

# J.P.Morgan

June 24, 2025

Ulysses Development Group  
210 University Blvd, Suite 460  
Denver, CO 80206  
Attn: Angela Arnholt

## Re: Fontaine

Dear Angela:

JPMorgan Chase Bank, N.A. (“**J.P.Morgan**” or “**Lender**”) is excited to present this proposal for a forward-starting Fannie Mae DUS permanent loan (“**Permanent Loan**”) for the project located in Columbia, SC. This permanent financing option is being offered in connection with J.P.Morgan providing the construction loan, the proposed terms of which are set forth and being provided to you in a separate letter. We will also consider a forward permanent only option should a different lender be selected to provide the construction loan.

We have completed a preliminary review of the materials you have submitted, and the following is an outline of the terms that we propose to underwrite for credit approval. This letter is for discussion purposes only and does not represent a commitment by J.P.Morgan or Fannie Mae to provide financing for the project nor an offer to commit, but is rather intended to serve as a basis for further discussion and negotiation should you wish to pursue the proposed transaction. Our interest and preliminary terms are subject to change as our due diligence and discussions with you continue. Such a commitment can only be made after due diligence materials are received, reviewed and approved and credit approval has been obtained.

Borrower:	Single asset entity affiliated with Developer, and with a LIHTC investor member that satisfies Fannie Mae requirements
Developer:	Fontaine Dr Developer LP
Project:	The project features the new construction of a 200-unit affordable apartment complex. Units will be rent and income restricted to 60% of the Area Median Income. The Project will be a mix of one, two, three, and four-bedroom apartments.
Property Manager:	An entity TBD that must be acceptable to Lender and Fannie Mae
Facility Type:	J.P.Morgan direct bond purchase with Fannie Mae Credit Enhancement Instrument (“ <b>CEI</b> ”) as collateral for Tax-Exempt Bonds (“ <b>Fannie Enhanced Direct Purchase</b> ”).

Program:	J.P.Morgan will act as the Fannie Mae DUS Lender in the offering of a fixed rate Fannie Mae CEI that will be pledged as collateral for municipal tax-exempt bonds to be issued by an authorized governmental entity and purchased directly by J.P.Morgan, all as further described herein. <i>This perm debt and the terms herein can be combined with a short-term cash-backed bond execution prior to Conversion to the perm period.</i>
Loan Amount:	<p>\$20,370,170 with ability to upsize the Loan by up to 10% at Conversion, subject to Fannie Mae approval and underwriting at the time of Conversion.</p> <p>The amount shown here is an estimate based on current rates and underwriting assumptions. It is neither a cap nor a floor and will be determined based upon final underwriting and rate.</p>
Term:	15 years
Interest Only:	Available, subject to Fannie Mae approval
Amortization:	40 years, subject to Fannie Mae approval
Forward Period:	36 months + one (1) 6-month extension
Note Interest Rate:	<p>5.992% per annum (estimated). This rate is determined using a J.P.Morgan underwritten spread over the 10-year SOFR Swap Rate (3.820% as of the date herein).</p> <p>This estimated rate is subject to fluctuation until rate lock. Fannie Mae Guarantee and Servicing fees are <i>included</i> in this spread. Any ongoing bond issuer fees are <i>not included</i> herein.</p> <p>Should the Project qualify for a Fannie Mae Green Building Certification, and/or Healthy Housing Rewards, the above rate may be reduced.</p>
Annual Debt Service:	\$1,343,590.47 (estimated)
Prepayment Type:	Subject to the timing of conversion, prepayment lockout for first 15 years and open at par thereafter.
Minimum DSC:	1.15x

Maximum LTV:	Senior loan up to 85% of the “as-stabilized” value determined by a Lender commissioned appraisal; not to exceed 95% when including all applicable subordinate debt.
Origination Fee:	1.00% of Initial Loan Amount, plus 10% potential upside, due at construction closing.
Application Deposit:	<p>\$50,000 collected at application and used to cover costs incurred by Lender prior to closing, including third party and counsel fees. Any such costs in excess of the amount collected at application, will be due at closing, if not otherwise collected.</p> <p>To save costs, third parties ordered by J.P.Morgan in connection with the construction loan will be shared. Accordingly, only one lender application deposit will be collected between the construction lender and permanent lender.</p>
Good Faith Deposit:	1.00% to be deposited 24 hours before rate lock. Fee refunded at permanent loan conversion
Standby Fee:	0.15% of Loan amount per year paid upfront
Fannie Mae Delivery Fee:	0.10% of Initial Loan Amount, plus 10% potential upside
Conversion Fee:	\$10,000 due at Conversion
Construction Monitoring:	Lender will monitor the progress and quality of construction and report such findings to the Agency on a regular basis throughout construction. Borrower is responsible for all costs.
Legal/Bond Counsel Fees:	Borrower is responsible for payment of all legal fees incurred by permanent Lender and Fannie Mae.
Escrows:	Applicant will make monthly escrow deposits for property insurance, replacement reserves, and taxes, if applicable. Should the Sponsor have a master insurance policy, Lender will work with Fannie Mae to seek to accommodate this policy so that Borrower will not have to escrow for property insurance.

Third Party Reports:	Third party reports will include an appraisal, Plan and Cost Review (“PCR”) and Phase I environmental report. All third-party reports must be satisfactory to Lender and Fannie Mae. Third party reports are to be ordered by the Lender.
Recourse:	Non-Recourse; subject to Exceptions to Non-Recourse Provisions in the Loan Agreement and Environmental Indemnity Agreement. Guarantor subject to Lender and Fannie Mae approval.
Collateral:	First mortgage lien on Applicant’s fee interest in the property, a first security interest in all fixtures, equipment and deposits, assignments of any rents, leases, escrow, and operating and/or reserve accounts (if any).
Construction Lender:	Subject to Lender approval. Pricing assumes a J.P.Morgan construction loan and is subject to change.
Equity Investor:	Subject to review and approval by Lender and Fannie Mae.
Subordinate Debt:	All subordinate debt, if any, associated with the property must mature at least six months after the Loan and the terms of each must be reviewed and approved by Lender and Fannie Mae.
Tax Abatement/PILOT:	Subject to review by Lender and Fannie Mae, including term of abatement and conditions for subsequent renewals relative to the term of the loan.
Ground Lease:	Subject to review and approval, if any.
Delivery Tolerance:	The original principal amount of Loan must not be (i) greater than 105%, or (ii) less than 90% of the amount of the amount set forth in the commitment.
Conversion Requirements:	At least three consecutive calendar months of not less than: <ul style="list-style-type: none"> <li>• 1.15x debt service coverage ratio (DSCR); 1.05x all-in DSCR including all applicable sub-debt payments, and</li> <li>• 90% economic and physical occupancy</li> <li>• Final underwritten gross potential rent (GPR) at Conversion will be based on in-place rents at the time of Conversion and the underwritten expenses at conversion are based on the greater of underwritten expenses or T-3 annualized expenses at conversion.</li> <li>• Satisfaction of all other Lender and Fannie Mae requirements</li> </ul>

We appreciate the opportunity to discuss with you the possibility of providing permanent financing for the proposed project. This letter is not to be shown to or relied upon by other parties. **Please note, credit markets are volatile. Loan fees and interest rates are subject to adjustment prior to Construction Loan Closing.**

J.P.Morgan and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transaction described herein or otherwise. J.P.Morgan and its affiliates may share information about you in connection with the potential transaction or other possible transactions with you.

This letter serves as an outline of the principal terms of the proposed facility, and is subject to receipt and satisfactory review of all due diligence materials by Lender and to change as described above. JPMorgan Chase Bank N.A. cannot extend any legally binding lending commitment until formal credit approval has been obtained and a commitment letter has been issued.

Sincerely,

JPMORGAN CHASE BANK, N.A.



Matthew J. Bissonette  
Authorized Officer