



May 29, 2026

Kingdom Community Development
Corporation 129 North Main Street
Spring Lake, NC 28390

Dear Mr. Manning:

The City of Fayetteville is pleased to commit a loan ("Loan") to assist in financing the construction of affordable housing along Rosehill Road, subject to the following terms:

Borrower: Kingdom Community Development Corporation, a North Carolina nonprofit company

Property: 4002 Rosehill Road, Fayetteville, North Carolina
28311 PIN:0429767858

Project: The construction of fifteen (15) single-family homes, of which nine (9) shall be sold to households under 80% of the Area Median Income (AMI) and the remaining six (6) shall be sold to households under 120% AMI.

Loan Amount: \$430,000.00

Source of Funds: 2022 City of Fayetteville General Obligation Bond – Housing Opportunity (Housing Opportunity Bond)

Affordability
Period: Fifteen (15) years for each homebuyer-assisted unit.

Use of Funds: To assist in financing the infrastructure required to develop fifteen (15) single-family homes. Nine (9) of the lots financed by this loan shall be used to construct affordable single-family homes to be sold to individuals or families earning no greater than 80% of the Area Median Income (the "ARPA Affordable Homes") and are subject to the terms and conditions of that ARPA Permanent Loan Agreement between the parties entered on June 14, 2024 and associated documents recorded in the Cumberland County Register of Deeds ("ARPA Loan Documents") as well as additional conditions imposed by the Loan. These nine (9) lots and the homes constructed on them shall be subject to affordability restrictions for a fifteen-year period. The proceeds from the sale of the ARPA Affordable Homes must be reinvested in the development of affordable housing on the property.



Any of the Affordable Homes that are not sold to a buyer within nine months of the issuance of a certificate of occupancy may be rented to families with incomes at or below 80% of the Area Median Income, subject to a 20-year affordability period.

The remaining six (6) lots shall be sold to households earning no greater than 120% of the Area Median Income (the "Housing Opportunity Bond Homes"). These six (6) lots and the homes constructed on them shall be subject to affordability restrictions for a fifteen-year period. The proceeds from the sale of the Housing Opportunity Bond Homes must be reinvested in the development of affordable housing on the property. Any of the Housing Opportunity Bond Affordable Homes that are not sold to a buyer within nine months of the issuance of a certificate of occupancy may be rented to families with incomes at or below 120% of the Area Median Income, subject to a 20-year affordability period.

Consistent with the requirements of the ARPA Loan Documents, the proceeds from the sale of the fifteen (15) homes must be reinvested in the development of affordable housing on the property. As the Project closes, the Borrower will transition any remaining Housing Opportunity Bond funds or sale proceeds from the Housing Opportunity Bond Homes into down payment assistance for the qualified households. This down payment assistance will be in an amount that is required to keep the primary mortgage affordable to each household and take the form of a loan based on the amount of assistance, forgivable over 5 to 15 years. Any funds not required for down payment assistance will be returned to the City, less a reasonable developer fee of not more than 15%.

Interest: No interest (0%).

Term/Payment: The Loan shall be for a 2-year term commencing on the date the Loan funds have been disbursed in full and maturing 2 years from such date ("Maturity Date").

During the term of the Loan, no monthly payments shall be due and payable as set forth in the Loan's promissory note. All outstanding principal and interest shall be due and payable in full on the Maturity Date

Disbursements: Intentionally Deleted.

Draws: The amount of \$430,000.00 shall be disbursed to Borrower as specified in the loan agreement.

Retainage: Intentionally Deleted.



Payment and

Performance Bond: The Borrower shall have provided to the City payment and performance bonds naming the City as obligee in amounts not less than the full value of the construction contract(s) entered to build the Project.

Collateral: The collateral shall consist of a no-less-than second lien Deed of Trust encumbering the Property. The City of Fayetteville shall execute such subordination agreements as shall be required by senior lenders for the development. The Loan will be senior to other City loans.

Costs: All costs pertaining to closing the Loan will be borne by the Borrower, including the City's attorneys' fees (not to exceed \$10,000.00) and recording fees, which shall be payable at closing. There shall be no loan fees or prepayment penalties associated with this Loan.

Requirements: Borrower agrees that Borrower and the Project shall meet the requirements of the ARPA Loan Documents and any additional requirements of the Loan throughout the Affordability Period. In the event the Project or Borrower does not meet these requirements throughout the Affordability Period, Borrower shall be required to repay the then-outstanding balance of the Loan.

Compliance
Monitoring:

During the Affordability Period, Borrower and Borrower's members shall be required to submit documents and records reasonably necessary to confirm Borrower and the Project's compliance with the Loan requirements, as well as any other items which may be reasonably required or requested by the City or its counsel.

Other Conditions: This Loan may be subject to additional conditions set forth in the Loan's documents.

Expiration: This commitment expires on December 30, 2026.

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

Sincerely,

Dr. Douglas J. Hewett, ICMA-CM
City Manager
City of Fayetteville, NC

[Additional Signature Page Follows]



Accepted and Agreed to by:

Kingdom Community Development Corporation,
A North Carolina nonprofit company

By: _____

Name: _____

Title: _____