

Appendix E

DRAFT PERMANENT LENDER LETTER OF INTENT/COMMITMENT

Attn: Low Income Housing Tax Credit Program

Buncombe County (“Lender”) hereby makes the following representations to induce the N.C. Housing Finance Agency to reserve to Mountain Housing Opportunities, Inc. (“Applicant”) Low Income Housing Tax Credits for the development located at or to be located at 19 Eagle Street, Asheville, NC, known as or to be known as Eagle Market Place, and consisting of or to consist of 60-70 affordable housing units (“Development”):

1. The Lender has issued a letter of intent (“Letter”) to Applicant to provide permanent financing in the amount not to exceed \$2,000,000 (Two Million Dollars).
2. The Letter does not contain any conditions which are not customary and reasonable for loans of this nature and amount and which are not reasonably expected by the Lender to be met at the time of loan funding.
3. The loan, if made, shall have a term of at least 20 years, at a fixed interest rate of 2 % or less. There shall be no balloon payments due for at least 20 years. The loan will be deferred and there will be no payments of principle or interest.
4. The amortization period of the loan shall be 20 years.
5. The anticipated security interest of the Lender shall be fee simple and a second or third lien hold position.
6. This Letter of intent shall be valid until December 31, 2013.
7. There will be no origination fees associated with this loan. The Lender understands that the Agency needs this information to determine the Development’s eligible basis. This Letter of Intent/Commitment does not create any binding, contractual obligation between Lender and Applicant and shall serve only as an expression of intention between the parties pending determination of eligibility and other material terms.

Lender, County of Buncombe

By: _____
Wanda Greene, County Manager