



May 19, 2025

Oakland Place Rad 2024, LLC
2730 Cumberland Blvd SE
Smyrna, GA 30080

RE: LETTER OF INTENT FOR A TWENTY-FOUR (24) MONTH FORWARD COMMITMENT FOR A FIXED RATE MORTGAGE LOAN UNDER THE FREDDIE MAC MULTIFAMILY TAH UNFUNDED FORWARD RATE LOCK FOR 9% LOW INCOME TAX CREDIT PROGRAM

**PROPERTY: OAKLAND PLACE APARTMENTS, OAKLAND AVENUE AND LAYTON STREET, FLORENCE, SC
64 UNIT NEW CONSTRUCTION**

PROGRAM SUMMARY

Berkadia Commercial Mortgage LLC ("Lender") proposes to arrange for a twenty-four (24) month forward commitment (or such longer period elected by the Borrower as described herein) to make a loan ("Loan") through the Federal Home Loan Mortgage ("Freddie Mac") TAH Unfunded Forward Commitment Program (the "Freddie Mac Program" or "Program"). The Loan is requested by The Paces Foundation ("Sponsor") in connection with the construction of the property identified above ("Property"), pursuant to any Federal, State, or local requirements concerning the allocation of Low-Income Housing Tax Credits.

Upon the satisfaction of the Conditions to Conversion to be described in the Loan Commitment (as defined below) the Loan will be funded by Lender to take out the Construction Lender and convert (the "Conversion") to the permanent phase (the "Permanent Phase"). Thereafter, the Lender will deliver the Loan to Freddie Mac for purchase pursuant to the Program. The date on which the Conditions to Conversion are satisfied and the Seller purchases the Loan is referred to herein as the "Conversion Date".

A. FINANCIAL TERMS

Proposed Maximum Loan Amount:	Up to \$5,400,000 (" Loan Amount ").
Commitment Period:	24 months – The Commitment Period may be extended for up to six months subject to Funding Lender and Freddie Mac approval and payment of an extension fee equal to 0.80% of the Loan Amount. At Freddie Mac's discretion, a 2 nd six-month extension may be available for an additional extension fee of 0.90% of the Loan Amount.
Maximum Loan-to-Value:	90% of the fair market value as determined by Funding Lender and Freddie Mac.
Minimum Debt Service Coverage Ratio:	1.15x, based upon the final underwritten net operating income for the Property, as determined by Funding Lender and Freddie Mac.
Estimated NOI:	\$441,604
Loan Term:	15 years (" Loan Term "), commencing on the Conversion Date.
Prepay:	Commencing on the Conversion Date, 10 Year Lockout followed by Yield Maintenance through Year 14.5. Thereafter, the Loan is open to prepay at a 1% prepayment premium up to the last 90 days of the Loan Term ("Window Period") during such time the loan may be prepaid at par.
Amortization:	40 years, commencing on the Conversion Date.

Interest Rate: A fixed interest rate for the Permanent Phase will be determined by Freddie Mac based on market rates prevailing at the time of Rate Lock (defined below in Section B). The interest rate for the Permanent Phase will be based on (i) the yield on the U.S. Treasury Securities with a maturity date of ten (10) years from the date of Rate Lock, plus (ii) such approximate spread (in basis points) for the respective pricing options listed below. Please note that the indicative spreads below do not include any issuer fees or Fiscal Agent fees.

Forward Commitment Period (Months)	Prepayment Option (Years)	10YR UST	Freddie Mac Spread (incl. Servicing)	Estimated Note Rate
24	15/14	4.50%	2.00%	6.50%

Interest for the Permanent Phase will be paid in arrears and calculated based on an actual/360 calculation.

Payment Terms: Monthly payments of principal and interest for the Permanent Phase will be due and payable on the first (1st) day of each month through the remainder of the Loan Term. All unpaid principal, unpaid charges and accrued interest will be due in full upon expiration of the Loan Term. All payments of principal, interest or required escrow/reserve amounts not received within ten (10) calendar days following the due date of such payments, will bear a late payment charge for each month during which a delinquency exists equal to lesser of (i) 5% of the delinquent payment or (ii) the maximum amount permitted by the law of the state where the Property is located.

Any payment of principal, interest or required escrow/reserve amounts that remains delinquent for thirty (30) days or more also will accrue interest at a default interest rate equal as defined in the final documents.

LIHTC Investor: An investor acceptable to Funding Lender and Freddie Mac. The Low Income Housing Tax Credit ("LIHTC") investor / syndicator, the upper tier investor(s) and, the terms and conditions of the operating or partnership agreement, must be acceptable to Funding Lender and Freddie Mac in all respects including, particularly, as to the timing and conditions to funding of capital contributions.

Set-Asides: 64 (100%) of the units will be restricted at 60% AMI or below.

Rent restrictions will be consistent with Federal Section 42 requirements. Additional local requirements are subject to review and approval by Freddie Mac.

Budget and Contingencies: The Borrower's construction budget and plans/specifications must be acceptable to Funding Lender and Freddie Mac in all respects.

B. LOAN COMMITMENT / RATE LOCK / CLOSING

Loan Commitment: A Loan Commitment issued by Funding Lender will require Borrower to lock the interest rate ("**Rate Lock**") for the Permanent Phase prior to a specified deadline ("**Rate Lock Deadline**") and to close the Loan prior to the closing deadline identified in the Loan Commitment ("**Closing Deadline**") unless otherwise extended in the sole and absolute discretion of the Funding Lender with Freddie Mac's prior written permission. If Funding Lender does not provide written permission to extend the Closing Deadline, then Funding Lender has no obligation to extend the Rate Lock Deadline or the Closing Deadline and may require payment of an extension fee should Funding Lender be willing to grant an extension.

Rate Lock Deposit: As a condition to Rate Lock, Borrower will be required to pay to Funding Lender by wire transfer of immediately available funds (i) a commitment fee equal to 2.0% of the of the final Loan Amount specified in the Loan Commitment (the "**Commitment Fee**") and (ii) a standby fee (the "**Standby Fee**") in an amount equal to 0.15% of the of the final Loan Amount specified in the Loan Commitment for each year (or partial year, prorated) of the Construction Phase. The Commitment Fee and Standby Fee are hereinafter referred to collectively as the "**Rate Lock Deposit**".

If the Loan closes prior to the Closing Deadline, the Rate Lock Deposit, less the Standby Fee, will be refunded to Borrower on the Conversion Date, less any unpaid Due Diligence Expenses (defined below in Section C). Funding Lender may hold back \$10,000 from the Rate Lock Deposit, which will be refunded to Borrower only after all post-delivery conditions imposed by Freddie Mac that require Borrower's action or cooperation are completed to Freddie Mac's satisfaction. If the Loan does not close, the Rate Lock Deposit will be retained and applied to damages; such damages will include, without limitation, Rate Lock breakage provisions to be specified in the Loan Commitment.

Rate Lock Process / Loan Closing / Damages For Failure to Close After Rate Lock: Rate Lock is permitted only on business days between 10:00 am and 2:00 pm, eastern time, and only after Funding Lender has received (a) Borrower's written authorization (by e-mail or fax) to Rate Lock and (b) full payment of the Rate Lock Deposit.

Funding Lender may decline to Rate Lock when requested by Borrower (without liability to Borrower) if, in Funding Lender's judgment, substantial conditions of the Loan Commitment (including, without limitation, satisfaction of title insurance, survey, occupancy and rental income requirements) remain to be satisfied at the time Rate Lock is requested or at the Rate Lock Deadline. Funding Lender's agreement to Rate Lock does not mean that Borrower has satisfied all conditions of the Loan Commitment.

C. LOAN SECURITY, ESCROWS DURING THE LOAN TERM, FEES AND EXPENSES

Loan Collateral: The collateral required to secure the Loan will include a first priority (i) mortgage/deed of trust/deed to secure debt encumbering the Property and all appurtenant rights; (ii) security interest in all fixtures, equipment and personal property (tangible and intangible) owned by Borrower and affixed to the Property or used in the operation thereof, including all replacements, additions, after-acquired property and proceeds of the foregoing; (iii) assignment of leases, rents, lease guaranties, and like profits arising from the Property; (iv) pledge of all escrow and reserve accounts established as conditions to the Loan; and (v) an assignment of Rate Cap, if applicable. Borrower must hold fee simple title to the Property.

Property Use / Minimum Occupancy: The Property will consist of a 64-unit affordable multifamily apartment project. In order to be eligible for conversion, for a three consecutive month period, (i) no less than ninety-percent (90%) of the units at the Property have been physically occupied and leased, under valid, binding and enforceable leases for each month during such period, and (ii) the debt coverage ratio (as determined by Freddie Mac) is not less than the Minimum Debt Service Coverage Ratio for each month during such period.

Property Insurance: Borrower must maintain insurance throughout the Loan Term which satisfies the requirements of the Freddie Mac Program.

Loan Origination Fee: 1.00% (100 basis points) of the Loan Amount is earned by Funding Lender and due from Borrower as a loan origination fee ("**Loan Origination Fee**") upon Borrower's acceptance of a Loan Commitment. Funding Lender agrees to defer collection of the Loan Origination Fee until closing, at which time full payment is due.

Freddie Mac Application Fee: A non-refundable application fee in the amount of \$5,400 (10 basis points) is due upon application to Freddie Mac ("**Freddie Mac Application Fee**").

Due Diligence Expenses/ Due Diligence Deposit: A "**Due Diligence Deposit**" in the amount of \$25,000 is required upon loan application to be applied to estimated Due Diligence Expenses.

"**Due Diligence Expenses**" consist of all costs and expenses associated with inspections, reports and reviews deemed necessary or appropriate by Funding Lender to underwrite the Loan, Borrower and its principals in accordance with the Freddie Mac Program, including, but not limited to: a MAI property appraisal, phase I (and phase II if necessary) environmental site assessment along with any asbestos, lead based paint, and/or toxic mold testing); review of operations and maintenance plans; wetlands investigation; Pre Construction Plan and Cost Review (including a seismic inspection and a \$500 seismic review fee required by Freddie Mac, where applicable); flood hazard search; third-party zoning and use compliance review/report; financial analyses of the Property (including a review of the standard residential unit lease form and any commercial leases of the Property); insurance review and analysis; site inspection by a Funding Lender representative; review of monthly rent rolls and operating statements for the Property from the Origination Date until the Conversion Date; credit history searches and financial statements review on Borrower, its principals and guarantors of the Loan.

Title Insurance: Borrower must provide (i) a commitment for mortgagee title insurance and (ii) a proforma of the title policy to be issued that will be effective as of the Conversion Date ("**Proforma**"), both of which satisfy all title insurance requirements of the Freddie Mac Program. The Proforma must include all endorsements required under the Freddie Mac Program that are issued in the state where the Property is located (including, without limitation, an ALTA 3.1 zoning endorsement and a usury endorsement if the Loan Amount is \$25,000,000 or greater). Borrower will be required to pay all costs and expenses associated with obtaining mortgagee title insurance for Funding Lender, all recording and filing fees necessary to perfect Funding Lender's interest in the loan collateral and to record the assignment sale of the Loan to Freddie Mac, all note, mortgage or other taxes arising with respect to the Loan (if any), and all amounts necessary to discharge any liens, judgments, or unpaid real estate taxes or assessments which would be a lien on the Property prior to Funding Lender's security.

Survey: Borrower must provide an as-built ALTA survey of the Property acceptable to Funding Lender, which satisfies all survey requirements of the Freddie Mac Program including, without limitation, the required surveyor's certification. The survey must be dated no more than ninety (90) days prior to the Conversion Date.

On behalf of Berkadia Commercial Mortgage LLC, we appreciate the opportunity to provide this Letter of Interest. If you should have any questions, please feel free to call me at (770) 286-6446 or email heather.olson@berkadia.com.

Berkadia Commercial Mortgage LLC

A handwritten signature in blue ink that reads "Heather Olson". The signature is fluid and cursive, with the first name "Heather" and last name "Olson" clearly distinguishable.

By: _____
Heather Olson
Managing Director