

MONARCH PRIVATE CAPITAL
Monarch Plaza
3414 Peachtree Road, Suite 825
Atlanta, GA 30326

April 30, 2026

Resource Housing Group, Inc.
Attn: Sam Coats
3350 Riverwood Pkwy
Atlanta, GA 30339

Re: Peaks of Manning II - Term Sheet
South Carolina Housing Tax Credit Equity Investment

Dear Mr. Coats:

This term sheet (the "Term Sheet") is submitted on behalf of Monarch Private Capital, LLC, or an affiliated entity ("MPC"). This Term Sheet is merely an outline of the principal terms and conditions under which MPC would obtain a membership interest in a special purpose investment entity (the "Company") sponsored by Resource Housing Group, Inc. (the "Sponsor") in exchange for equity capital to be used in connection with the development of the Peaks of Manning II project in a manner that qualifies for South Carolina housing tax credits under Section 12-6-3795 of Code of Laws of South Carolina (the "State Credits"). This Term Sheet shall not be construed as a commitment, representation or contract that is legally binding upon the parties and no cause of action shall arise as a result of this Term Sheet; provided, however, the terms and conditions set forth in the "*Transaction Costs*," "*Exclusivity*," and "*Governing Law*" provisions below shall be legally binding on and enforceable against each party. Should the terms of this Term Sheet be acceptable to you, appropriate documentation setting forth the terms and conditions shall be prepared for review and approval by the parties, including, but not limited to, the Company's operating agreement.

Project Description The development of the Peaks of Manning II project located in Manning, SC into a 52-unit multi-family community (the "Project"). The Project will be owned directly or indirectly by the Company and developed and managed by one or more affiliates of the Sponsor in a manner that qualifies for State Credits for the Company.

State Credits The Company expects to receive State Credits in the amount of \$1,250,000 per year, for a total of \$12,500,000 over the 10-year credit period (the "Credit Period"). MPC will invest in return for a 1% interest in the Company (including its profits and losses) and a special allocation of 100% of the State Credits generated by the Project.

Estimated Credits The estimated State Credits to be allocated to MPC (the "Projected State Credits") are as follows:

2028:	\$649,038
2029 – 2037:	\$1,250,000
2038:	\$600,962

Total: \$12,500,000

Any decision to delay the commencement date of the Credit Period beyond 2028 is subject to MPC's consent.

*Estimated
Stabilization Date*

February 2029

Credit Price

\$0.46 per dollar of State Credits actually allocated to MPC (the "Credit Price").

*MPC Capital
Contribution*

Estimated to be \$5,750,000 (assuming all the estimated State Credits are actually delivered). MPC will also contribute an amount equal to the price per credit contributed by the federal investor for each federal low-income housing tax credit allocated to MPC, which is expected to be 1% of the total.

*MPC Installment
Schedule*

MPC equity will be funded according to the following schedule:

1. 20% shall be due upon the later of:
 - (a) Closing;
 - (b) Receipt and approval by MPC of all due diligence items on the MPC checklist; and
 - (c) Closing of all required construction financing.
2. 50% shall be due upon the later of:
 - (a) Satisfaction of the conditions in clause 1 above;
 - (b) Receipt of temporary certificates of occupancy;
 - (c) Receipt and approval of initial tenant file audit;
 - (d) Receipt of recorded extended use agreement;
 - (e) Receipt of architect's certificate of lien-free completion;
 - (f) Receipt of draft cost certification; and
 - (g) April 1, 2028.
3. The balance shall be due upon the later of:
 - (a) Satisfaction of the conditions in clause 2 above;
 - (b) Achievement of Stabilization (as defined below);
 - (c) Closing of all required permanent financing;
 - (d) Receipt of final certificates of occupancy;
 - (e) Receipt and approval of true-up adjuster calculations;
 - (f) Receipt of final cost certification;
 - (g) Receipt of IRS Form 8609s;
 - (h) Receipt of the Schedule K-1 following the first year of the credit period; and
 - (i) February 1, 2029.

"Stabilization" shall mean, following construction loan payoff and conversion to approved non-recourse permanent financing, three consecutive months of (i) breakeven operations; (ii) a 1.15 DSCR on all must-pay debt following commencement of

amortization of the permanent loan, and (iii) 93% physical and economic occupancy.

Adjusters

Capital Contributions by MPC may be adjusted based on actual State Credit delivery.

Basis True-up: If the actual amount of State Credits reflected on the cost certification and 8609s (the “Actual State Credits”) is less than the amount of the Projected State Credits, the cost certification installment shall be reduced by an amount equal to the Credit Price multiplied by the shortfall, and if insufficient, from the next succeeding installments until the full reduction has been taken into account. If the true-up adjustment amount exceeds the amount of unfunded capital, the Company will distribute an amount equal to such excess to MPC as a return of capital.

With exception to Actual State Credits delivered in 2028 (which are subject to the timing adjuster described below), if the amount of Actual State Credits is more than the Projected State Credits, then MPC shall increase the cost certification installment by an amount equal to the Credit Price multiplied by the difference between the Actual State Credits and the Projected State Credits.

Timing: The capital contribution of MPC shall be reduced by 70% of the shortfall between the Actual State Credits and the Projected State Credits estimated to be delivered in 2028 and 2029. Currently, it is estimated that the Company will deliver \$649,038 of State Credits in 2028 and \$1,250,000 of State Credits in 2029.

If in 2028 more than 100% of the Projected State Tax Credits can be claimed by MPC, then MPC shall make a Capital Contribution in an amount equal to 25% of the difference between the Actual State Tax Credits and the Projected State Tax Credits.

8609: MPC’s equity contribution to the Project shall also be reduced by \$0.05 per credit if MPC receives such Project 8609’s later than August 1 following the first year of the Credit Period.

All Other Adjustments: Upon a reduction or recapture of State Credits occurring after funding of MPC’s final capital contribution, the Company will be obligated to pay MPC an adjustment payment as a return of capital equal to \$1.00 for each State Credit so reduced or recaptured plus any legal/accounting fees, interest, penalties, or increased taxes payable by MPC (or its investors) as a result of such reduction or recapture.

Tax Returns

The Company shall deliver Schedules K-1 to MPC no later than March 1 of each year commencing with the first year of the Credit Period. Each year, the Company shall pay MPC \$150 for each day thereafter until actual delivery, which such penalty shall increase to \$500 for each day after April 1st until actual delivery.

Reserves

The Company shall establish and maintain an operating deficit reserve, capital replacement reserve and debt service reserve at such levels as the parties shall reasonably agree as part of the definitive agreement.

Guaranty Provisions

The Company, the Sponsor, its principal(s) and such other individuals or entities as required by MPC (collectively, the "Guarantor") shall provide the following guarantees to MPC:

- a) Construction Completion. The Guarantor will guarantee that the Projects will be placed in service and fully completed in 2028 in a manner that qualifies for State Credits. This guaranty includes an unlimited payment guaranty of all development and operating deficits through Stabilization, including funds required for conversion to permanent financing.
- b) Operating Deficit. The Guarantor will guarantee to lend funds to the Company to fund any operating deficits of the Project for a period of 60 months following Stabilization. Any such loans will be repaid without interest only from available cash flow.
- c) Tax Credits. The Guarantor will guarantee delivery of the State Credits, including without limitation payment of all adjusters on an after-tax basis.
- d) Repurchase. At MPC's option, the Guarantor will repurchase the membership interest of MPC in the Company for an amount equal to the total Capital Contribution made by MPC with interest on such Capital Contribution at the rate of 8% per annum if, (i) the Project is not placed in service prior to December 31, 2029 in a manner that qualifies for State Credits in 2029 or (ii) upon final cost certification, the Project qualifies for less than 80% of the Projected State Credits.
- e) Representations and Warranties. The Guarantor will protect and indemnify MPC against any loss due to any breach or default by the managing member or general partner of its fiduciary duty or any representation, warranty, or covenant under the operating agreement of the Company, including an environmental indemnity from and against all claims, actions, causes of action, damages, costs, liability and expense incurred or suffered based upon a violation of environmental laws, or respecting the presence of environmental hazards.
- f) Net Worth Covenant. The Guarantor must maintain (in the aggregate, if more than one Guarantor) a total net worth of at least \$2,000,000 and a liquid net worth of at least \$1,000,000, or such other amounts acceptable to MPC (as determined by MPC based on underwriting). For purposes of this covenant, liquid net worth shall mean cash and cash equivalents less all

current liabilities (including the current portion of any long term liabilities). The Guarantor will provide MPC with annual financial statements evidencing compliance with the liquidity and net worth covenants above.

<i>Asset Management Fee</i>	Commencing with the first year of the Credit Period, the Company shall pay MPC an annual asset management fee of \$3,000 for each calendar year (full or partial) within the Credit Period, to cover its administrative, financial and tax expenses with respect to the Company and the Project. Each year the asset management fee shall be paid by December 31 and shall escalate 3%.
<i>Call Option</i>	After the termination of the recapture period for the State Credits, the Company will have the option to redeem MPC's ownership interest at fair market value plus accrued but unpaid asset management fees.
<i>Put Option</i>	After the termination of the recapture period for the State Credits, MPC will have the option to cause the Company to purchase MPC's ownership interest for \$1,000 plus accrued but unpaid asset management fees.
<i>Special Allocations</i>	Any taxable income generated by the Company as a result of an actual or deemed sale of tax credits shall be allocated entirely to the general partner of the Company.
<i>Transaction Costs</i>	The Guarantor shall be responsible for payment of all of MPC's reasonable third-party fees and expenses associated with the proposed investment in the Project, even if the investment does not close, in an amount not to exceed \$30,000. Such fees shall be paid at the earlier of closing or the date on which either party terminates this Term Sheet. At its election, MPC may deduct this amount from its first capital contribution installment.
<i>Due Diligence Process</i>	When MPC has received a signed copy of this Term Sheet, we will begin our underwriting and due diligence review. During this time, MPC will conduct further review of the factual representations made by the undersigned, and will negotiate in good faith the terms and conditions of the proposed investment. The due diligence review will include, but not be limited to, MPC's review and approval of the following matters: • development team; • tax structure; • financial model and projected tax credit basis; • compliance with the federal and state tax credit program requirements; • market/feasibility study; • site inspection; • evidence of insurance (property, casualty, business interruption, title, etc.); • environmental site assessment and all recommended follow-up; and

- the Guarantor's financial capacity.

Exclusivity

MPC anticipates incurring expenses and foregoing other opportunities while finalizing an agreement for the Project. MPC is willing to do so with the understanding that upon execution of this Term Sheet: (i) the Company, the Guarantor and their respective representatives and agents shall end any and all discussions or agreements with any other party regarding state tax credit equity for the Project, and shall not entertain any such discussions for a period of 120 days; (ii) all information and materials received by each party to this Term Sheet are to be kept confidential; and (iii) the parties hereto shall negotiate in good faith to close this transaction on or before February 1, 2027. By executing this Term Sheet, the Company and Guarantor agree to each of these terms and conditions, as well as to the terms and conditions set forth above regarding closing costs.

Governing Law

This Agreement and all claims and controversies hereunder shall be governed by and construed in accordance with the internal laws of the State of Georgia, without regard to the choice of law provisions thereof.

This Term Sheet may be executed in any number of counterparts, each of which shall be deemed an original as against any party who signed such counterpart, and all of which together constitute one and the same instrument.

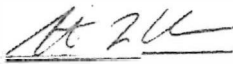
[Signatures on the following page]

We greatly appreciate your interest in working with MPC. This proposal is valid only for 5 business days from the date of this Term Sheet, unless countersigned by you and returned to us within such time.

If these terms are agreeable to you, please execute and return one copy.

Very truly yours,

Monarch Private Capital, LLC

By: 
Steve LeClere, Partner, LIHTC

Accepted and Agreed to this 13th day of May, 2026.

Resource Housing Group, Inc.

By: 
Name: Sam Coats
Title: Vice President

May 3, 2026

Peaks of Manning II, LP
Attn: Mr. Sam Coats
Resource Housing Group, Inc.
3350 Riverwood Parkway, Suite 800
Atlanta, GA 30339

Re: ***Peaks of Manning II*** (the "Project")
Peaks of Manning II, LP
Manning, Clarendon County, South Carolina

Dear Mr. Coats:

The National Equity Fund, Inc. ("NEF") is pleased to propose the terms and conditions, as set forth in this letter of interest, pursuant to which NEF, through its affiliate, NEF Assignment Corporation ("NEFAC"), will provide equity capital for the above described property. NEF has reviewed the Application, including the proposed rents and operating expenses used in preparing the operating budget. This letter is based on certain assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions, the LIHTC market or a loss of investor appetite prior to an actual credit award, may result in changes to the terms, conditions, and/or purchase price, outlined in this letter.

1. Project Information

We are pleased to present the following summary of terms for an equity investment in a Limited Partnership, which will own and operate a new construction, 52-unit low income housing project for family tenants to be known as Peaks of Manning II in Manning, South Carolina. This summary of terms is based on the information we have received and is further based on certain assumptions made by NEF regarding the development budget, lease-up schedule, pro-forma operating statements, and ownership structure.

NEF has analyzed the project's development budget and has based this offer on the assumption of total development costs of approximately \$17.6 million and an allocation of 2026 Federal low-income housing tax credits from South Carolina Housing in the amount of \$1,250,000 per year as well as a 2026 allocation of South Carolina State tax credits from South Carolina Housing in the amount of \$1,250,000. It is anticipated that the financing will include low-income housing tax credits, state housing tax credits, a permanent 1st mortgage loan and, if necessary, contributed developer fee.



NEF Assignment Corporation (“NEFAC”) will acquire a 99.99% interest in the Project and act as nominee limited partner on behalf of one or more investor limited partnerships of which NEF is the Managing Member. NEF will have the right to assign the beneficial portion of its limited partner interest to one or more investor limited partnerships of its choosing.

2. Development Team

Developer:	Resource Housing Group, Inc.
General Partner:	Peaks of Manning II Manager, LLC (of which Resource Housing Group, Inc. is the sole member)
General Contractor	To Be Determined
Property Manager	Gateway Managment
Consultant:	N/A

3. Timing Assumptions

This letter is based on the following timing assumptions:

Construction Start:	July 2027
Partnership Investment Closing:	July 2027
Placement in Service Date:	October 2028
Stabilized Operations:	February 2029

If the timing assumptions set forth above are not met, the terms and conditions of this Letter of Interest, including the purchase price, will be subject to change.

4. Project Financing

In addition to equity financed through the syndication of low-income housing tax credits, the anticipated financing for Peaks of Manning II is expected to include the following:

	Lender/Source	Amount	Interest Rate	Term	Amort	Hard/Soft Debt
1 st Mortgage	ServisFirst Bank	\$1,925,000	6.50%	18	35	Hard

5. Tax Credits

The Sponsor is applying to South Carolina Housing for \$1,250,000 of annual 9% federal low-income housing tax credits and for \$1,250,000 of annual South Carolina state housing credits. The requested credit amount is based on the Project utilizing a construction/rehab tax credit rate of 9.0%. The total Tax Credits anticipated to be claimed by the Partnership are \$12,500,000 of Federal LIHTCs and \$12,500,000 of South Carolina

STCs (collectively, the "Projected Tax Credits"). The Projected Tax Credits are expected to be available to the Partnership in 2028.

6. Capital Contributions

In support of the residential space, NEFAC will purchase the above credits for a total purchase price (the "NEFAC Capital Contribution") of \$15,499,025 (\$9,749,025 of Federal LIHTC equity and \$5,750,000 of South Carolina STC equity) or \$0.78 cents for each \$1.00 of Federal LIHTCs and \$0.46 cents for each \$1.00 of South Carolina STCs. NEFAC shall make its capital contributions to the Partnership as described below:

NEFAC Equity & Development Fee Schedule					
Milestone	Equity %	Federal Equity	State Equity	Development Fee %	Development Fee
Closing	20.00%	\$1,949,805	\$1,150,000	20%	\$271,130
50% Completion	0.00%	\$0	\$0	0%	\$0
100% Constr. Completion	50.00%	\$4,874,513	\$2,875,000	50%	\$677,826
100% Qualified Occup.	0.00%	\$0	\$0	0%	\$0
Stabilization	27.00%	\$2,632,237	\$1,552,500	0%	\$0
8609s	3.00%	\$292,471	\$172,500	30%	\$406,695
Total	100%	\$9,749,025	\$5,750,000	100%	\$1,355,651
Total Deferred Development Fee					\$194,349
Total Development Fee					\$1,550,000

Developer Fee Equity. The Project Sponsor, or whoever else is designated in the Development Agreement to receive such payment, shall be paid a development fee (the "Developer Fee") in the amount of \$1,550,000. The Developer Fee shall be payable at the times and upon the conditions set forth in the Development Agreement. The Developer Fee will be paid to the Partnership out of the NEFAC Capital Contribution (the "Developer Fee Equity"), which will in turn pay the Developer Fee Equity to the Project Sponsor pursuant to the Development Fee Agreement, on the above schedule.

Deferred Developer Fee. A portion of the Developer Fee (estimated at \$194,349) shall be reinvested in the deal (the "Reinvested Developer Fee") in the form of a Sponsor Loan repaid from Project cash flow or the proceeds of refinancing or sale of the Project.

7. Adjustment to Purchase Price (Credit Adjusters)

Permanent Reduction in LIHTCs. The NEFAC Capital Contribution to the Partnership shall be decreased if: (i) the receipt of the Project Cost Certification, or (ii) the receipt of the Form 8609 for the Project, the maximum Actual Tax Credits are less than the Projected Tax Credits. In such an event, the NEFAC Capital Contribution shall be reduced by \$0.78 times the amount by which the Actual Tax Credits are less than the Projected Tax Credits.

Material Timing Difference – Tax Credits. In the event that LIHTCs are not available to NEFAC during the Projected First Tax Credit Year in the amount projected (the "First Year Projected Tax Credits"), the NEFAC Capital Contribution shall be reduced by

an amount equal to (i) \$0.78 times the amount by which the actual Tax Credits received by NEFAC during the Projected First Tax Credit Year is less than the First Year Projected Tax Credits; minus (ii) the net present value of the additional Tax Credits to be received by NEFAC in the 11th year of the Tax Credit Compliance Period, based upon a 10% discount rate.

Ongoing Credit Shortfall. If at any point in time after the end of the Projected First Tax Credit Year but before the end of the Tax Credit Compliance Period, the actual Tax Credits received by NEFAC are less than the Projected Tax Credits, or if there is recapture (as defined in Section 42 of the Code) of Tax Credit, then any remaining portion of the NEFAC Capital Contribution shall be reduced by one dollar for each dollar of reduction of the Projected Tax Credits or each dollar of Tax Credits that are recaptured (the "Credit Reduction Payment"), up to a maximum total amount equal to the total Developer Fee.

In the event the remaining unpaid portion of the Limited Partner's Capital Contribution obligation is insufficient for the Limited Partner to offset all amounts that are due and owing from the Managing Member to the Limited Partners pursuant to the Credit Adjusters, or the Limited Partner elects not to offset the Credit Adjusters against the remaining Limited Partner Capital Contribution Installments, then the Managing Member shall, upon demand, pay the Limited Partner any remaining amount that is due and owing to the Limited Partner.

8. Reserves

Operating Reserve. The Managing Member shall establish an Operating Reserve which shall be funded from NEFAC's third installment of equity in an amount equivalent to at least six (6) months of operating expenses and debt service, and thereafter the Managing Member will be required to maintain this Operating Reserve balance from Project cash flow.

Lease-Up Reserve. To be determined.

Replacement Reserve. All developments must fund an annual replacement reserve of a minimum of \$300 per unit for new construction projects for family tenants and \$350 for all other project types, increased annually by three percent (3%).

9. Managing Member Guaranties

Development Completion Guaranty. The Managing Member and Guarantors will provide the Partnership with a Development Completion Guaranty. This guaranty obligation will become effective at the time of execution of the Partnership Agreement and will continue until the later of (i) 1 year after completion of construction, to cover the Managing Member's latent defects obligation, or (ii) achievement of Stabilized Operations, to cover the Managing Member's obligation to fund Project operating deficits. Payments made under the guaranty will be considered Managing Member loans to the Partnership at 0% interest, repayable from cash flow.

Operating Deficit Guaranty. The Managing Member and Guarantors will provide an Operating Deficit Guaranty in an amount equivalent to six months of operating expenses, debt service and reserves, which guaranty will commence upon achievement of Stabilized Operations and remain in place until the later of (i) five years from achievement of Stabilized Operations, or (ii) until the Project has maintained a 1.15 debt coverage ratio measured on an annual basis, for a period of two consecutive years commencing on or after the second anniversary of achievement of Stabilized Occupancy. This guaranty obligation will be used to fund or pay operating deficits incurred by the Partnership and current liabilities of the Partnership upon the depletion of the funds in the Partnership Operating Reserve. Amounts expended to satisfy this obligation shall be treated as non-interest bearing loans to the Partnership and shall be repaid out of distributable cash flow.

Repurchase. The Managing Member shall repurchase the interest of the Limited Partner for an amount equal to the amount of NEFAC's Capital Contribution that has been funded plus \$50,000 and all of the expenses incurred by NEF and NEFAC in conjunction with the transaction, if the Limited Partner so elects, upon the occurrence of certain major adverse events which will be described in detail in the Partnership Agreement, such as an event which threatens to deprive the Partnership or the Limited Partner of a substantial amount of the Projected Tax Credits or an action is commenced to foreclose, abandon, or permanently enjoin construction or rehabilitation of the Project.

The Guarantor will be required to execute a separate Guaranty Agreement whereby they will guaranty all of the above guaranty obligations of the Managing Member and all of the Managing Member's other obligations under the Limited Partnership Agreement.

10. Property Management

Appointment of the Management Agent must be approved by NEF. The Management Agent may be replaced from time to time by the Managing Member provided that NEF approves the proposed replacement Management Agent in writing. The Management Agent shall initially earn a Property Management Fee no greater than 6.25% of the Project's gross collected rents. If the Management Agent is related to a Managing Member, the payment of the Property Management Fee will be subordinated to the payment of operating deficits, if necessary, to maintain Breakeven Operations.

11. Asset Management Fee

The Partnership will pay to NEF or its designated affiliate an annual Asset Management Fee in the amount of \$6,000, to be increased annually by three percent (3%). This fee will be paid from cash flow and is not an operating expense.

12. Partnership Management Fee

The Managing Member shall receive an annual Incentive Management Fee in the amount of 90% of available cash flow.

13. Right of First Refusal and Purchase Option

It is the express objective of NEF to identify and implement strategies to maintain projects permanently as low and moderate-income housing. If the sponsor is a qualified 501(c)(3) corporation, if the Project Sponsor agrees to maintain the property for low-income use, as defined in Section 42 of the Code, for a total period of at least 30 years, it will be granted a right of first refusal to purchase the Property at the end of the Tax Credit Compliance Period, for a price equal to the sum of: a) all outstanding Partnership debt, including Managing Member and Limited Partner loans; b) any state, local or federal taxes owed by NEFAC as a result of the sale; and c) any unpaid portion of any Credit Adjuster payments due and owing to the Limited Partner.

At the end of the Tax Credit Compliance Period, the Managing Member may elect to purchase the Project or the Limited Partner's interest in the Limited Partnership for a price equal to the greater of: (i) the appraised value of the Project plus any additional amount required to pay off all outstanding principal and interest on any loans made by the Limited Partner to the Limited Partnership, or (ii) a price equal to the sum of: (a) all outstanding Limited Partnership debt, including Limited Partner loans, if the Managing Member elects to purchase the Project, or all outstanding principal and interest on any Limited Partner loans, if the Managing Member elects to purchase the Limited Partner's interest, (b) any state, local or federal taxes owed by the Limited Partner as a result of the sale, and (c) any unpaid portion of any Credit Adjuster payments due and owing to the Limited Partner.

14. Limited Partner Costs and Expenses

NEF will charge the Company \$65,000 for legal fees and other closing costs inclusive of the NEF tax opinion.

15. Issues to be Resolved Prior to Investment Committee Review

- A. Acceptance of the project by NEF's investor
- B. Review of all tax credit documentation
- C. Review of a Market Study and appraisal
- D. Review of all financing commitments for the Project
- E. Review of contractor and architect resume and experience
- F. Review of the plans and specifications and construction cost breakdown
- G. Review of property manager resume and experience
- H. Review of Phase I Environmental Report
- I. Review of Project operating expenses

16. Summary

This letter is based on assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions may result in changes to the terms and conditions, including purchase

price, outlined in this letter.

We are delighted that you have chosen to work with NEF. If the terms and conditions of this letter are acceptable to you, please sign and return this letter to NEF. Should the Project receive an award of Federal and State LIHTCs from South Carolina Housing, both parties agree to make a good faith effort to close on the terms described herein. Please note that if this Project does not close within the time frame specified in this letter, NEF reserves the right to re-negotiate the terms and price of this offer. Upon receipt of this signed letter, an award of LIHTCs, and receipt of all due diligence materials needed, NEF will take the Project to our Investment Review Committee for review and approval.

We wish you success in your application for Low Income Housing Tax Credits and look forward to working with you to provide needed affordable housing in your community.

Very truly yours,

NATIONAL EQUITY FUND, INC.

By:



Mark Furey
Vice President, Acquisitions

TAB 20

State Tax Credit Request

1. Consists of one or more building(s) qualified for federal LIHTC under Internal Revenue Code Section 42.
2. All buildings placed in service after January 1, 2020 and before December 31, 2030.
3. Has restricted rents that do not exceed 30% of income for at least
 - 40% of units occupied by households with incomes of 60% or less of the median income, or
 - 20% of units occupied by households with incomes of 50% or less of the median income.
4. The owner provides a report (Report) to SC Housing detailing
 - how the STC will benefit the tenants (including, but not limited to, reduced rent),
 - why the STC is essential to the financial feasibility of the project, and
 - provide evidence of local support.

In the interest of timely implementation, as of these policies being issued there is no prescribed Report format. Instead owners submit relevant documentation and staff may follow up.
5. Application must request the maximum amount of federal LIHTC before requesting STC. STCs are only meant to be the last resource in the application and only meant to cover any gap remaining after all other sources have been maximized. SC Housing reserves the right to increase the amount of federal tax credits requested.
6. Public Hearing was conducted no less than ten business days from public notice and community was given no less than ten days to provide comment to SC Housing.
7. Receives an Eligibility Statement from SC Housing.
8. Those awarded STCs also must comply with any applicable SC Housing Bulletin(s) and decisions made during application review.

The applicant is requesting an allocation of STC and will comply with the above information. The STC will allow the applicant to reduce rents from a market rate rent to an affordable rent utilizing income averaging of 58% for Clarendon County. The proposed property will offer a 37.40% market rate advantage over comparable properties. Currently, all other comparable properties are full/almost full with some posting waiting lists, including the applicants Peaks of Manning which was awarded in 2018 adjacent to this site (100% occupied and over 30+ waiting list). Very little to no vacancies exist in the market area causing renters to move outside their desired area resulting in an additional cost burden to residents. In addition, the community will be well situated within the city offering good proximity to services needed for daily living, some being within walking distance.

STCs are required for this community. The applicant has requested the maximum federal tax credits for this proposal. Without the STC, the project is not feasible as there would be an equity gap in funding as the maximum federal tax credit request would not be enough to cover sources/uses. The project is located within a QCT and has the basis boost. Without the STC, the proposed project would not be financially feasible and therefore, would not be able to be built within the City proposed.

The applicant has been in communication with the City on the proposed development for multiple years with due diligence and has had several meetings with Council as well as attended Planning Commission and City Council meetings giving presentations at each meeting. The City zoned this parcel to allow this development from agricultural to GR2 in 2024 and again in 2026. Local support is attached from the City in Tab 20 for affordable housing in their community.

The application is also in a USDA rural designated area.