ATTACHMENT 3 -
OLD COMMITMENT LETTER

Chairperson
John Murray
Vice Chairperon
Mary Hornsby
Board Members
John Plourde
Willard Rodarmel
William Siegel

Redevelopment Division

119 Fox Street
Lemoore • CA 93245
Phone • (559) 924-6701
FAX • (559) 924-9003

April 28, 2010

Caleb Roope
Pacific West Communities, Inc.
430 East State Street, Suite 100
Eagle, ID 83616

Re: Redevelopment Agency Loan Reservation
Cinnamon Villas, 80-Unit Multi-Family Development
Lemoore, CA

Dear Mr. Roope,

We are pleased to inform you that the Lemoore Redevelopment Agency has approved your request that the Agency reserve $1.68 million of loan funding for the subject project, subject to the conditions stated in this letter. The loan will be originated from the Agency's Low-Moderate Income Housing Fund. Unless the loan has been funded or the funding reservation has been extended by the Agency, the loan reservation shall expire on December 31, 2011. The Agency loan shall:

1. Bear interest rate of 3% per year;
2. Have a term of 360 months, with all unpaid principal and interest due and payable in full at the end of the 360-month term;
3. Utilize a 660-month amortization schedule;
4. Be subordinate only to secured indebtedness approved by the Agency and used to finance construction or operation of the project;
5. Be repaid from 50% of the project's residual receipts; and
6. Provide that any unpaid interest shall be added to the principal amount due.

The loan and the project shall conform to the Agency's standard affordable housing lending policies and practices, which among other things, include higher code enforcement and property maintenance standards, the Agency's approval of residential leases and limiting the total developer fees (including any deferred fees) to no more than the tax credit eligible basis amount set by the Tax Credit Allocation Committee.

Furthermore, loan reservation is expressly conditioned upon your successful application for and receipt of housing tax credits and all other financing sources. The Agency will require proof of award from the California Tax Credit Allocation Committee prior to any further processing of your loan. Additionally, the Agency requires that all other financing sources be committed and used prior to any disbursement of Agency loan proceeds. The Agency will also require that you apply for the Affordable Housing Program through the Federal Home Loan Bank of San Francisco to better leverage Agency funds.

Before the loan is funded, you will be required to enter into a loan agreement, deed of trust, regulatory agreement and other lending documents prepared or approved by the Agency and its legal counsel.

We wish you the best as you attempt to obtain the balance of your required financing. If you should have any questions concerning this commitment of funds, please do not hesitate to contact our office.

Sincerely,

Jeff Briltz
Executive Director