



City Of Raleigh
NORTH CAROLINA

May 4, 2018

Gregory F. Warren, President
DHIC, Inc.
113 S. Wilmington Street
Raleigh, NC 27601

Re: \$600,000.00 Loan to Lennox Chase Development, LLC by the City of Raleigh,
North Carolina ("Lender")

You have informed us that Lennox Chase Development, LLC, a North Carolina limited liability company ("Borrower"), owns and operates an affordable apartment complex on Lake Wheeler Road in the City of Raleigh, Wake County, North Carolina (the "Apartments"). The development of the Apartments was financed through, among other sources, (i) the Loan (as defined below) provided by Lender, (ii) a loan provided by Wake County, and (iii) capital provided by Banc of America Housing Fund IIIH Limited Partnership, a Georgia limited partnership (the "Investor Member"), pursuant to the Federal Low-Income Housing Tax Credit program, as more specifically defined in Section 42 of the Internal Revenue Code of 1986, as amended to date.

As part of a plan to facilitate the long-term affordability of the Apartments, the Investor Member wishes to transfer 100% of its membership interests in the Borrower (the "Investor Member Transfer") to Community Revitalization and Preservation Corporation ("CRPC"). CRPC is a North Carolina nonprofit corporation, exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended to date, and is an affiliate of DHIC, Inc. ("DHIC"). The Borrower's special member, Community Management Corporation, a North Carolina corporation (the "Special Member"), will simultaneously transfer 100% of its membership interests in the Borrower to CRPC (the "Special Member Transfer" and together with the Investor Member Transfer, the "Member Transfers").

Following the completion of the Member Transfers, the current managing member of the Borrower, Lennox Chase, Inc., a North Carolina corporation ("Managing Member"), will transfer all of its membership interests in the Borrower to CRPC (collectively, the transfers of interests in Borrower to CRPC described in this letter are referred to herein as the

"Transfers of Interest"). Ultimately, CRPC will be the sole member and manager of the Company.

Lender has an outstanding loan to the Borrower (the "Loan"). The Loan is evidenced by that certain Promissory Note, in the original principal amount of \$600,000.00 (the "Promissory Note"), dated as of December 9, 2003, as amended or modified to date. The Loan is secured by a Deed of Trust recorded in the Wake County Registry of Deeds (the "Deed of Trust" and together with the Promissory Note, the "Loan Documents").

The Loan Documents provide that the transfer of any beneficial interest in Borrower constitutes an event of default under the Loan Documents unless consented to in writing by Lender. The Transfers of Interest constitute events of the type contemplated under the Loan Documents. Thus, you have requested that the Lender consent to the Transfers of Interest.

The Lender hereby consents to the Transfers of Interest and agrees that they do not constitute an event of default under any previous agreements between the Borrower and the Lender. The Lender acknowledges that upon completion of the Transfers of Interest, CRPC will be the sole member and manager of the Company. Further, the Lender agrees that, as of the date hereof, there are no events of default under the Loan Documents, and Borrower's debt to the Lender is current.

Except as consented to herein, the Loan Documents remain in full force and effect.

Sincerely,

THE CITY OF RALEIGH, a political
subdivision of the State of North Carolina

By:

Name: LARRY M. JARVIS

Title: Director - Housing &
Neighborhoods