



FAIRFAX COUNTY

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

3700 Pender Drive, Suite 300
Fairfax, Virginia 22030-7444

V I R G I N I A

Telephone: (703) 246-5000 ♦ Fax: (703) 653-1361
TTY: 711

April [], 2020

The Senior Residences at North Hill, LLC
c/o Pennrose, LLC
575 S Charles St, Suite 140
Baltimore, MD 21201

Re: The Senior Residences at North Hill - CDBG and Non-Federal Funds Loan
Commitment

Dear Sir or Madam:

The Fairfax County Redevelopment and Housing Authority (“FCRHA”) is pleased to offer you the following revised commitment (the “Commitment”) for a loan (the “Loan”). The terms and conditions of this Commitment are as follows:

1. **Borrower:** The Senior Residences at North Hill, LLC (the “Borrower”)
2. **Project Generally:** Borrower intends to acquire, through a long-term ground lease, certain real property located in the County of Fairfax, Virginia as identified in the attached Exhibit A hereto, for the construction and development of an affordable housing complex having approximately 63 units (the “Project”).
3. **Purpose of Loan:** This Loan will primarily fund CDBG-eligible site work and related costs. \$[375,000] of the Loan constitutes non-federal funds and may fund non-CDBG eligible site work costs.
4. **Other Financing:** Other financing is to be provided by a loan from Bank of America, N.A. (“BOA”), a loan from the Virginia Department of Housing and Community Development, and proceeds from the syndication of Low Income Housing Tax Credits allocated by the Virginia Housing Development Authority (the “Tax Credits”).
5. **Collateral:** The Loan will be secured by a second-position (or lower if required for Tax Credit purposes or by other lenders) deed of trust against the Borrower’s interest in the Project.
6. **Amount:** The principal amount of the Loan shall be [Three Million Three Hundred Two Thousand Eight Hundred Fifty Seven] Dollars (\$[3,302,857].00). The FCRHA reserves the right to break this amount up into multiple loans aggregating to the same amount.
7. **Disbursement:** The Loan will be disbursed as site work progresses.

Commented [WRA1]: NB – Figure may change so long as aggregate across all four deals equals the total non-federal portion of loan.

Commented [WRA2]: NB – Figure may change so long as the aggregate change over original loan figure, across all four deals, equals the difference between the \$12,550,000 and the new figure in DLA Sec. 2.01(A)(1)(a).

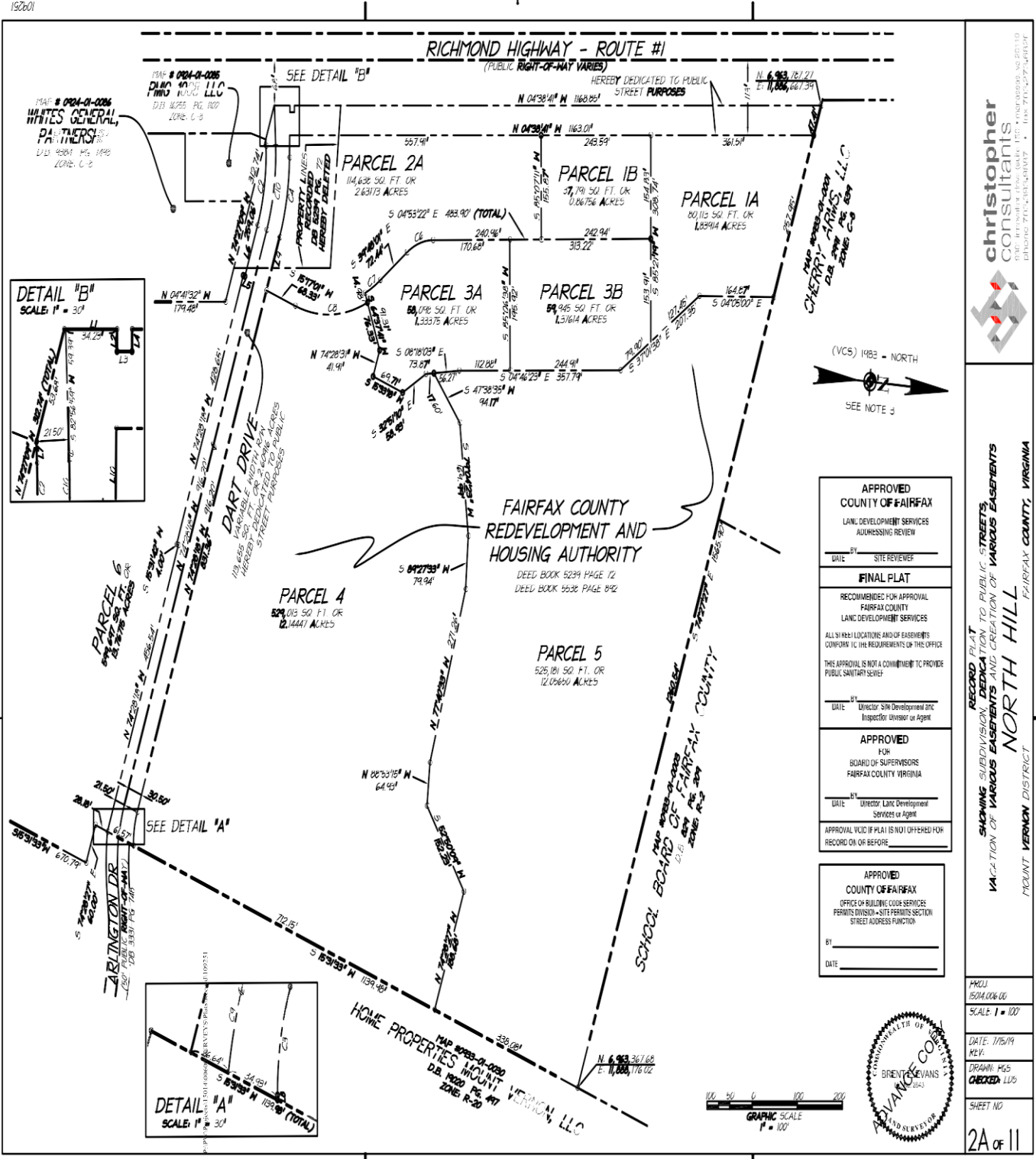
8. Interest Rate: The interest rate on the Loan shall be Zero Percent (0.0%).
9. Term: The Loan will have a 50 year initial term. Unless the project finance documents (based on the analysis of the tax credit investor) require otherwise, Borrower will have a one-time right to extend the term to be coterminous with the term of a refinancing of the first-position debt.
10. Affordability: The Borrower will maintain the Project as affordable housing for 30 years for households where the initial household income for twenty-nine percent (29%) of the units (18 units) does not exceed 30 percent (30%) of the area median income (AMI), the initial household income for twenty-two percent (22%) of the units (14 units) does not exceed 50 percent (50%) of AMI, and the initial household income for forty-nine percent (49%) of the units (31 units) does not exceed 60 percent (60%) of AMI.
11. Repayment Terms: To the extent required by the project finance documents (based on the analysis of the tax credit investor), Borrower will make repayments from cash flow.
12. Prepayment: Borrower may prepay only with the prior consent of the FCRHA. FCRHA will not charge a prepayment premium should the Borrower choose to prepay all or a portion of the remaining balance due on the Loan and the FCRHA consent to prepayment. If Loan is prepaid, the affordability restriction will remain in place for 30 years.
13. Conditions to Commitment: This commitment is subject to the following conditions:
 - a. Submission and review of funding commitments from all other sources of financing necessary to satisfactorily complete construction of the development.
 - b. Those conditions set forth in the Development and Loan Agreement between the FCRHA and Borrower, dated the same date as this Commitment.
 - c. Other terms and conditions per standard FCRHA loan documents, except reserve requirements, FCRHA repurchase right, and equity share provisions will not be included.
14. Waiver: FCRHA reserves the right to waive any term or condition hereof provided, for the benefit of FCRHA, in its sole discretion.

Regards,

Thomas Fleetwood, Director
Fairfax County Department of Housing and Community Development

Exhibit A to April [], 2020 CDBG Letter – Property Description

The real property to be acquired by Borrower through a long-term ground lease is approximately the area labeled as “Parcel 3B” on the below plat.



RECORD PLAT
SHOWING SUBDIVISION, SEPARATION TO PUBLIC STREETS
VACATION OF VARIOUS EASEMENTS AND CREATION OF VARIOUS EASEMENTS
NORTH HILL
FAIRFAX COUNTY, VIRGINIA
MOUNT VERNON DISTRICT

PROJECT: 1504.006.00
SCALE: 1" = 100'
DATE: 7/16/19
REV: _____
DRAWN: MGS
CHECKED: LUS
SHEET NO:
2A OF 11