

**South Carolina State Housing Finance and Development Authority
Permanent Financing Documentation**

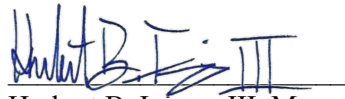
Project Name: Knollwood Apartments

Applicant Name: Knollwood Apts II, LP

At this time, the above-referenced development is projecting a deferred developer fee of \$392,294.00. Upon completion of the project and upon final determination of the permanent amount of deferred developer fee the attached sample developer note will be updated and executed. The deferred fee will be paid from cash flow within the initial compliance period, as is typically required by the tax credit equity investors

An authorized Manager of the General Partner duly executed this document on the 11th day of May 2026.

OWNER ENTITY: Knollwood Apts II, LP
By: Knollwood Apartments II GP, LLC


Herbert B. Iverson, III, Manager

Developer Promissory Note

\$392,294.00

May 11, 2026

FOR VALUE RECEIVED Knollwood Apts II, LP a Mississippi limited partnership ("Maker") promises to pay to the order of Trinity Development, LLC, a Mississippi limited liability company (the "Lender") at the address of P.O. Box 12890 Jackson, MS 39236, in lawful money of the United States of America the sum of Three Hundred Ninety-Two Thousand Two Hundred Ninety-Four and 00/100 DOLLARS (\$392,294.00) together with interest compounding annually on the unpaid principal balance of this Note as outstanding from time to time, at the rate of one-tenth (.0 %) percent per annum, commencing on the conversion of the permanent loan for and continuing until this Note is paid in full.

The principal balance of this Note and all accrued, but unpaid interest shall be due and payable out of Available Cash, as specified herein, until the principal balance of this Note is paid in full. All interest shall be computed for the actual number of days elapsed on the basis of a year consisting of 365 days. Payments of principal shall be made, to the extent of any Available Cash remaining after payment of interest hereunder, as aforesaid, concurrently with payments of interest hereunder. In the event Available Cash is insufficient to pay such interest at any time, then such interest shall be paid to the extent of any Available Cash and the balance of such interest shall be accrued and paid if, as, and when there is Available Cash after payment of current interest hereunder. The outstanding principal balance and all interest accrued and unpaid hereunder shall be paid on the Maturity Date. Notwithstanding anything herein to the contrary, the principal indebtedness evidenced by this Note and the obligation to pay interest thereon are hereby subordinated to payment by Maker of all required uses of Available Cash. Payment shall be deemed made at the time the Payee receives such payment, subject to the condition subsequent that any check or similar instrument is honored as drawn on sufficient funds.

The term "Available Cash" shall mean all development financing proceeds, operating income, rental income, proceeds of capital transactions, reimbursement of sales taxes, and operating, replacement, and capital reserve fund balances (to the extent available), less Maker's expenses incurred in the ordinary course of business.

Maker shall have the right to prepay all or any portion of the principal hereof and any accrued interest at any time without premium or penalty.

On December 31, 2041, the entire outstanding balance of principal and accrued interest shall automatically be due and payable without notice or demand (the "Maturity Date").

Notwithstanding any provision in this Note or under Mississippi law, Lender agrees in accepting this Note that it shall have no recourse to the individual partners of Borrower or to any of their respective assets other than their capital contributions or capital accounts inside Borrower. Lender further agrees that no partner of Borrower shall have any personal liability for the payment of the indebtedness represented by this Note or for the performance of any obligations set out in the Note, although they may be named or joined in a lawsuit or other proceeding in which Lender seeks the enforcement

of its rights under this Note or any document related to this Note, provided that no suit or proceeding seeks to assert personal liability against the partners or to force them to personally perform any of the obligations of Borrower under this Note. Nothing contained in this provision is intended to limit the liability or obligations of those individual partners who have signed any other agreements with Lender, whether for personal or commercial purposes. This provision is not a release, discharge, novation or amendment of the debt represented by this Note but is instead intended only as a covenant by Lender not to assert personal liability under this Note against the individual partners of Borrower.

Unless otherwise agreed to, in writing, or otherwise required by applicable law, payments will be applied first to accrued, unpaid interest, then to principal, and any remaining amount to any unpaid collection costs, late charges and other charges, provided, however, upon delinquency or other default, Lender reserves the right to apply payments among principal, interest, late charges, collection costs and other charges at its discretion. All prepayments shall be applied to the indebtedness owing hereunder in such order and manner as Lender may from time to time determine in its sole discretion. The amount of the principal balance of this Note outstanding from time to time as shown on the records of Lender shall be conclusive absent manifest error as to such amount.

Should this note be placed in the hands of an attorney for collection, adjustment, settlement, compromise, or action for the protection of the rights of the holder or holders or for the institution of legal proceedings thereon, the maker hereby binds and obligates itself to pay the fees of the attorney who may be so employed, which fees are hereby fixed at eighteen (18%) percent of the then balance on said note with interest and costs.

The Maker and all others who may become liable for the payment of all or any part of this obligation do hereby severally waive presentment for payment, demand, notice of nonpayment, protest, and all pleas of division and discussion, and agree that the payment hereof may be extended from time to time, one or more times, without notice, hereby binding themselves, in solido, unconditionally, and as original promissors, for the payment hereof, in principal, interest, costs and attorney's fees.

Maker:

Knollwood Apts II, LP

By:

**Knollwood Apartments II GP,
LLC –General Partner**

By: 

Name: **Herbert B. Ivison, III**

Its: Manager/Member

This is a Sample Note. Upon Completion and final determination of the deferred developer fee, a final note will be completed and fully executed. This SAMPLE is not intended to be executed.