

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

May 7, 2026

Gateway at Clinton Mill, LP
Attn: Allan Rappuhn
920 Florence Blvd
Florence, AL 35630

Re: Gateway at Clinton Mill – Commitment Letter
South Carolina Mill Tax Credit Equity Investment

Dear Mr. Rappuhn:

This commitment letter (the “Commitment”) is submitted on behalf of Monarch Private Capital, LLC, or an affiliated entity (“MPC”). This Commitment Letter 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 Gateway Development Corporation (the “Sponsor”) in exchange for equity capital to be used in connection with the development of the Gateway at Clinton Mill project in a manner that qualifies for South Carolina mill tax credits (the “State Credits”) under Section 12-6-3795 of Code of Laws of South Carolina, collectively the (the “State Credits”).

<i>Project Description</i>	The development of the Gateway at Clinton Mill project located in Clinton, SC into a 52-unit multi-family community (the “ <u>Project</u> ”). 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 LIHTCs and State Mill Credits for the Company.
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<i>State Credits</i>	The Company expects to receive State Credits in the amount of \$594,010 per year, for a total of \$2,970,050 over the 5-year mill credit period. (the “ <u>Credit Period</u> ”). 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.
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<i>Estimated Credits</i>	The estimated State Credits to be allocated to MPC (the “ <u>Projected State Credits</u> ”) are as follows:
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2028-2032:	\$594,010
Total:	\$2,970,050

Projected State Mill Credits will collectively be referred to as “Projected State Credits”. Any decision to delay the commencement date of the LIHTC Period or the Mill Credit Period beyond 2028 is subject to MPC’s consent.

Estimated Completion Date August 2028

Estimated Lease-Up Completion Date December 2028

Estimated Stabilization Date April 2029

Credit Price \$0.63 per dollar of State Mill Credits actually allocated to MPC

MPC Capital Contribution Assuming all estimated State Tax Credits are actually delivered, estimated to be \$1,871,130. 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. \$10,000 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. The balance shall be due upon the later of:
 - (a) Satisfaction of the conditions in clause 1 above;
 - (b) Receipt of architect's certification of completion of the project.
 - (c) Receipt of NPS approved Part 3
 - (d) Receipt of Alternative Notice to SC SHPO
 - (e) Receipt of final cost certification;
 - (f) Receipt of the 1st year SC Schedule K-1; and
 - (g) August 1, 2028.

"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 (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 corresponding 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.

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.

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 \$250 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 Project 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 \$5,000,000 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>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 <u>Commitment Letter</u> . At its election, MPC may deduct this amount from its first capital contribution installment.

*Due Diligence
Process*

When MPC has received a signed copy of this Commitment Letter, 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 Commitment Letter: (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 Commitment Letter are to be kept confidential; and (iii) the parties hereto shall negotiate in good faith to close this transaction on or before June 1, 2027. By executing this Commitment Letter, 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 Commitment Letter 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 Commitment Letter, 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:



Robin Delmer, Co-Managing Director

Accepted and Agreed to this 8th day of May, 2026.

By:


Name: Allan Rappuhn

Title: Manager of GP