



May 19, 2025

Daniel DiFrancesco - VP of Development
2501 Parmenter St., Ste. 300B
Middleton, WI 53562
d.difrancesco@commonwealth.net

Dear Daniel,

This proposal will serve to confirm Legacy Bank & Trust Company's ("Bank") interest in providing construction and permanent financing for the 60 units in Rock Hill, SC named The Ridge at Rock Hill ("Project"). The Project will utilize the Low-Income Housing Tax Credit program and require a construction loan of \$17,050,690 and a permanent mortgage of \$2,880,000. The terms presented below are for discussion purposes and, while not binding, are indicative of a loan structure we would propose and are based on the information provided by you and our underwriting assumptions. Loan approval is subject to final underwriting, change in market conditions, and due diligence review performed by the Bank.

Terms:

Borrowers:	The Ridge at Rock Hill, TBD
Credit Facility:	Loan A. Construction Loan of \$17,050,690 (Seventeen Million Fifty Thousand Six Hundred Ninety Dollars). Loan B. Permanent Mortgage of \$2,880,000 (Two Million Eight Hundred Eighty Thousand Dollars).
Use of Proceeds:	Loan proceeds will be used exclusively for the construction of the Project.
Anticipated Closing Date:	Loan A. On or before 5/1/2026. Loan B. On or before 5/1/2026, with funding to occur at Conversion.
Term:	Loan A. 24 months with available 6-month extension, interest due monthly. Loan B. Construction Period plus 15 years following conversion, principal and interest due monthly based on a 35-year amortization.
Interest Rate:	Loan A. Prime Rate fixed at closing (currently 7.50%). Loan B. 10 Year UST plus 300 basis points fixed at closing (currently 7.50%).
Collateral:	Loan A. Assignment of capital contributions, project documents, general partner/managing member interests, developer fee and other tax credit related collateral as needed to be properly secured as well as a 1st Mortgage and Assignment of Rents on the Project. Loan B. 1st Mortgage, Assignment of Rents, and Assignment of Deferred Developer Fee on the Project.
Origination Fee:	Loan A. 1.0% payable at closing. An additional 0.5% would be required if the available extension option is used. Loan B. 1.0% payable at closing.
Guarantor(s):	Loan A. Commonwealth Development Corp of America will provide unlimited guarantees of payment, completion, environmental and other indemnities until conversion. Loan B. non-recourse subject to certain non-recourse carveouts
Expenses:	Borrower will pay all expenses associated with the Loans including, but not limited to; attorney's fees, lender's title insurance policy, appraisal, environmental report and survey. In addition to a monthly draw inspection fee to be determined following bids, there is a one-time \$2,250 set-up fee for our draw monitoring system Built Pro.
Other Terms:	The permanent mortgage proposal is dependent on Legacy providing the proposed construction loan.



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Prepayment Penalty: A prepayment penalty equal to the greater of yield maintenance or 4% of the outstanding principal balance (committed balance during Construction Period) will be owed if the permanent mortgage is paid in full within the first ten years following funding.

Deposit Accounts: Project operating and reserve accounts including Replacement Reserve, Operating Reserve, Debt Service Reserve, Lease Up Reserve, and Tax and Insurance Reserve to be maintained at Legacy Bank.

Key Conditions Precedent to Lending:

- 1) Award of Low-Income Housing Tax Credits.
- 2) Approval of self-contained appraisal report stating Market Value of the project. Loan A will be subject to a maximum 80% loan-to-value based on the appraised as-complete, stabilized-restricted value plus the value attributed to the tax credits. Loan B will be subject to a maximum 85% loan-to-value based on the appraised as-complete, stabilized-restricted value.
- 3) Approval of Phase I environmental report.
- 4) Approval of final plans and specifications
- 5) Satisfactory results of all legal due diligence, including lien, judgment and tax search, and other matters the Bank may request.
- 6) The Bank shall receive a valid and perfected priority lien and security interest in the Collateral and the Bank shall have received satisfactory evidence that there are no liens on the Collateral except as expressly permitted herein.
- 7) Loan B to demonstrate a year-one proforma DSCR of at least 1.15x.

Borrower agrees to indemnify and to hold harmless the Bank, and its officers, directors, and employees against all claims, expenses, damages, liabilities, and expenses which may be incurred by or asserted against any such person in connection with or arising out of this letter and the transactions contemplated hereby, other than claims, damages, liability, and expenses resulting from such person's gross negligence or willful misconduct.

This Letter of Interest is intended to be a non-binding summary of the most important elements of the terms to be ultimately memorialized into a loan transaction with Borrower, and it is subject to all requirements and conditions contained herein and in loan documentation proposed by the Bank in the course of closing the credit facility. Not every provision that imposes duties, obligations, burdens, or limitations on Borrower is contained herein, but shall be contained in the final Loan documentation satisfactory to the Bank. Final loan terms will be subject to underwriting and committee approval.

This proposal supersedes all prior agreements and commitments, conversations and understandings relating to the subject matter hereof. Oral agreements or commitments to loan money, extend credit, or forbear from enforcing repayment of a debt, are not enforceable. The proposal contained herein is the complete and exclusive agreement between the borrower and the Bank. Any change in terms or conditions subsequent to this proposal must be in writing, signed by an officer of the Bank and acknowledged in writing by the borrower. Legacy Bank and Trust reserves the right to withdraw this availability if any of the terms and conditions stated herein is not fulfilled. Any loan originated by Legacy Bank would also be subject to the terms and conditions of Legacy Banks underwriting, review, due diligence, and approval of transaction by Legacy Bank and its management.

Legacy Bank and Trust is a full-service community bank that is also a Community Development Financial Institution (CDFI) which is a U.S. Treasury Department designation for community oriented financial institutions. Any further action from the Bank will require the award of the applied for project and tax credits by the necessary government agencies, as well as adherence to normal underwriting and due diligence procedures as determined by Legacy Bank and Trust. This letter and the proposed credit facility shall be governed by and constructed in accordance with Missouri law without regard to its conflict of law provisions.

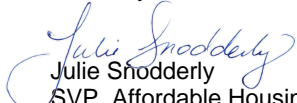
THIS PROPOSAL IS FOR DISCUSSION PURPOSES ONLY AND IS NOT INTENDED TO AND DOES NOT IMPLY OR CONSTITUTE IN ANY WAY A COMMITMENT, OFFER, AGREEMENT, AGREEMENT IN PRINCIPLE, AGREEMENT TO AGREE OR CONTRACT BY THE BANK TO LEND, UNDERWRITE OR OTHERWISE CONSUMMATE ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, BUT RATHER THE TERMS UPON WHICH THE BANK IS WILLING TO PROCEED WITH FURTHER REVIEW OF THE TRANSACTIONS CONTEMPLATED HEREBY, WHICH SUCH REVIEW MAY BE TERMINATED BY THE BANK IN ITS SOLE AND ABSOLUTE DISCRETION AT ANY TIME AND FOR ANY OR NO REASON WHATSOEVER. THE MATERIAL TERMS UNDER WHICH LEGACY IS WILLING TO PROCEED WITH FURTHER REVIEW MAY CHANGE AT ANY TIME. THIS PROPOSAL IS NOT INTENDED TO AND DOES NOT CREATE ANY BINDING LEGAL OBLIGATION OR IMPLIED DUTY (OF GOOD FAITH OR OTHERWISE) ON THE BANK.



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This proposal shall expire November 19, 2025, unless extended by the Bank in writing. If you should have any questions, please do not hesitate to contact me at (417) 823-9600.

Sincerely,


Julie Snodderly
SVP, Affordable Housing

Accepted by:


Name

Kristi Morgan, Principal

5/22/25

Date