



BONNEVILLE MULTIFAMILY CAPITAL IS A DIVISION OF BONNEVILLE MORTGAGE COMPANY

May 21, 2025

Mr. George Baker
SCP, CAHEC Properties Corporation
7700 Trenhold Road, Ext.
Columbia, SC 29223

**RE: Chester Townhouses II
Chester, SC**

Dear George,

Bonneville Mortgage Company (Lender), or its assigns, hereby advises that it is prepared to provide a USDA 538 permanent loan for the above-referenced project to New Chester Townhouses II of SC, LLC (Borrower). The terms and conditions of this Loan Commitment are as follows:

Borrower:	New Chester Townhouses II of SC, LLC.
Recourse:	Non-recourse during permanent phase; except guarantor signs industry standard carve-outs
Loan Amount:	\$1,589,000
Note Rate:	Negotiated rate based on market. Current underwriting rate: 7.00%
Annual Guarantee Fee:	0.25% Treated as an expense. Set aside monthly on a pro rata basis. Paid each January 1 on the outstanding principal and interest balance of the guaranteed portion of the loan
Rate Lock Deposit:	0.5% of loan amount. Refunded at loan securitization, typically 2 – 3 weeks after closing
Payment Terms:	Permanent loan principal and interest monthly based on an annually declining balance payment schedule with an amortization term that is 40 years and a term of 40 years
Security:	First mortgage lien on the property and all improvements
Assumability:	Loan is fully assumable subject to approval by Lender and USDA





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Financing Fees:	See attached exhibit
Subordinate Financing:	Allowed subject to approval by Lender and USDA
Loan-to-Value:	90% maximum
Loan-to-Cost:	70% maximum
Debt Service Coverage:	1.15 minimum
Prepayment:	To be determined at time of rate lock. Such prepayment restriction typically does not exceed ten years and may consist of a prepayment prohibition and one or more prepayment penalties, as required by the Ginnie Mae secondary market investor purchasing a participation in the loan

This loan commitment is explicitly conditioned by the following:

- An appraisal that supports the pro forma value of the property upon completion and stabilization
- An investor to purchase an acceptable "Participation" in the loan and a Lender Funding Agreement executed by borrower
- Issuance of a Loan Note Guarantee by USDA
- Approval of finals plans and specifications

Attached hereto is an exhibit listing the fees and escrows associated with the USDA program. This commitment will expire 180 days from the date of the letter if not closed or extended by mutual consent. We wish to thank you for the opportunity to provide financing for this project and we look forward to the closing of this transaction.

Sincerely,

A handwritten signature in blue ink, appearing to read 'B. Scott', is written over a light blue circular background.

Bryan M. Scott
Senior Vice President, Multifamily Division
Bonneville Mortgage Company





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FEES & ESCROWS

USDA Guarantee Fee:	1% of 60% of the loan amount paid at closing
Lender's Fee	\$15,000 or 1% of loan amount, whichever is greater, paid at closing
Annual Guarantee Fee:	0.25% of Outstanding Principal Balance Treated as an expense. Set aside monthly on a pro rata basis. Paid each January 1 on the outstanding principal and interest balance of the guaranteed portion of the loan.
Application Fee:	\$2,500
Lender Legal Fee Estimate:	\$18,000 - \$20,000
Other Fees:	Borrower to pay all costs and expenses for closing the 538 loan including, without limitation, appraisal, market study, environmental assessment, survey, title insurance premiums, engineering, recording fees and charges
Operating Deficit Reserve:	2.0% of Loan Amount
Replacement Reserve:	This is the standard replacement reserve. The USDA wants \$1,000 per/unit to have accumulated by the end of the third year. If the annual reserve per unit is \$250, then \$750 would accumulate over the three-year period and an additional \$250 per unit would have to be funded into a replacement reserve escrow when the permanent loan is closed.
Taxes & Insurance Fee:	1/12 of the estimated Taxes and Insurance are deposited monthly with Lender.









Chester Townhomes BCL 5.21.25

Final Audit Report

2025-05-21

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