

May 19, 2025

Mr. Michael McGovern
Brinshore Development, LLC
1603 Orrington Ave, Suite 450
Evanston, IL 60201

Re: Fernwood at Five Points,
Columbia, SC
58 Units

Dear Mr. McGovern:

The Richman Group Affordable Housing Corporation ("TRG") is the sponsor of investment partnerships which provide equity capital for multi-family apartment complexes that are eligible for low-income housing tax credits ("Low-Income Housing Tax Credits") pursuant to Section 42 of the Internal Revenue Code of 1986 (the "Tax Code") by investing in limited partnerships and/or limited liability companies that own such apartment complexes.

You have advised us that Brinshore Development LLC and Fernwood MM, LLC a wholly owned affiliate of the South Carolina Affordable Housing Initiative, Inc. has formed SCAHI Fernwood, LLC (the "Company") a South Carolina Limited Liability Company which intends to construct a multi-family apartment complex for seniors known as Fernwood at Five Points in Columbia, SC (the "Apartment Complex"). It is understood that the affiliate of SCHA will make (or has made) the tax elections necessary (168h) for the Company to utilize accelerated depreciation wherever qualified to do so. Furthermore, it is understood that Brinshore Development, LLC will serve as the developer of the Apartment Complex responsible for all matters through conversion to the permanent financing and receipt of the 8609s after which Fernwood MM, LLC will be responsible for all matters through the end of the initial Low-Income Housing Tax Credit compliance period.

TRG is pleased to provide you with this letter of intent for the acquisition by an affiliated investor member which will be sponsored by TRG ("Investor"), of a 99.99% membership interest in the Company, subject to the terms and conditions hereof. Upon the execution of this letter and receipt of a valid allocation of Low-Income Housing Tax Credits, TRG will commence its due diligence review. Only upon (i) the receipt of final investment committee approval, (ii) negotiation and execution of documentation acceptable to both parties and (iii) receipt of opinions of counsel (including corporate, tax and real estate) acceptable to the Investor, will the parties execute an amended and restated operating agreement of the Company in the Investor's standard form (the "Operating Agreement"), admitting the Investor to the Company. Subject to standard due diligence and the review of current financial statements, Brinshore Development, LLC (the "Guarantor") will guarantee the Managing Member's obligations to the Investor through conversion to the permanent financing and receipt of the 8609s while an affiliate of the Managing Member will serve as the guarantor for the balance of the initial 15 year Low-Income Housing Tax Credit compliance period. The Guarantors will be required to maintain liquidity of \$3 million and net worth of \$15 million. The managing agent will be qualified 3rd party firm with experience in Low-Income Housing Tax Credit rental housing management acceptable to the Investor.

1. Financing: Financing of the Apartment Complex will be subject to Investor approval. You have informed us, or we have assumed that the Apartment Complex will set aside all units to low income households and the Complex will receive:

- a) a tax-exempt construction loan from lender acceptable to the Investor in the amount of \$20,100,000 ("Construction Loan") with an underwritten interest rate of 7.15% for a term of at least 30 months which will be fully retired upon stabilization;

- b) a commitment for a first mortgage loan from a to be determined institutional lender acceptable to the investor which is funded upon stabilization and retirement of the Construction Loan in the amount of \$5,980,000 with an interest rate currently underwritten at 7.50% per annum for a term of 17 years and payments based on a 35-year amortization schedule (with sizing based on a 1.15 DCR with 5% vacancy);
- c) a subordinate Seller Loan in the amount of \$4,300,000 for a term of 45 years underwritten with interest at AFR (4.53%) compounding per annum and payable only from annual surplus cash flow with all principal due at loan maturity;
- d) permanent sources will also include approximately \$389,580 of unpaid construction period interest accrued on the Seller Loan;
- e) a project based section 8 subsidy contract (or equivalent federal contract) for all 58 units for a term of not less than 15 years;
- f) a tax abatement reducing the property taxes to zero for a term of at least 15 years.

To the extent that a change in the financing structure changes the amount of Low-Income Housing Tax Credits or tax losses, then capital contributions will be adjusted accordingly. The Managing Member must deliver any required approval of the admission of the Investor to the Company prior to such admission (the "Closing"). The preparation, filing and processing of such application and all costs and expenses thereof, shall be the sole responsibility of the Managing Member and/or the Company. All loan documents shall provide that notices of default and foreclosure shall be sent to the Managing Member, as well as to the Investor.

2. Capital Contributions of the Investor: The "Capital Contribution" as set forth below reflects current market conditions. The Capital Contributions may be adjusted to reflect the market conditions at the time of closing. Subject to the terms and conditions set forth herein and in the Operating Agreement, the Investor will make capital contributions to the Company in the total amount of \$17,873,213 (the "Capital Contribution") which equates to a price per credit of \$0.85 for the Federal LIHTC and \$0.60 for State LIHTC. The pricing is based on the investor acquiring 99.99% of the LIHTCs and applicable tax losses over the initial 15-year LIHTC compliance period.

Installment No. 1 (anticipated to occur in March 2026):

(15%) Federal LIHTC: \$2,231,027

(15%) State LIHTC: \$449,955

Total Contribution: \$2,680,982

Either (a) paid at Closing or (b) paid in monthly installments on a draw basis as needed for development costs incurred.

Installment No. 2, No Earlier Than March 1, 2028:

(30%) Federal LIHTC: \$4,462,053

(30%) State LIHTC: \$899,910

Total Contribution: \$5,361,963

Paid upon the latest of the following:

- (i) 100% completion of construction of the Apartment Complex in accordance with the plans and specs and receipt of certificates of occupancy for all units (with certification of completion by architect acceptable to the Investor);
- (ii) An updated sources and uses schedule and evidence the 50% tax exempt bond financing test has been achieved and full advancement of the underwritten Managing Member capital contribution;
- (iii) Receipt of a payoff letter from the contractor for the Apartment Complex (the "Contractor") which states that upon receipt of Installment No. 2 the construction contract will be paid in full by the Installment No. 2 or the Contractor will defer any amounts owed to it until receipt of Installment No. 3;

- (iv) Receipt of all environmental remediation documentation as required by local, state and federal requirements (if any);
- (v) Receipt of an estoppel letter from each lender to the Company and a clean title search with title insurance date down or equivalent; and
- (vi) Receipt of certificates of insurance complying with the requirements described herein.

Installment No. 3, No Earlier Than November 1, 2028:

(53%) Federal LIHTC: \$7,882,962

(53%) State LIHTC: \$1,589,842

Total Contribution: \$9,472,804

- (i) Paid upon the achievement of 95% occupancy by tenants who qualify under Section 42 and who are paying rents (net of any concessions) at amounts which are at least equal to those set forth in the closing projections;
- (ii) Achievement of "Breakeven Operations" (as defined below) and all conditions to the full funding of all project loans so that full repayment of the Construction Loan can occur and achievement of Final Closing;
- (iii) Receipt of final an updated sources and uses and the Low-Income Housing Tax Credit Certification;
- (iv) Satisfactory review and acceptance of the initial income certifications for 100% of the LIHTC units, however if less than 100%, but greater than 95% of the initial income certifications are accepted by the Investor, then a portion of Installment No. 3 attributable to the remaining unaccepted/pending initial income certifications shall be withheld and released upon receipt at a later date;
- (v) Receipt of an estoppel letter from each lender to the Company and a clean title search with title insurance date down or equivalent;
- (vi) Funding of the Operating Reserves as defined in Section 7E (can be funded using the proceeds of Installment No. 3); and
- (vii) Receipt of certificates of insurance complying with the requirements described herein.

Installment No. 4, No Earlier Than February 1, 2029:

(2%) Federal LIHTC: \$297,470

(2%) State LIHTC: \$58,994

Total Contribution: \$357,464

- (i) Receipt of Federal 8609s and South Carolina 8609 equivalent form;
- (ii) Recordation of the long term use restriction; and
- (iii) Receipt and satisfactory review by the Investor of any remaining initial tenant certifications not previously received under clause (iv) of Installment No. 3.

Total Equity to Company:

Federal LIHTC: \$14,873,512

State LIHTC: \$2,999,701

Total Contribution: \$17,873,213

To the extent that a change in the financing structure changes the amount of Low-Income Housing Tax Credits or tax losses, then capital contributions will be adjusted accordingly. The Managing Member must deliver any required approval of the admission of the Investor to the Company prior to such admission (the "Closing"). The preparation, filing and processing of such application and all costs and expenses thereof, shall be the sole responsibility of the Managing Member and/or the Company. All loan documents shall provide that notices of default and foreclosure shall be sent to the Managing Member, as well as to the Investor.

Installment No. 3 will only be released upon the achievement of Breakeven Operations. "Breakeven Operations" is generally defined as the earlier of the following: (i) the date upon which income from the normal operation of the Apartment Complex, received on a cash basis, for each of three (3) consecutive calendar months after permanent mortgage loan closing less all mandatory debt service payments for each month, exceeds all accrued operational costs for each month or, if the above is not verifiable for such three (3) month period, (ii) the date upon which income from the normal operation of the Apartment Complex (as reported under GAAP) equals or exceeds all operational costs (as reported under GAAP), as evidenced by an audited financial statement for a 12 month period prepared by the accountants of the Company. In addition, Breakeven Operations shall not have occurred unless, at the end of such three (3) month period, the Company shall have (i) sufficiently funded segregated reserves to pay one (1) year's property insurance premiums (minus any prepaid premiums on the existing insurance policy) and the next full installment of real estate taxes payable (minus any prepaid taxes with respect to such installment) and (ii) liquid assets not committed to the payment of any other expense or reserve fund in an amount sufficient to pay (a) one (1) month's mandatory debt service payment plus (b) any other accrued unpaid expenses.

3. Adjuster Clause: The Capital Contribution amount stated above is based upon your projection of an annual amount of federal Low-Income Housing Tax Credits of **\$1,750,000** ("LIHTC") and an annual amount of state Low-Income Housing Tax Credits of **\$500,000** ("State LIHTC") which in turn is based upon certain of the assumptions and projections stated herein (it is understood that the State LIHTC is recognized over a 10 year period on an annual schedule which mirrors the LIHTC). The actual amount of federal and state Low-Income Housing Tax Credits may in fact change after the determination of eligible and qualified basis. Accordingly, the Capital Contribution may be adjusted when (i) final projections of the amount of federal and state Low-Income Housing Tax Credits are completed and/or (ii) upon or after actual completion of the Apartment Complex. Such determination will be made by no later than 4th Capital Contribution. To the extent such final projected amount of Low-Income Housing Tax Credits varies from the LIHTC, the Capital Contribution will be adjusted as set forth in the following paragraph and as will be more particularly set forth in the Operating Agreement. It is anticipated that the Investor will have the capacity to buy 100% of the tax credits which are available to the project.

If the final amount of Low-Income Housing Tax Credits ("Final LIHTC") and/or the final amount of state Low-Income Housing Tax Credit ("Final State LIHTC") is greater or less than the LIHTC and/or State LIHTC then the Capital Contributions shall be adjusted so that the ratio of the capital contribution attributable to the Low-Income Housing Tax Credits divided by the Final LIHTC allocable to Investor is equal to **85.0%** ("Federal LIHTC Ratio") and the final ratio of capital contribution attributable to the state Low-Income Housing Tax Credits divided by the Final State LIHTC allocable to the Investor is equal to **60.0%** ("State LIHTC Ratio"). Any upward adjuster will be capped at 5% of the aggregate amount of the initial Capital Contributions (the "Adjuster Cap"). However, in the case of an increase; such increase in capital contribution will take place only if the Investor has funds available, which are not committed otherwise. If the Investor does not have funds available to pay for the higher Low-Income Housing Tax Credits, then the Investor's interest in the Company will be adjusted downward accordingly, but in no event below a 90% interest. TRG may in its discretion endeavor to cause an affiliated investment partnership to purchase an interest in the Company but shall have no liability if it is unable to do so.

4. Timing Differences: In the event that the actual Final Federal Reported Credit for 2027 is less than or greater than 62.93% of the Federal LIHTC or State LIHTC, or for 2028 is less than 100.00% of the Federal LIHTC

or State LIHTC (or LIHTC as adjusted pursuant to paragraph 2 above) then the Capital Contribution of the Investor to the Company shall be either increased or decreased (a "Timing Change"), by an amount sufficient to maintain an Internal Rate of Return to the Investor using a methodology determined by the Investor and accepted by the Managing Member prior to closing (assuming for this purpose that (i) the amount and timing of projected losses and Managing Member deductions and (ii) the timing of the Capital Contributions will be fixed at the amounts shown in the projections attached to the Operating Agreement) except for the years for which the tax loss information is available, then the lesser of the underwritten or actual tax losses shall be used. In the event that the Timing Change exceeds the then unpaid Capital Contribution of the Investor, the Managing Member shall pay to the Investor, immediately upon demand, the amount by which the Timing Change exceeds such then unpaid Capital Contributions. The combined sum of any upward equity adjustment under Sections 3 and 4 shall be capped at 5% of the original underwritten Capital Contribution.

5. Cash Flow Distributions: Cash flow of the Company after expenses and debt service will be distributed, to the extent available, according to the following priority:

- First: to pay any credit adjuster due to the Investor;
- Second: a priority distribution to the Investor in the amount of \$5,000 annually;
- Third: to replenish the Operating Reserves to the original amounts as set forth in Section 7E below;
- Fourth: to pay any operating deficit loans or other partner deficit loans;
- Fifth: to pay deferred development fee to the developer;
- Sixth: to repay the subordinated Seller Note in accordance with the terms;
- Seventh: to pay 89.99% of the remaining cash flow as an incentive management fee to the Managing Member;
- Eighth: remaining amount distributed 99.99% to the Investor member and .01% to the managing member.

6. Right of First Refusal/ Purchase Option: Commencing at the end of the 15-year compliance period and for a 2-year period, the Company will provide a qualified non-profit, designated by the Managing Member, a right of first refusal to purchase the Apartment Complex. The purchase price shall be the minimum purchase price as set forth in Section 42(i) (7)(B) of the Internal Revenue Code. In addition, during the 3-year period commencing at the end of the 15-year compliance period, the Managing Member or its designee shall have an option to purchase the Apartment Complex at the fair market value assuming the debt and taking into account the affordability restrictions on the Apartment Complex. Unpaid credit adjusters and recapture or priority distributions to the Investor will be included in the purchase price.

7. Sale or Refinance: Upon the sale of the Apartment Complex or a refinancing of the permanent mortgage loan, proceeds will generally be allocated in accordance with the following priority:

- First: Expenses of the sale and refinancing and satisfaction of underlying financing plus any other third-party obligations and debts;
- Second: Return of the outstanding balance of any operating deficit loans previously made by the Managing Member (See Guarantees); and
- Third: Balance of proceeds split 10% to the Investor, 90% to the Managing Member.

Notwithstanding the foregoing provisions of this Section 6, at the time of distribution of proceeds under this section, the amount distributed shall be adjusted such that the total amount of Net Cash Flow and proceeds from sale and liquidation distributed to the Investment Partner over the life of the Partnership equals 10% of all amounts distributed cumulatively under Section 5 and this Section 6.

8. Guarantees: The Guarantor shall guarantee the obligations of the Managing Member under the Operating Agreement including, without limitation, the following:

(A) Against recapture of the Low-Income Housing Tax Credits for 15 years except for recapture caused by (i) subsequent changes in the Tax Code or (ii) transfers of the Investor's interest in the Company.

(B) The payment in full of all costs and expenses of the construction of the Apartment Complex in excess of the proceeds of all the construction period sources of funds and any operating deficits prior to the achievement of Breakeven Operations.

(C) To fund operating deficits for a three (5) year period (the "Operating Deficit Period") from the later of Breakeven Operations or funding of the permanent mortgage loan up to a maximum amount of \$410,131 which is sized to six months of operating expenses, replacement reserve and debt service (the "Operating Deficit Guaranty"). The funding of said operating deficits shall be treated as noninterest bearing loans to the Local Partnership repayable from Cash Flow as provided in paragraph five (5) above. The Operating Deficit Period shall be deemed extended until (x) the Managing Member has provided the Investor with evidence that the Partnership has sufficient cash reserves to pay any accrued expenses as of the expiration of the Operating Deficit Period, (y) the Apartment Complex has achieved the "DSC Requirement" as hereinafter defined and, (z) the Operating Reserve has been replenished to the original amount. The "DSC Requirement" means that the Apartment Complex has demonstrated a debt service coverage ratio of 1.15:1 for years four and five of the Operating Deficit Period. If the Apartment Complex has not demonstrated a 1.15:1 debt service coverage for such years, the Operating Deficit Period will be extended until the Apartment Complex demonstrated a 1.15:1 debt service coverage for two consecutive years. For purposes of the Operating Deficit Guaranty, the term "Operating Deficits" shall include amounts withdrawn from the reserve for replacements during such five (5) year period. Further, during the Operating Deficit Period, operating deficits may be first funded from the funded operating reserve subject to the limitation described in Section 7E. A further assurance will be an agreement by the managing agent for the Apartment Complex, typically the Managing Member or an affiliate, (the "Managing Agent") to (i) defer and accrue its management fee, if necessary, to prevent a default under the permanent mortgage loan and (ii) to defer its fee to the extent necessary to avoid an Operating Deficit. If the Managing Agent elects not to defer its fee pursuant to subparagraph (ii) above, it must send a notice to the Managing Member and the Investor offering to resign. If no such notice is sent, the Managing Agent will be deemed to have ratified its agreement to defer its fee. If a notice is sent refusing to defer its fee, such refusal shall be grounds for removal of the Managing Agent.

(D) Repurchase of the Investor's interest in the Partnership by payment to the Investor of the full amount of the gross Capital Contribution paid to such date, if the Managing Member fails to (i) place the Apartment Complex in service by December 1, 2027, (ii) complete Final Closing by June 1, 2028, (iii) failure to meet the qualified occupancy requirements or minimum set aside requirements or rent restriction test or to record the extended use agreement within 12 months of placing in service, (iv) an event of default occurs with any lender to the Apartment Complex prior to Final Closing, (v) achieve Breakeven Operations within 8 months of Substantial Completion (to be defined in the Partnership Agreement) of the Apartment Complex, (vi) construction activity ceases for a period of 45 consecutive days, (vii) to satisfy the 50% tax-exempt bond financing test or, (viii) maintain the Section 8 contract for the Apartment Complex.

(E) The Company shall fund an operating reserve in the amount of \$410,131 (the "Operating Reserve") prior to or out of Installment No. 3. The Operating Reserve has been sized as 6 months of underwritten Operating Expenses, Debt Service and Reserves. The Operating Reserve shall be jointly controlled by the Managing Member and the Investor and shall only be used to fund operating deficits at all times during the initial 15-year tax credit compliance period. Withdrawals from the Operating Reserve to fund operating deficits shall be limited to \$27,342 (1/15th the initial balance) per annum during the Operating Deficit Guaranty period with catch up withdrawals permitted on a cumulative basis. Furthermore, withdrawals during the Operating Deficit Guaranty period shall not reduce the Managing Member's obligations under 7C. Upon the earlier of the end of the initial 15-year compliance period or the disposition of the property, any remaining funds in the Operating Reserve shall be released pursuant to Section 5

9. Representations and Warranties: The Managing Member shall provide the representations and warranties to the Investor more particularly set forth in the Operating Agreement and currently has no basis to

believe that such representations and warranties cannot be given at Closing. The Managing Member shall be obligated to recertify to the continued truth and accuracy of such representations and warranties at the time of each installment of capital contributions.

10. Duties and Obligations: The Managing Member shall be obligated to assume the duties and obligations as are set forth in the Operating Agreement.

11. Legal Opinions: The Managing Member shall cause the attorneys for the Company to provide the legal opinions more particularly set forth in the Operating Agreement.

12. Sale or Conversion: Beginning 15 years from the date of the closing of the permanent mortgage loan, if the Investor requests the Managing Member to sell the Apartment Complex, the Managing Member will consent, provided such sale meets the approval of the lender and applicable tax credit agency. In the event the Managing Member does not consent to a sale at that time, the Managing Member will be granted an option to purchase the Apartment Complex at fair market value (as restricted by the uses mandated by the lender and the Tax Credit Agency). In the event that the Managing Member chooses not to exercise this purchase option, the Investor shall reserve the right to: (i) sell its interest in the Company to the Managing Member for \$1 or (ii) transfer its membership interest in the Company to an affiliated entity.

13. Accountants and Financial Reporting: The "Accountants" for the Company shall be Dauby, O'Connor and Zaleski or such other firm acceptable to the Investor. Financial information will be required to be submitted to the Investor by the 30th day after the end of each quarter, for the first three calendar quarters of each year. Such financial information may be unaudited and may be prepared by the Managing Agent. Annual audited financial statements and tax information will be required to be submitted to the Investor by the Managing Member by February 15 of each year.

14. Removal Rights: The Investor shall have the right to remove the Managing Member for cause as will be set forth in the Operating Agreement. No removal right without cause shall exist.

15. Indemnity: In the Operating Agreement the Managing Member shall indemnify Investor and its officers, directors and affiliates for any untrue statement of a material fact or omission to state a material fact necessary to make any such statements, in light of the circumstances under which they were made, not misleading, by the Managing Member or their agents set forth in any document delivered by the Managing Member or their agents in connection with the acquisition of the Apartment Complex, the investment by the Investor in the Company and the execution of the Operating Agreement.

16. Reserve Requirements: The Company will be required to make an annual minimum deposit to a reserve for replacements in an amount equal to the greater of (i) \$300 per unit per year increasing annually by the CPI, or (ii) the amount utilized in the underwriting of the mortgage loans by the lenders. The Investor may require that additional reserves be funded to cover potential cash deficiencies. The Operating Deficit Guaranty shall be increased by amounts withdrawn from the reserve for replacements during the Operating Deficit Period.

17. Due Diligence: TRG and the Investor will have the opportunity to perform, and you and your professionals will assist us in, the customary due diligence necessary in the acquisition of the Apartment Complex and of the investment by Investor in the Partnership. As a condition of closing, the Partnership shall provide the Investor information reasonably requested by the Investor, including without limitation, (i) market rental information, proving that the projected rents will be achieved and the rent up will occur within a reasonable absorption period, (ii) engineering report by an engineer acceptable to the Investor and (iii) a Phase 1 environmental report. Additionally, approval of this transaction is subject to Investor satisfaction and completion of due diligence (including site visit, review, and investment committee approval), and receipt by the Partnership of a Low-Income Housing Tax Credits reservation or allocation approval from the appropriate state or local agency.

18. Title Insurance: The Managing Member shall provide, at Company expense, title insurance in favor of the Company in an amount not less than the sum of (i) all mortgage loans, and (ii) the amount of the Capital Contribution with only those exceptions as may be approved by Investor.

19. Execution of Operating Agreement: As a condition to the Closing, the Managing Member will execute the Operating Agreement and any related documentation necessary to complete the transaction and the

Guarantor must execute the Guaranty.

20. Hazard and Liability Insurance: As a condition to receipt of Installment No. 1 of Capital Contributions, the Company shall deliver evidence of hazard insurance from carriers acceptable to the Investor, in an amount equal to the replacement cost of the apartment improvements. The hazard insurance must include endorsements for inflation adjustment and code upgrade coverage. Liability insurance shall be in the amount of not less than \$5,000,000.

21. Escrows: To the extent not required by any mortgage lender, the Company shall maintain funds in a segregated escrow account, in an amount sufficient to pay all real estate taxes and insurance premiums when due.

22. Payment and Performance Bond or Letter of Credit: The Contractor shall provide one of the following (i) payment and performance bonds in form and substance satisfactory to Investor, in the full amount of the general contract naming the Company as obligee issued by a bonding company acceptable to Investor (ii) a letter of credit in the amount of not less than 15% of the general contract issued by a bank acceptable to Investor or (iii) a guarantee of the Contractor (or its principal) with a net worth of not less than \$5,000,000. Note, subject to satisfactory completion of due diligence and provided the Contractor is a related party to the Guarantor it is anticipated this provision shall be waived.

23. Brokers. Any fees due to any broker involved in this transaction will be the responsibility of the Managing Member. By executing this letter of intent, you represent and warrant that no broker has been involved in the negotiations among the Managing Member, its principals and TRG. You further acknowledge and agree that neither TRG nor the Investor shall be responsible for the payment of any brokerage fees in connection with the Investor's investment in the Project unless otherwise specifically agreed to in writing by TRG.

24. Development Fee: The Managing Member will be permitted to earn a development fee up to \$1,044,886 (or as permitted by any applicable agency) of which the underwritten cash portion of the development fee is \$1,410,000 and the underwritten deferred portion is \$0. The Managing Member will be permitted to pay the cash portion of the development fee as outlined below ("Base Scenario").

- | | |
|--|--------------------|
| a. Upon the satisfaction of the conditions of Installment No. 1: | \$208,977 (20.00%) |
| b. Upon the satisfaction of the conditions of Installment No. 2: | \$208,977 (20.00%) |
| c. Upon the satisfaction of the conditions of Installment No. 3: | \$269,468 (25.79%) |
| d. Upon the satisfaction of the conditions of Installment No. 4: | \$357,464 (34.21%) |

In the event the development budget for the Apartment Complex changes prior to Closing, then the permitted schedule of cash development fee payments may be revised provided the same percentages outlined above are maintained and provided further the development budget has been updated to reflect the then current sources and uses (i.e. the projected cash development fee is updated based on all then known project sources and uses including updates for any project savings or increases in development expenses and any change in project sources).

25. Investor's Capital Account: The pricing of the Capital Contributions is based upon the assumption that the Investor will be able to receive tax losses and low-income housing tax credits (collectively known as the "Tax Benefits") after the Investor's capital account becomes negative. It is understood that the Investor and the Managing Member shall work together to structure the transaction in a manner that reasonably assures the Investor will receive the underwritten Tax Benefits which includes making adjustments to the ownership structure to avoid the creation of any Managing Member recourse debt.

If the above is acceptable to the Managing Member, please execute a copy of this letter and return it to the Investor. In the event that Investor is not in receipt of an executed copy of this letter within thirty (30) days, this letter shall be considered withdrawn and shall be of no further force or effect.

Upon the Investor's receipt of a fully executed copy of this letter, the Investor will commence the necessary

action to deliver to you a copy of the proposed Operating Agreement and you shall be bound by all of the terms and provisions hereof. If prior to the expiration of the due diligence period Investor agrees to proceed with the transaction, but notwithstanding such agreement, the Managing Member (i) fails to negotiate the Operating Agreement or other closing documents in good faith and/or (ii) offers the membership interest contemplated hereby to a third party, then the Managing Member shall be obligated to reimburse Investor and/or TRG for all fees, costs and expenses incurred by Investor and/or TRG in connection with this transaction, including without limitation, all legal fees and disbursements, engineering and other professional fees, site inspection fees, market study fees, appraisal fees, background investigation costs, and other due diligence costs and expenses.

The Closing of the acquisition of the membership interest is subject to the availability of funds and the ability of TRG to identify an Investor. The Capital Contributions set forth in Paragraph 2 above may be recalculated or changed prior to the Closing to reflect rising interest rates or other changing market conditions and the Investor's then – current yield requirements. This letter is based on the Investor agreeing to provide 100% of the Capital Contribution and all upward equity adjusters subject to a combined limitation equal to 5% of the Capital Contribution. This letter shall be governed by and construed in accordance with the internal laws of the State of Connecticut. This agreement shall not create any liability on the part of TRG or the Investor. All rights and obligation of the Investor shall be set forth in the Operating Agreement and shall not be binding on the Investor until the Investor delivers a fully executed copy of the Operating Agreement to the Managing Member.

Notwithstanding anything to the contrary contained herein, the provisions of this letter represent the entire understandings of TRG, the Investor, the Managing Member and/or the Company with respect to the matter hereof, and all prior understandings, agreements and representations with respect thereto whether written or oral are superseded hereby and merged herein. None of the provisions of this letter may be waived or modified unless such waiver or modification is in writing and signed by the parties hereto and approved by TRG's counsel. No oral agreements shall ever be binding on TRG and/or the Investor.

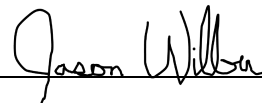
Sincerely,

The Richman Group Affordable Housing Corporation

By:

Jason Wilber
Executive Vice President

Agreed to and accepted as of

 , 2025

By the undersigned



Richard Sciortino
President of RJS Real Estate Serviced, Inc.;
Member of Brinshore Development, L.L.C.

