roswell Housing Authority Redevelopment project (the "RHA Redevelopment" or "Development"). The Team will endeavor to reposition RHA's existing affordable housing so that they will be well positioned to provide quality affordable housing for the City of Roswell for years to come. RHA is one of few affordable housing providers in City of Roswell. High barriers to entry, make affordable housing very challenging to develop in the City of Roswell. The numerous amenities, both public and private, as well as high quality schools, make the City of Roswell one of Georgia's most attractive Cities for families and seniors. This transformative project will allow RHA to reposition their current assets to continue to provide quality affordable housing for families to be able to live in a City with the highest quality of schools for their children and numerous attractions and amenities.

For the purpose of financing the construction and development of the RHA Redevelopment located at 199 Grove Way, Fulton County, Georgia on behalf of its Department of Community Development endeavors to provide a loan to the project with the below terms. Funds used in providing this loan may, in whole or in part, include federally-sourced funds. Lender will disclose the original federal source of such funds if applicable; Borrower is responsible for understanding the requirements and guidelines of using such funds.

The proposed structure of the loan is as follows:

Borrower: Oak Street I LLC, a Georgia limited liability company

Lender: Fulton County, Georgia on behalf of its Department of Community Development

Use of Funds: The funds are to be used for either hard or soft costs related to the development of the RHA Redevelopment.

Loan Amount: The loan amount will be \$2,100,000.

Loan Term: The term of the loan shall be 30 years. The construction period will be twenty-four (24) months, unless extended by mutual consent. The permanent period will be thirty (30) years.

- Loan Interest:** During construction, the note shall bear interest at a rate of zero percent (0.0%)
- Rate:** annum with no “add-ons” to the interest rate. During the permanent period, the note shall bear interest at a rate of zero percent (0.0%) per annum with no “add-ons” to the interest rate.
- Security:** Secured by land and to be constructed by improvements of proposed 102-unit multifamily housing dwelling located at approximately 199 Grove Way, Roswell GA
- Repayment:** The loan will have no payments during the construction or permanent period. All unpaid principal and interest will be due on the maturity date.
- Reserves:** All reserves will meet DCA and 1st Lender / LIHTC Equity Providers minimum Requirements
- Fees:** No fees will be payable in connection with this loan.
- Additional Terms & Conditions:** The Loan is expressly conditioned on the award of 9% low-income housing tax credits from the Georgia Department of Community Affairs.
- Termination:** Fulton County, Georgia on behalf of its Department of Community Development may terminate its commitment under this letter if any of the terms or plans of the transaction as heretofore presented to Fulton County, Georgia on behalf of its Department of Community Development are changed in any material respect.
- Benefit to RHA & the Development:** This letter is for the benefit of the Development and no other person or party may obtain any rights under this letter or be entitled to rely or claim reliance on this letter's terms and conditions, with the exception of the Georgia Department of Community Affairs, who may rely on it for the purposes of considering an application for 9% tax credits.

Sincerely,

Robert L. Pitts, Chairman
Board of Commissioners