

TAB 20

SYNDICATION

INFORMATION

LETTER FROM
SYNDICATOR
STATE TAX CREDIT

Advantage Capital

May 5, 2026

NHE

Attn: Joseph Kass
325 Rocky Slope Road, Suite 301
Greenville, SC 29607

Re: Green Heron – Greenville, South Carolina (“Proposed Development”)

Dear Joseph,

Advantage Capital (“AC” or “State LP”) is pleased to provide this syndication letter that outlines the terms under which the State LP would pursue a limited partnership interest in the partnership owning the Proposed Development (the “Project Partnership”). The State LP’s investment in the Project Partnership would be made in consideration of and expectation of several benefits, including but not limited to, up to a 1% interest in profits and losses from operations, up to a 1% interest in gains and losses from capital transactions, 100% of the South Carolina LIHTC (“State Credits”), and up to 1% of the Federal Low Income Housing Tax Credits (“Federal Credits”), to be generated by the Proposed Development, consisting of 80 rental units located in Greenville, South Carolina.

AC has reviewed the LIHTC Application to South Carolina Housing (“SC Housing”) with respect to the Proposed Development, including the Proposed Development’s pro forma financial projections, and confirms that it meets or exceeds AC’s underwriting guidelines, subject to the following assumptions:

- The pro forma financial projections accurately represent the terms and timing of debt and equity; the timing of credit delivery; rents and expenses are as projected;
- The owners of the Proposed Development provide appropriate and timely due diligence items;
- The owners of the Proposed Development negotiate in good faith a partnership agreement admitting the State LP according to industry standard terms; and
- The information contained in the Development Information Section below is true and correct.

This proposal contains an outline of suggested terms only, and it does not represent a commitment by AC or create any obligation whatsoever on AC’s part to make an equity investment in the Project Partnership. The outlined terms have not received final approval by AC’s investment committee. New information or industry changes could materially alter the investment terms, so neither you nor AC will be under any legal obligation until AC has been lawfully admitted as a partner to the Proposed Development.

Development Information:

1. The development will consist of 80 units.
2. The Proposed Development will be considered a “Qualified Low-Income Housing Project” under Section 42 of the Internal Revenue Code.
3. Eligible Tax Credit Allocation:
 - a. \$1,412,552 annually (Federal LIHTC/10 Years)
 - b. \$1,412,552 annually (South Carolina LIHTC/10 Years)

4. Capital Contribution Rate Per Credit:

- a. \$0.875/Federal Credit (to match assumed Federal LIHTC investor pricing)
- b. \$0.45/State Credit (assumes a 1% ownership interest in the Project Partnership)

5. State LP Equity:

- a. \$6,356,484 with respect to State Credits
- b. \$123,598 with respect to Federal Credits

Total State LP Equity - \$6,480,082

6. Contribution Schedule: Generally, the State LP capital contribution will be scheduled at the same times and in the same percentages and shall be made on the same conditions as the federal investor. The State LP reserves the right to adjust the pay-in schedule to improve pricing upon mutual consent of the Project Partnership. The contemplated contribution schedule is as follows:

- a. 20% at the later of Closing and 8/1/2027
- b. 20% at the later of 50% Completion and 3/1/2028
- c. 20% at the later of 100% Completion and 11/1/2028
- d. 35% at the later of Stabilization/Perm Loan Conversion and 8/1/2029
- e. 5% at the later of IRS Form 8609s and 11/1/2029

7. Tax Credit Adjusters: In most cases, the State LP will adjust the amount of its capital contributions in a similar manner that the Federal LIHTC Investor adjusts the amount of its capital contributions, accounting for early and late delivery of the tax credits.

8. Guarantees: The State LP shall be a beneficiary of applicable guarantees in the same manner as the Federal LIHTC Investor. At a minimum, the State LP requires that construction completion, operating deficits, the repurchase obligation and the State Credits be guaranteed in accordance with industry standards and from acceptable guarantors (in the opinion of the State LP). The tax credit guaranty must extend through the compliance period.

9. Reserve Requirements:

- a. Operating Reserve: An operating reserve in an amount equal to 6 months of operating expenses, replacement reserves and must pay debt service, or a lesser amount acceptable to SC Housing, will be maintained from available cash flow for the life of the compliance period. Withdrawals from the operating reserve will be subject to the Federal LIHTC Investor's consent.
- b. Replacement Reserve: A to be determined Replacement Reserve of at least \$300 PUPA, or a higher amount as required by SC Housing, or as determined by the Federal LIHTC Investor, and will increase annually by 3%.

10. Projected Closing Costs: The State LP will not pass through any closing costs to the Company and will pay its own legal costs. The State LP will not be responsible for any other party's closing costs or legal costs. The Company will be responsible for any third-party costs, fees and expenses associated with and incurred on behalf of the Company with respect to the Proposed Development.

11. Asset Management Fees: An annual asset management fee shall be paid to the State LP on the same terms as the similar fee paid to the Federal Investor. The State LP's fee shall be the greater of half of the Federal Investor's fee or \$1,500 per year.

12. Net Cash Flow Distributions: The cash flow waterfall of the Project Partnership will be in accordance with that outlined by the Federal LIHTC Investor and the State LP will have approval rights with respect to any modifications.
13. Non-Profit Right of First Refusal: If applicable, the State LP will agree to grant to the General Partner an option (the "Option") to purchase the State LP's interest in the Company after expiration of the applicable compliance period pursuant to the terms of an option agreement that complies with Internal Revenue Code Section 42(i)(7).

This letter and its terms are subject to final acceptable underwriting and due diligence review (in AC's sole discretion). An update to this letter may be provided as requested by you, which in addition to the items above will include final capital contribution timing, milestones and amounts as well as anticipated due diligence. On behalf of Advantage Capital, thank you for the opportunity to provide this Letter. We look forward to being part of this Proposed Development and the impact it will have in addressing housing needs in South Carolina.

Sincerely,



Tori Cook
Senior Vice President
Advantage Capital

LETTER FROM
SYNDICATOR
FEDERAL TAX
CREDIT

May 15, 2026

Mr. Joseph Kass
Development Manager
NHE, Inc.
325 Rocky Slope Road, Suite 301
Greenville, SC 29606

Re: Green Heron Apartments
Greenville, South Carolina

Dear Joseph,

This proposal is submitted on behalf of the Stratford Capital Group of companies ("Stratford Capital"). The purpose of this proposal is to set forth the basic terms under which Stratford Capital will provide equity syndication services and arrange for equity capital to be used in connection with the development of the rental apartment complex set forth below (the "Property") in a manner in which the Property will qualify for (i) low income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended (the "Federal Tax Credits"), with respect to all of its apartment units, and (ii) state low income housing tax credits allocated by the South Carolina State Housing Finance and Development Authority (the "State Tax Credits") (collectively, the Federal Tax Credits and the State Tax Credits are referred to as the "Tax Credits"):

Name of Property: Green Heron Apartments
Address: 85 Green Heron Road
Greenville, SC 29607
Apartment Units: 80

The developers of the Property (the "Developers"), the owner of the Property (the "Partnership"), the general partner of the Partnership (the "General Partner"), the Class B Limited Partner of the Partnership (the "Class B Limited Partner"), and the guarantors of certain of the Developers' and/or the General Partner's obligations (the "Guarantors") are as follows:

Partnership: Green Heron Affordable, LP
Developers: Davis Affordable Housing, LLC ("DAH"), Villa Affordable Housing, LLC ("VAH"), and HF Housing, Inc. ("HF")
General Partner: A to-be-formed affiliated entity of HF
Class B Limited Partner: A to-be-formed affiliated entity of DAH and VAH
Guarantors: Taylor Davis, DAH, Robinson Villa, and VAH

Upon your execution of this proposal, Stratford Capital will pursue, and may expend significant resources in connection with, the transaction contemplated herein. Accordingly, during the term of this proposal (see Section 12 below), the Partnership, the Developers, the General Partner, the Class B Limited Partner, the Guarantors and their affiliates will negotiate in good faith to consummate the transactions

contemplated herein, and will not negotiate to issue or transfer any interest in the Partnership or the Property to any person but Stratford Capital or its designees.

Based on the foregoing, Stratford Capital proposes to arrange for the equity capital of the investment in the Partnership, either directly or through an investment partnership to be formed by us (the "Investment Partnership"), on the following terms:

1. The Property.

(A) Development Costs. The total development cost (including certain Property Reserves) of the Property (the "Development Cost") will be approximately \$24,500,278, which amount includes a Development Fee (see Section 1(C) below). It is anticipated that such Development Cost will be funded with (i) approximately \$12,558,000 of Investor Capital (see Section 4 below), (ii) up to approximately \$4,500,000 from the proceeds of the First Mortgage Loan (see Section 1(B) below), (iii) up to approximately \$800,000 from the proceeds of the Second Mortgage Loan (see Section 1(B) below), (iv) up to approximately \$6,356,028 of State Tax Credit Equity (see Section 1(E) below), (v) up to approximately \$125,000 of Additional Federal Tax Credit Equity (see Section 1(E) below), (vi) if necessary, the deferral of a portion of the Development Fee, and/or (vii) if necessary, Construction Completion Payments (see Section 5(A) below). We also assume that the Property generally will be developed, financed and operated substantially as set forth in the application filed for the Property with the South Carolina State Housing Finance and Development Authority (the "State Agency"), unless otherwise set forth in this proposal.

(B) Financing. We assume that the Partnership has obtained (or intends to obtain) the following financing for the Property:

(1) A construction loan in the presently anticipated amount of approximately \$11,551,207 provided by an institutional lender (the "Construction Loan"). The Construction Loan will (i) bear interest at a variable rate (presently anticipated to be 7.00%), (ii) be payable interest-only during an approximate 24-month period until Final Closing, and (iii) be recourse to the General Partner, Class B Limited Partner and Guarantors;

(2) A first mortgage loan in the presently anticipated amount of \$4,500,000 provided by an institutional lender (the "First Mortgage Loan"). The First Mortgage Loan will (i) bear interest at a fixed rate of approximately 7.50%, (ii) be payable in level monthly installments of principal and interest over a 35-year amortization period after Final Closing, (iii) mature in not less than 18 years after Final Closing, (iv) have an initial debt service coverage of at least 1.15:1, and (v) be non-recourse to the Partnership and its Partners; and

(3) A second mortgage loan in the presently anticipated amount of \$800,000 provided by the Greenville Housing Fund (the "Second Mortgage Loan"). The Second Mortgage Loan will (i) bear simple interest at a fixed rate of approximately 4.72% per annum, (ii) be payable solely from Net Cash Flow (see Section 2(D) below), (iii) mature in not less than 20 years after Final Closing, (iv) be available to pay Development Costs during the construction period, (v) be subordinate to the First Mortgage Loan, and (vi) be non-recourse to the Partnership and its Partners.

Collectively, the First Mortgage Loan and Second Mortgage Loan are referred to as the "Mortgage Loans".

(C) Development Fee. The Partnership will pay the Developers a fee for its development services of approximately \$2,250,000 (the "Development Fee") or such greater amount as allowed by the State Agency. The Development Fee will be paid currently from proceeds of the Mortgage Loans, Investor Capital, State Tax Credit Equity, Additional Federal Tax Credit Equity on a schedule to be determined by Stratford Capital during the due diligence period. Based on Stratford Capital's preliminary analysis, the non-deferred portion of the Development Fee will be paid as follows: (i) up to approximately 20.0% at Initial Closing (presently anticipated to be \$417,750), (ii) up to approximately 10.0% from the Second Installment of Investor Capital (presently anticipated to be \$208,875), (iii) up to approximately 10.0% from the Third Installment of Investor Capital (presently anticipated to be \$208,875), and (iv) the balance from the Fourth and Fifth Installments of Investor Capital. If the Mortgage Loans, Investor Capital, State Tax Credit Equity, and Additional Federal Tax Credit Equity are insufficient to pay the entire Development Fee, the balance will be deferred and paid, from Net Cash Flow and Net Capital Proceeds (see Sections 2(D) and (E) below), but in all events by not later than December 31, 2041.

(D) Development Schedule. We assume that the Partnership will follow the following development schedule:

(1) Initially close on the Construction Loan and Second Mortgage Loan and commence construction of the Property not later than August 1, 2027 (the "Initial Closing");

(2) Complete the lien-free construction of the Property and obtain final certificates of occupancy permitting unconditional occupancy of all apartment units by November 1, 2028 (the "Completion Date");

(3) Commence initial lease-up of the Property by November 1, 2028, lease-up the Property's apartment units at a rate of approximately 13 units per month, and complete lease-up of all of the apartment units in the Property by approximately May 15, 2029;

(4) Repay the Construction Loan, fully fund the Mortgage Loans and convert the Mortgage Loans to "permanent status" by August 1, 2029 (the "Final Closing"); and

(5) Achieve the Stabilization Date by November 1, 2029. For this purpose, "Stabilization Date" means the date on which, for 3 consecutive months after the Final Closing, actual revenues from operations on a cash basis have at least equaled the sum of (i) operating expenses on an accrual basis, (ii) on an annualized basis, a pro rata portion of seasonal or irregular expenses, and (iii) 115% of debt service on the First Mortgage Loan (assuming payments on a fully amortizing basis).

(E) Tax Credits. This proposal is based on the following assumptions regarding the Tax Credits:

(1) The Partnership will make all required filings with, and obtain all required approvals from, the State Agency for the Tax Credits;

(2) The Property satisfies all requirements (including, without limitation, restrictions imposed on development fees and other expenditures) of the State Agency qualified allocation plan for both the Federal Tax Credits and State Tax Credits;

(3) The Partnership will qualify for Federal Tax Credits in the amount of \$14,450,000 representing \$1,450,000 of Federal Tax Credits per year for 10 years, and it is anticipated that

such Federal Tax Credits will be realized approximately \$58,906 in 2028, \$1,320,104 in 2029, \$1,450,000 per year in years 2030 through 2037, \$1,391,094 in 2038, and \$129,896 in 2039 (the "Projected Federal Tax Credits");

(4) The Partnership will qualify for State Tax Credits in the amount of \$14,450,000 representing \$1,450,000 of State Tax Credits per year for 10 years, and it is anticipated that such State Tax Credits will be realized approximately \$58,906 in 2028, \$1,320,104 in 2029, \$1,450,000 per year in years 2030 through 2037, \$1,391,094 in 2038, and \$129,896 in 2039 (the "Projected State Tax Credits"). It is assumed that a third-party investor (the "State Limited Partner") will make the following capital contributions to the Partnership on a pari passu basis with the Installments of Investor Capital: (i) approximately \$6,356,028 of equity for 100% of the Projected State Tax Credits (the "State Tax Credit Equity"), and (ii) approximately \$125,000 of equity for 1.00% of the Projected Federal Tax Credits (the "Additional Federal Tax Credit Equity"); and

(F) Operations. It has been assumed that the Property will exhibit the following operating characteristics:

(1) The Property will be rented to tenants and at rental rates which are necessary to qualify all of the Property's apartment units for Federal Tax Credits and State Tax Credits and to satisfy such other requirements of the State Agency and/or the terms of the Mortgage Loans;

(2) The Property is anticipated to include 8 units set aside for residents earning no more than 20% of the area median income ("AMI"), 32 units set aside for residents earning no more than 50% of AMI, 24 units set aside for residents earning no more than 60% of AMI, and 16 units set aside for residents earning no more than 70% of AMI. This unit mix establishes an average rent and income ceiling of 54.0% at the Property when weighted by the Property unit count. Pursuant to all State Agency requirements governing the Average Income set-aside, all units at the Property will qualify for Federal Tax Credits and State Tax Credits and the average rent/income set-aside will not exceed 60% AMI;

(3) For a term not less than the Federal Tax Credit compliance period, the Property will benefit from a complete exemption of all ad valorem property taxes pursuant to Section 12 Chapter 37-220(B)(11)(e) of the South Carolina Code of Laws pertaining to certain property owned by a nonprofit housing corporation (the "Property Tax Exemption"). Stratford Capital and its tax counsel will receive a local tax opinion satisfactory to Stratford Capital and its tax counsel opining to the overall structure of the transaction and the Property qualifying for the Property Tax Exemption.

(G) Reserves. The Partnership will fund and maintain the following reserves for the benefit of the Property (the "Property Reserves"):

(1) An operating deficit reserve to be held by the Partnership in an amount approximately equal to six months of stabilized operating expenses, replacement reserves and "must-pay" debt service on the First Mortgage Loan (presently anticipated to be \$439,009) and funded by the Fourth Installment of Investor Capital (the "Operating Deficit Reserve"). Subject to the terms imposed by the State Agency, 50% of the Operating Deficit Reserve may be used by the General Partner and/or the Guarantors to fund operating deficits of the Property prior to their obligation to fund Operating Deficit Loans pursuant to the terms of the Operating Deficit Guarantee (See Section 5(B) below); and

(2) Commencing upon Final Closing, an annual replacement reserve in an amount equal to the greater of (i) the amount required under the Mortgage Loans, and (ii) \$300 per apartment unit per year (increased annually by 3%) and funded from operations (the "Replacement Reserve").

(H) General Contractor. The Property will be constructed pursuant to a "stipulated sum" construction contract, and for a market rate builder's fee and overhead allowance, reasonably acceptable to Stratford Capital. The construction contract must be secured by payment and performance bonds or other completion assurances reasonably acceptable to Stratford Capital.

(I) Property Manager. The Property will be managed pursuant to a property management agreement, and for a market rate management fee, reasonably acceptable to Stratford Capital. The property manager, if a related party or an affiliate, will defer payment of its management fee if and to the extent its payment would cause or contribute to an operating deficit. Any portion of the property management fee deferred shall accrue and be payable to the property manager as an operating cost as soon as funds become available.

(J) Asset Manager. The Partnership will engage Stratford Capital or its designated affiliate as its asset manager and will pay it a fee of \$7,500 per year commencing at Initial Closing (increased annually by 3% and which amount will be cumulative if unpaid in prior years) from Net Cash Flow and Net Capital Proceeds (see Sections 2(D) and (E) below) (the "Asset Management Fee").

(K) Partnership Management. The Partnership will be managed by the General Partner and the Class B Limited Partner, who will receive a fee that will be payable solely from Net Cash Flow (see Section 2(D) below) (the "Partnership Management Fee") provided, however, that notwithstanding anything contained herein to the contrary, the aggregate amount of any Partnership Management Fee and property management fee payable with respect to any fiscal year shall not exceed an amount equal to 14% of Effective Gross Income of the Partnership for such fiscal year.

(L) Responsibilities. The Developers, the General Partner and the Class B Limited Partner will be responsible for all matters involving acquisition, construction, development, financing and Tax Credits, as more particularly set forth in the Partnership Agreement and Collateral Agreements. The Developers will consult with Stratford Capital on all development matters, and Stratford Capital will have particular involvement on matters involving financing and the Tax Credits.

(M) Site Improvements & Personal Property This proposal assumes that total Development Costs will include depreciable basis of personal property and site improvements in amounts not less than \$200,000 and \$1,550,000, respectively. It is further assumed that the General Partner will elect the "bonus" depreciation of such budgeted personal property and site improvements in 2028, which represents the year in which the Property will be placed in service.

(N) Syndication Legal. The Partnership will pay \$55,000 to Stratford Capital's legal counsel in connection with the closing of this transaction at Initial Closing. The Developers and the Guarantors will guarantee the obligation of the Partnership to pay such legal fees. In the event that the closing of this transaction does not occur, the Partnership will not be obligated to pay this legal fee.

(O) Depreciation Election. The General Partner will be required to make an IRS 168(h) election.

(P) Tax Election. The General Partner will be required to cause the Partnership to make an election to be treated as an “electing real property, trade, or business” under Code Section 163(j)(7)(B).

2. The Partnership.

(A) Partnership Agreement. We will in good faith negotiate a limited partnership agreement for the Partnership (the "Partnership Agreement") and related collateral agreements (the "Collateral Agreements") which will include the relevant provisions of this proposal, the standard provisions required by Stratford Capital and such other terms and conditions as we may in good faith agree upon and/or as may be reasonably required by the Investors (see Section 3 below):

(1) We will generate the Partnership Agreement and Collateral Agreements within 30 days after acceptance of this proposal; and

(2) We will negotiate in good faith with the objective of executing the Partnership Agreement and Collateral Agreements at or before Initial Closing (the "Investor Closing").

(B) Partners and Interests. The Partners of the Partnership and their basic interests in the Partnership (the "Interests") will be as follows:

	<u>Status</u>	<u>Interest</u>
(1) TBD	General Partner	0.002%
(2) TBD	Class B Limited Partner	0.008%
(3) Stratford Capital (or designee)	Special Limited Partner	0.01%
(4) Investment Partnership	Investor Limited Partner	98.98%
(5) TBD	State Limited Partner	1.00%

(C) Tax Benefits. Subject to priority allocations which may be required to comply with tax law, the tax losses and Federal Tax Credits of the Partnership will be allocated to the Partners, pro rata in accordance with their Interests. 100% of the State Tax Credits will be specially allocated to the State Limited Partner. Notwithstanding the foregoing, income will be specially allocated to the General Partner and/or the Class B Limited Partner in an amount equal to (i) any net cash flow used to pay Development Costs, (ii) the Partnership Management Fee paid to it or its affiliate not otherwise deducted, (iii) that which results if the Internal Revenue Service deems the investment in the State Tax Credits by the State Limited Partner to be a sale, and (iv) that which is distributed pursuant to Section 2(D)(8)(ii). The General Partner will indemnify the Investment Partnership against any tax liability in the event that the IRS does not respect the special allocation.

(D) Net Cash Flow. The operating net cash flow of the Partnership remaining after the payment of obligations and expenses then due to third parties and any required Property Reserves (the "Net Cash Flow") will be allocated each year as follows:

(1) To the payment of the Asset Management Fee;

(2) To the payment to the Investment Partnership of an amount sufficient to pay federal and state income taxes on taxable income allocated to (or realized by) it, if any, assuming the payment of taxes at the highest marginal tax rates applicable to corporations (the "Taxable Income Priority Amount");

(3) To the payment of any Tax Credit Adjustment Amounts (see Section 5 (C) below);

(4) To the replenishment of amounts, if any, withdrawn from the Operating Deficit Reserve;

(5) To the repayment of Operating Deficit Loans (see Section 5(B) below);

(6) To the repayment of accrued and unpaid interest and principal on the Second Mortgage Loan;

(7) To the payment of any unpaid balance of the Development Fee;

(8) Of the balance, 90% to the General Partner and Class B Limited Partner (i) in payment of a Partnership Management Fee and (ii) then as a distribution; and

(9) The balance, if any, to the Partners, pro rata in accordance with their Interests.

(E) Net Capital Proceeds. The net capital proceeds of the Partnership from sales, refinancings or other capital transactions, remaining after the payment of obligations and expenses then due to third parties (the "Net Capital Proceeds"), will be allocated as follows:

(1) To the payment of any unpaid Asset Management Fees;

(2) To the payment of any unpaid Taxable Income Priority Amounts;

(3) To the payment of any unpaid Tax Credit Adjustment Amounts;

(4) To fund reserves for contingent liabilities to the extent deemed reasonable by the General Partner;

(5) To the repayment of Operating Deficit Loans;

(6) To the payment of any unpaid balance of the Development Fee; and

(7) The balance, if any, 89.00% to the General Partner and Class B Limited Partner, 0.01% to the Special Limited Partner, 9.99% to the Investment Partnership and 1.00% to the State Limited Partner.

(F) Responsibilities. The responsibilities and rights of the Partners of the Partnership will be set forth in the Partnership Agreement and Collateral Agreements. In general, the General Partner and Class B Limited Partner will be primarily responsible for the day-to-day operations of the

Partnership, subject to certain approval rights of the Special Limited Partner and/or the Investment Partnership. The Special Limited Partner, on the other hand, will be primarily responsible for investor relations, investor tax matters and related issues.

3. Investors. The limited partners of the Investment Partnership will be one or more corporate investors (the "Investors") selected by Stratford Capital, and the general partner of the Investment Partnership will be Stratford Capital (or its designee). None of the Partnership, General Partner or the Class B Limited Partner will have any involvement with the Investment Partnership.

4. Investor Capital.

(A) Payments. Subject to the terms set forth below and in the Partnership Agreement, the Investment Partnership will make \$12,558,000 (\$0.875 per \$1.00 of Projected Federal Tax Credits) of capital contribution to the Partnership (the "Investor Capital") from the capital contributions made to it by the Investors as follows:

(1) First Installment. \$2,512,000 (20.0%) on the later of (i) the Initial Closing, and (ii) the Investor Closing (estimated on or before August 1, 2027);

(2) Second Installment. \$2,512,000 (20.0%) on the later of (i) 50% construction completion and (ii) March 1, 2028;

(3) Third Installment. \$2,512,000 (20.0%) on the later of (i) the Completion Date, (ii) execution of the PBV Contract, and (iii) November 1, 2028;

(4) Fourth Installment. \$4,395,000 (35.0%) on the later of (i) Final Closing, (ii) initial qualified occupancy of all apartment units in the Property pursuant to bona fide leases with initial terms of 12 months or longer, (iii) certification by accountants selected by the General Partner and Class B Limited Partner (and reasonably acceptable to Stratford Capital) that the Property has sufficient eligible basis to generate the Projected Federal Tax Credits and (iv) August 1, 2029; and

(5) Fifth Installment. \$627,000 (5.0%) on the later of (i) the Stabilization Date, (ii) receipt of IRS Forms 8609 for the Property from the State Agency and (iii) November 1, 2029.

(B) Tax Credit Adjustments. The Investor Capital set forth above will be reduced (or increased) by 87.5% of the amount by which the total Federal Tax Credits to be allocated by the Partnership are less (or more) than the Projected Federal Tax Credits based on the certification of the accountants acceptable to Stratford Capital and/or the IRS Forms 8609 received from the State Agency.

If the total Federal Tax Credits allocable to the Partnership are more than the Projected Federal Tax Credits for 2028 and/or 2029, then the Investor Capital set forth above shall be increased by \$0.50 for each \$1.00 of Federal Tax Credits that exceed the Projected Federal Tax Credits for 2028 and/or 2029. Conversely, if the total Federal Tax Credits allocable to the Partnership are less than the Projected Federal Tax Credits for 2028 and/or 2029, then the Investor Capital set forth above shall be decreased by \$0.50, for each \$1.00 of Tax Federal Credits that are less than the Projected Federal Tax Credits for 2028 and/or 2029.

Any such reduction in Investor Capital will be allocated to the Fourth Installment of Investor Capital or reimbursed by the General Partner and Class B Limited Partner. Any such increase in Investor Capital will be allocated to the Fifth Installment of Investor Capital and may not exceed 5.0% of Investor Capital.

(C) Payment Terms. The Investor Capital will be disbursed upon the satisfaction of requirements similar to those typically applied by a lender, including, without limitation, the receipt of architect certifications, lien waivers, draw requisitions, title endorsements and legal opinions. The payment of each installment of Investor Capital will also be subject to general terms as set forth in the Partnership Agreement including, without limitation, (i) the lack of a material default under the Partnership Agreement, the Collateral Agreements or any significant agreement regarding the Partnership or the Property and (ii) compliance with the requirements applicable to the Tax Credits.

5. Guarantees. The General Partner, Class B Limited Partner and the Guarantors will jointly and severally provide the following guarantees to the Partnership and the Investment Partnership:

(A) Construction Completion. They will guarantee to achieve the Completion Date and the Stabilization Date, including all construction necessary to qualify for the Projected Federal Tax Credits, and will fund, at their sole cost, all costs, including all Property Reserves and will pay any unpaid Development Fees by December 31, 2041, necessary to satisfy this guarantee and to fund all operations of the Property through the later of (i) the Completion Date and (ii) the Stabilization Date. Any such payments (the "Construction Completion Payments") will be repaid, without interest, only from funds otherwise available from the proceeds of the Investor Capital, the Mortgage Loans, State Tax Credit Equity, and Additional Federal Tax Credit Equity to pay the funded costs after all other Development Costs are paid and the Property Reserves are funded. Any balance of Construction Completion Payments will not be repaid or credited to capital accounts;

(B) Operating Deficit. They will guarantee to lend funds to the Partnership as required from time to time to fund any operating deficits of the Property or Partnership in an amount outstanding at any one time equal to six months of stabilized operating expenses, replacement reserves and "must-pay" debt service on the Mortgage Loans (presently anticipated to be \$439,009) through the fifth anniversary of the Stabilization Date. Such "burn-off" of the Operating Deficit Guarantee is provided upon (i) the lack of a material default under the Partnership Agreement, the Collateral Agreement or any significant agreement regarding the Property of the Partnership, (ii) compliance with the regulations applicable to the Tax Credits, (iii) the Operating Deficit Reserve has not been drawn upon or it has been replenished by the General Partner and Class B Limited Partner and (iv) the Property has demonstrated an average debt service coverage ratio on the Mortgage Loans of 1.15:1 for the four preceding quarters. Any such loans (the "Operating Deficit Loans") will be repaid, without interest, only from Net Cash Flow and Net Capital Proceeds (see Sections 2(D) and (E) above);

(C) Federal Tax Credits. They will guarantee the Federal Tax Credits. If the actual Federal Tax Credits realized by the Investment Partnership are less than the Projected Federal Tax Credits (or are recaptured) for any reason, they will be obligated to pay the Investment Partnership an adjustment payment (the "Tax Credit Payments") equal to the amount of such reduction (or recapture) to compensate for the lost Federal Tax Credits to the extent that the adjustment in Investor Capital (see Section 4(B) above) does not compensate for the lost Federal Tax Credits (the "Tax Credit Adjustment Amounts");

(D) Repurchase. They will repurchase the Interest of the Investment Partnership for an amount equal to the total capital contributions paid-to-date by Investors if certain benchmarks set forth in the Partnership Agreement are not met, including, without limitation, (i) achieving the Completion Date by August 1, 2029, or (ii) placing the Property in service by August 1, 2029;

(E) Representations and Warranties. They will protect and indemnify the Investment Partnership against any loss due to any breach or default under any representation, warranty or covenant under the Partnership Agreement and the Collateral Agreements; and

(F) Net Worth. The General Partner and the Guarantors have (and will maintain during the term of the Partnership) an aggregate net worth of not less than \$7,500,000 and liquidity of \$1,000,000.

6. Other Requirements.

(A) Environmental Report. The Developers must provide, at its or the Partnership's cost, an environmental report for the Property from a qualified environmental engineer and to undertake the remediation of any environmental conditions referenced therein in a manner acceptable to Stratford Capital.

(B) Market Study. The Developers must provide, at its or the Partnership's cost, a market study for the Property from a qualified market analyst in form and substance acceptable to Stratford Capital.

(C) Appraisal Report. The Developers must provide, at its or the Partnership's cost, an appraisal for the Property from a qualified real estate appraiser in form and substance acceptable to Stratford Capital.

(D) Title Insurance. The Developers must provide, at its or the Partnership's cost, owner's title insurance for the Property in the amount of the sum of the Investor Capital, the Mortgage Loans, State Tax Credit Equity, and Additional Federal Tax Credit Equity in form and substance (and with endorsements) acceptable to Stratford Capital.

(E) Other Insurance. The Developers must provide, at its or the Partnership's cost, hazard, liability and other similar insurance for the Property naming the Investment Partnership and Special Limited Partner as insured parties in form and substance acceptable to Stratford Capital.

(F) Legal Opinions. The Developers must provide, at its or the Partnership's cost, real estate, organizational and other related opinions from its counsel in form and substance acceptable to Stratford Capital.

(G) Signage. Any material construction period advertising signage at the Property will acknowledge Stratford Capital's role in arranging the Investor Capital.

7. Due Diligence. You will promptly deliver to Stratford Capital or its designees, upon request from time to time, such information and documents as Stratford Capital or its counsel may reasonably deem necessary for their review and approval in connection with the subject matter of this proposal, including, without limitation, all material information regarding the Partnership, the Property, the Developers, the General Partner, the Class B Limited Partner, the Guarantors, the development plan and budget, operating projections, information regarding any financing, information regarding Tax Credits, evidence of title and other insurance, market studies, appraisals and local counsel opinions. Upon your acceptance of this proposal, we will promptly send you a Preliminary Due Diligence Checklist.

8. Non-binding. This proposal summarizes the discussions to date between Stratford Capital and its affiliates and the Partnership, the Developers, the General Partner, the Class B Limited Partner, the Guarantors and their affiliates regarding Stratford Capital's possible arrangement for an equity capital investment in the Partnership. However, notwithstanding anything contained in this proposal letter to the contrary, nothing in this proposal letter is intended as (or shall be deemed to be or treated as) a legally binding agreement of Stratford Capital, the Partnership, the Developers, the General Partner, the Class B Limited Partner, the Guarantors or any of their respective affiliates. Unless a definitive Partnership Agreement and all Collateral Agreements regarding an equity investment in the Partnership are entered into, regardless of the reason that such Partnership Agreement or Collateral Agreements are not executed and delivered by the applicable parties, neither Stratford Capital, the Partnership, the Developers, the General Partner, the Class B Limited Partner, the Guarantors nor any of their respective affiliates shall be under any obligation to the other for damages, expenses or otherwise, irrespective of any negotiations, communications, discussions, or understandings heretofore or hereafter existing between us and irrespective of any past or future implied course of conduct or dealings between us. Subject to the foregoing, this is a statement of the good faith, mutual intent of the parties as of the date of full execution of this letter to proceed as contemplated hereby. This proposal letter shall be governed by and construed in accordance with the laws of the State of Delaware.

9. Right of First Refusal. HF or a 501(c)(3) corporation affiliated with HF, will have a right of first refusal to purchase the Property at the minimum purchase price described in IRS Code Section 42(i)(7)(B) (the "ROFR") during the 36-month period immediately following the end of the Federal Housing Tax Credit compliance period. The General Partner and Class B Limited Partner shall have the right to market the Property without the consent of Stratford Capital beginning 12 months prior to the expiration of the Tax Credit compliance period, and the consent of Stratford Capital will not be required as a condition of the exercise of the ROFR.

The purchase price under the ROFR may be paid in whole, or in part, through the assumption of existing debt. In addition, the ROFR may be exercised without a bona-fide third party offer and/or the purchase price under the ROFR may be reduced by the amount of interest accrued in the five years prior to the sale of the Property provided that the General Partner and Class B Limited Partner provides a tax opinion reasonably acceptable to Stratford Capital within 30 days prior to the exercise of the ROFR that such terms should not adversely affect any Tax Credits previously claimed by the Investment Partnership. In the event that the Code is amended to allow for an option to purchase the Property at the minimum purchase price described in IRS Code Section 42(i)(7)(B) no third-party offer will be required.

Stratford Capital acknowledges that the acquisition of the Property or the Interests at the conclusion of the Tax Credit compliance period is likely to be an objective of the Developers, and confirms that the General Partner and Class B Limited Partner will have the option to exercise either the ROFR or the Purchase Option at its discretion pursuant to the terms set forth in the letter.

10. Purchase Option. For a period of one year beginning on the day after the expiration of the Federal Tax Credit compliance period, the General Partner and Class B Limited Partner shall have the right, exercisable in its sole discretion, to purchase the Interests of the Investment Partnership and the Special Limited Partner. The purchase price of the Interests of the Investment Partnership and the Special Limited Partner shall be equal to the greater of (i) the Fair Market Value of their Interests and (ii) an amount equal to the total federal, state and local tax liability incurred by the Investment Partnership and the Special Limited Partner.

11. Put Option. Following the expiration of the Federal Tax Credit compliance period, the Investment Partnership shall have the right to require the Partnership (at the direction of the General Partner and Class Be Limited Partner) to redeem the Interest of the Investment Partnership for a redemption price of \$10,000 (the “Put Option”). Upon exercise of the Put Option, the Partnership (at the direction of the General Partner) shall also be entitled to redeem the Interest of the Special Limited Partner for a redemption price of \$10.

12. Term. This proposal will remain open for your acceptance until May 31, 2026.

Mr. Joseph Kass
Green Heron Affordable, LP
May 15, 2026
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This proposal may be accepted by signing and returning it to us. Please feel free to call me if you have any questions or comments. We look forward to closing this transaction promptly and working with you in this and future matters.

Sincerely,

STRATFORD CAPITAL GROUP

By: Jared V. Rand
Jared V. Rand
Senior Vice President

cc: Kyle F. Wolff, Executive Vice President

ACCEPTED:
GREEN HERON AFFORDABLE, LP

By: 
Name: Taylor Davis
Title: Authorized Signatory
Date: 05/15/26

SUPPORT FOR REQUESTING STC



City Manager's Office

May 11, 2026

To Whom It May Concern,

The City of Greenville is pleased to express its support for Green Heron Affordable LP's plans to develop a parcel on Green Heron Road, located near the intersection with Parallel Parkway, into an affordable housing apartment community called Green Heron Apartments. This development aligns with our city's goals of providing quality, affordable housing to our residents.

The City fully supports Green Heron Affordable LP's pursuit of South Carolina State Low Income Housing Tax Credits (STCs) to help finance this important development. These tax credits are crucial for the successful realization of Green Heron Apartments, which will significantly contribute to our community's housing needs.

Thank you for considering this project.

Sincerely,

Shannon Lavrin
City Manager

Green Heron Affordable, LP

Support for Requesting STC

How the STC Will Benefit the Tenants

The 9% LIHTC application being submitted by Green Heron Affordable LP, Green Heron Apartments, would not be financially feasible without the SC State Tax Credit (STC). The first and primary benefit is that affordable housing will be created in an area for tenants where it is desperately needed. The City of Greenville and Greenville County are rapidly growing in population placing pressure on housing prices and availability. This LIHTC project will exist within a 1 mile radius of several shopping centers, hotels, and restaurants; an area which needs workforce housing for employees of all of these retail and hospitality establishments. Simply put, this development would not be built as affordable housing without STC.

This project will include units rented at 20% that are reserved for households of not more than 30% AMI, creating much needed deeply affordable units for households on a fixed income. Up to 10% of the units will be reserved for persons with disabilities with a disability source of income such as Supplemental Social Security Income. This level of deeply targeted affordability would not be possible without the STC.

Furthermore, the development is utilizing income averaging IRS election which allows households up to 80% of AMI. The development plan does not include 80% AMI units, and instead includes units at 70% AMI, serving greater affordability to households at lower AMIs. Additionally, the 1 bedroom, 3 bedroom and studio units at 70% AMI will be charging less in rent than the maximum allowable LIHTC rents, which creates more affordability for households at this tier of area median income. Without the STC, the development would need to max out rents at every level and substitute the 70% AMI units with units that serve 80% AMI households.

Why the STC is essential to the financial feasibility to the project:

Green Heron Affordable LP, as owner and applicant of Green Heron Apartments tax credit application can affirmatively demonstrate that State Tax Credits are essential for the financial feasibility of Green Heron Apartments project.

Per the bulletins released on the SC Housing website, Green Heron Affordable LP has maximized the allocation request of federal LIHTC for Green Heron Apartments project. The application requests federal credit limit set by the QAP, and without SC State Tax Credits (STC) would have a funding gap of approximately \$4,269,000.

The Development did everything possible to explore financing sources before requesting STC. The team was able to secure \$800,000 in local leveraging from the City of Greenville. Additionally, the team is willing to defer a portion of the developer fee to help fill the funding gap. The development team has made every effort to maximize all other funding sources.

Green Heron Affordable, LP

In the event that the requested \$1,412,552 annual STC is not available in full, SC Housing may at its discretion underwrite Green Heron Apartments application to what SC Housing considers to be within the limits of financial feasibility, such as imputing additional debt and/or assuming higher deferred developer fee, to award a lesser amount of STC.

The sources and uses listed below shows the sources of the project with and without the STC. This illustrates the funding gap without the STC.

Sources of Funds with SC State Tax Credit

Federal Tax Credit Equity from Federal Investor	12,558,000.00
Federal Tax Credit Equity from State Investor (1%)	123,598.00
State Tax Credit Equity	6,356,484.00
Deferred Developer Fee	163,195.00
Centrant Community Capital	4,500,000.00
Greenville Housing Fund	800,000.00
Total Sources of Funds	24,501,277.20

Sources of Funds without SC State Tax Credit

Federal Tax Credit Equity	12,681,598.00
State Tax Credit Equity	-
Deferred Developer Fee	2,250,000.00
Centrant Community Capital	4,500,000.00
Greenville Housing Fund	800,000.00
Total Sources of Funds	20,231,598.00
FUNDING GAP	(4,269,679.20)