



June 23, 2025

Murray O. Duggins, Jr.
SEML Development, LLC
2939 Breezewood Ave, Ste 201
Fayetteville, NC 28303

Re: Aspen Pointe

Dear Mr. Duggins:

The City of Fayetteville is pleased to present this loan commitment for the development of a 48-unit apartment development for low- and moderate-income family residents, to be known as Aspen Pointe and located on near 8086 Raeford Rd Road in Fayetteville, North Carolina (the "Project"). This is a contingent commitment based on successful award of Low Income Housing Tax Credits from the North Carolina Housing Finance Agency, compliance with Environmental Review Report (ERR), and adherence to the City of Fayetteville Rental Housing Development Program Guidelines for 9% Low-income Housing Tax Credit (LIHTC) Housing Projects. The terms of the City's commitment detailed below are subject to change at the City's discretion. The purpose of the loan and our loan conditions are described below:

Borrower: SEML Development, LLC

Use of Funds: Construction of a 32-unit apartment development in Fayetteville, NC. Four (4) of these units are to be floating HOME units and four (4) units shall be rented to families at or below 50% of the area median income. Rents for these four (4) HOME units cannot exceed the rent rates as established by the HOME program Rules and Regulations. The units must comply with the HOME Rules and Regulations for the entire Period of Affordability which for this project is twenty (20) years.

Amount: \$600,000

Interest Rate: One percent (1%) fixed rate

Term/Payment: The loan shall be for a 20-year term commencing on the date the loan funds have been disbursed in full and maturing 20 years from such date ("Maturity Date"). The first annual payment is due one year from the anniversary of the project's first lien permanent loan closing (after stabilization is achieved), with payments due annually thereafter. All outstanding principal and interest shall be due and payable in full on the Maturity Date. The payment will be based on cash flow and will comply with NCHFA's 2025 QAP.

Collateral: The collateral shall consist of an anticipated subordinate lien Deed of Trust and promissory note encumbering the Project. The City of Fayetteville shall execute such subordination agreements as shall be required by senior lenders for the development and will subordinate to other lenders if necessary.

Source of Funds: City of Fayetteville Housing Trust Fund. Funding may come from HOME Investment Partnerships Program.

Draws: The loan funds shall be disbursed to Borrower as follows: (i) \$90,000 at 25% construction completion, (ii) \$150,000 at 50% construction completion, (iii) \$150,000 at 75% construction completion, and (iv) \$210,000 at 100% construction completion.

Costs: All costs pertaining to closing the loan will be borne by the borrower, including recording fees. There shall be no loan fees or prepayment penalties associated with this loan.



Other Conditions: This commitment expires on December 31, 2025. HOME-funded projects must be assessed in accordance with the National Environmental Policy Act of 1960 (NEPA) prior to loan closing. This includes a Phase I environmental assessment, and if recommended by the Phase I, a Phase II assessment must be provided before a project will be recommended to the City Council. With the Phase II, applicants must also provide a discussion of mitigation measures, the impact of any recommendations on the project budget, design, etc. Completion of the NEPA required environmental review record, if required, will be done at the developer's expense to the satisfaction of the City.

We look forward to working with you as you develop affordable housing for families in the City of Fayetteville, North Carolina.

Sincerely,

Albert "Alex" Baker
Interim Director
Economic and Community Development
City of Fayetteville, NC