

May 21, 2025

New Chester Townhouses II of SC, LLC
7700 Trenholm Road Extension
Columbia, South Carolina 29223

Dear Ms. Wolford:

This term sheet is a basic outline of the terms and conditions currently being contemplated by CAHEC Properties Corporation (the “Lender”) for a bridge loan for the proposed Chester Townhouses II in Chester, SC (“Project”). The terms and conditions are subject to change in whole or in part once our due diligence, credit analysis, and underwriting are complete.

Borrower:	New Chester Townhouses II of SC, LLC
Loan Amount:	Up to \$2,900,000
Interest Rate:	30-day Average Secured Overnight Financing Rate (“SOFR”) + 1.0. The interest rate will be determined no earlier than 30 days prior to closing and will remain fixed over the term of the loan. All interest will accrue, will not be compounded, and will become due and payable at the Maturity Date. Interest will be calculated monthly on a 360/30-day year and advances under the loan will begin interest accrual based on the date funds are transferred from Lender.
Term:	<p>The Loan shall be due and payable in full on the earlier of: (i) twelve (12) months from the closing date or (ii) the date of the Borrower’s receipt of the third equity installment from the Tax Credit Investor (the “Maturity Date”). One final payment of all remaining principal and accrued interest shall be due in full on the Maturity Date.</p> <p>In addition, if the loan is not in default, upon compliance with the terms and conditions in the loan documents and payment of the Modification Fee, Borrower shall have one option to extend the loan for three (3) months beyond the initial twelve-month (12) term.</p> <p>May be prepaid at any time without any fees or penalties.</p>
Payment:	The full principal and interest accrual shall be due and payable at the Maturity Date.
Origination Fee:	1.00%
Application Fee:	\$1,500
Other Fees:	Borrower pays for legal fees, recording fees, and other closing costs. Modification Fee: \$5,000

- Security:
1. Security interest in and pledge of the membership interests of each of the members of the Borrower;
 2. Security interest in the tax credits and project-related documents; and
 3. Collateral assignment of all agreements, contracts, and permits with respect to the ownership, construction, operation, use and maintenance of the Project, including a collateral assignment of all construction documents pertaining to the design and construction of the Project.
- Guarantees: Unconditional and unlimited guarantees of Borrower and CAHEC Development, LLC.
- Eligible Uses: Proceeds of the Loan shall be used by Borrower (i) to provide construction gap financing for the acquisition and rehabilitation of a 52-unit low-income apartment complex (the “**Project**”) on certain property located in Chester, South Carolina (together with the improvements, the “**Real Property**”), (ii) to pay interest, fees, and costs associated with the loan.
- Other Conditions: The loan may be funded in whole or in part from sources that require reporting or other requirements to be described in the loan documents.
- Lender may, as a condition to closing the Loan or at any time after closing, sell or offer to sell the Loan or interests therein to one or more assignees or participants.

Closing of the transaction contemplated by this term sheet would be conditioned upon the satisfactory completion of due diligence investigation and legal review and approval of: (a) all transaction documents, including a valid tax credit allocation, finance, and real estate documents; (b) all organizational documents; (c) financial statements of all parties receiving financing or providing guarantees; (d) final financial projections and sources and uses statements; (e) legal opinions; (f) other reasonably requested documents or information including insurance; and (g) due authorization by each party’s governing body, credit committee, advisory board, or other approval body. Closing would also be conditioned upon other standard conditions.

We look forward to working with you in your mission to preserve affordable housing.

Sincerely,



George T. Baker
Senior Vice President, CAHEC Properties Corporation