



October 26, 2023

Industrial Development Authority of the City of Cochise
Attn: Gussie Motter
1415 W Melody Lane, Bldg. G
Bisbee, Arizona 85603

Re: Notice of sale of Casa Loma Triangle Apartments

Dear Gussie Motter & The City of Cochise,

I am writing to you on behalf of Southern Arizona Affordable Housing II, LLC, an Arizona limited liability company and the general partner of Casa Loma Triangle Housing Limited Partnership, an Arizona limited liability company.

You are receiving this communication as you are listed as a limited partner on record within the above named limited partnership. Please also see the attached enclosure to this cover letter.

In short, there is a pending sale of the Casa Loma Triangle Housing Apartments, which is anticipated to close on or around December 1st, 2023.

The purpose of this letter is to notify you of the proposed sale and secure your consent to the sale to the Buyer.

Important: Please review, sign, and return the attached enclosure no later than **November 15th, 2023.** You may sign and email them directly to me at david@innerpacificadvantage.com (preferred due to the time sensitivity) or by mail to 200 East Main Street Enterprise, Oregon 97828.

Please Include the following information (to facilitate the distribution of proceeds upon the sale):

Name:
Preferred Mailing Address:
Preferred Phone Number:
Preferred Email Address:

RE:

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In the event you have any questions, please do not hesitate to contact me by phone: (541) 263-7683 or by email: david@innerpacificadvantage.com.

Appreciatively,



David L. Pace

Authorized Representative to
Southern Arizona Affordable Housing II, LLC,
General Partner of Casa Loma Triangle Housing Limited Partnership

CASA LOMA TRIANGLE HOUSING LIMITED PARTNERSHIP

c/o

Southern Arizona Affordable Housing II LLC
200 E Main Street
Enterprise, Oregon 97828

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Industrial Development Authority of the City of Cochise
Attn: Gussie Motter
1415 W Melody Lane, Bldg. G
Bisbee, Arizona 85603

Re: Notice of sale of Casa Loma Triangle Apartments

Dear Gussie Motter and the City of Cochise:

I am writing to you on behalf of Southern Arizona Affordable Housing II, LLC, an Arizona limited liability company and the general partner (the "General Partner") of Casa Loma Triangle Housing Limited Partnership, an Arizona limited partnership (the "Partnership"). Our records indicate that you hold certain limited partnership interests (in such capacity, a "Limited Partner") in the Partnership pursuant to the terms of that certain Amended Agreement of Limited Partnership of the Partnership (the "Partnership Agreement").

As you may know, the Partnership, as seller, entered into an Option Agreement dated as of March 23, 2022 (the "Option Agreement") with Desert Sage Apartments LLC, an Arizona limited liability company, as buyer (the "Buyer") with respect to the sale of the Partnership's interest in the affordable housing community commonly known as Casa Loma Triangle Apartments located at 204 W Allen Street, Tombstone, Arizona 85638 (the "Project"). The purchase price under the Option Agreement is comprised of a cash payment in the amount of [Three Hundred Seventy-Five Thousand and No/100 Dollars (\$375,000.00)] and the assumption of the Project's existing mortgage debt in the amount of approximately Six Hundred Eighty-Four Thousand One Hundred Seventy-Five and No/100 Dollars (\$684,175) (collectively, the "Purchase Price"). The Buyer recently exercised its option under the Option Agreement to acquire the Project and we expect to close on the sale of the Project on or around December 1st, 2023. At Closing, in your capacity as a Limited Partner of the Partnership, you will receive a portion of the cash sale proceeds in accordance with the terms of the Partnership Agreement.

Please know that the Buyer will invest significant resources into completing upgrades to the Project during calendar year 2024, including making structural repairs to the building and renovating the interior of the apartment units. Moreover, the Buyer will be maintaining and extending the Project's existing affordability restrictions, ensuring that the Project remains a source of affordable housing for the community for decades.

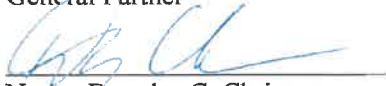
The purpose of this letter is to notify you of the proposed sale and secure your consent to the sale of the Project to the Buyer. If you have any questions regarding the content of this letter or the proposed sale of the Project, please contact David Pace, Vice President of Inner Pacific Advantage Asset Management LLC at (541) 263-7683 or david@innerpacificadvantage.com. We would appreciate your courtesy and cooperation in returning this letter with an electronic scan of your signature by **November 15, 2023** to david@innerpacificadvantage.com.

Very truly yours,

CASA LOMA TRINAGLE HOUSING LIMITED PARTNERSHIP,
an Arizona limited partnership

By: SOUTHERN ARIZONA AFFORDABLE HOUSING II, LLC,
an Arizona limited liability company

Its: General Partner



Name: Douglas C. Chrisman

Title: Member

ACCEPTED AND AGREED:

Name: Industrial Development
Authority of the City of Cochise
Gussie Motter