

EXHIBIT A
THE FLATS AT PETERS CREEK
FINANCING COMMITMENT FOR
CONSTRUCTION OF 62 APARTMENT UNITS

1. Purpose - Permanent mortgage financing of the development of a 62-unit rental housing complex for families, to be known as The Flats at Peters Creek, located at 600 Peters Creek Parkway.
2. Permanent Loan – Subordinate, permanent mortgage financing in an amount not to exceed \$500,000, to be derived from HOME Investment Partnership (HOME) funds, subject to determination of final cost and continued appropriations of HOME funds by Congress through project completion. The loan will be evidenced by a Promissory Note and Deed of Trust. The total of all mortgage encumbrances shall be supported by appraised value.
3. Fees - Borrower will be responsible for all fees and closing costs as well as the City's direct legal and other expenses associated with processing the Loan documents.
4. Terms and Conditions - As City financing is provided on a "gap" basis, a final determination of the interest rate and loan terms will be based on a proforma cash flow analysis upon finalization of construction cost and other leveraged financing. Additionally, HOME program requirements include a layering review to document that no more HOME funds are used than necessary to achieve economic feasibility for low-income affordability.
5. Other Financing - The Borrower shall be responsible for attaining commitments, satisfactory to the City, for the balance of the project cost from other additional permanent financing and equity sources, including, but not limited to, Low-Income Housing Tax Credits
6. Rental and Occupancy – All units will be rented to low-income persons, as defined by the North Carolina Housing Finance Agency for the Tax Credits and the U.S. Department of Housing and Urban Development (HUD).
7. Reserves - Borrower shall establish and make deposits into a replacement reserve in amounts and a schedule acceptable to the City and in compliance with tax credit requirements.
8. Ownership - The project will be developed, owned and managed by a Limited Liability Company, to be known as No Hotel, LLC, its affiliates or assigns, in which case the Managing Members will be Shelter Investments Development Corporation, Sylvan Road Partners, LLC, and The Shalom Project, Inc., and such ownership structure shall be approved by the City of Winston-Salem. Subsequent authorization of the City will be required prior to any transfer or assignment of ownership of the property.
9. Subdivision, Construction and Maintenance Standards - Financing eligibility requires attainment of zoning, subdivision, site plan, and erosion control plan approvals as

applicable. Construction shall be required to comply with all applicable state and local building codes, and all state, local and federal requirements governing handicapped accessibility. This commitment is subject to review and approval of the scope of work and specifications by the Community Development Department of the City and final cost certification upon construction completion. Borrower shall maintain the property in compliance with the City's Minimum Housing Code.

10. Other Conditions – Borrower shall comply with all applicable regulatory requirements of the HOME Investment Partnership Program, including, but not limited to, Environmental Review, Davis-Bacon, Section 3, HUD Contractor-Consultant certification standing, Minority/Women Business Enterprise (M/WBE), and fair housing regulations, and all applicable Tax Credit regulations.