



Wells Fargo Community Lending and Investment

June 12, 2025

Mr. David Pearson
Related Affordable
30 Hudson Yards
New York, NY 10001

Re: Highland Square

Dear Mr. Pearson:

The purpose of this letter is to indicate an interest of Wells Fargo, in providing equity, and becoming your partner in Highland Square. This letter is provided for use in your application.

The information that you have provided indicates that Highland Square is a 152-unit community located in Greenville, SC (the "Project"), projected to support 4% Federal Low Income Housing Tax Credits ("LIHTC") in the annual amount of \$1,994,417, which should total \$19,944,175 LIHTC throughout the initial compliance period. Based upon this information, Wells Fargo proposes preliminary pricing of \$0.88 per LIHTC to purchase a 99.99% interest in the limited partnership that will own and operate the Project, which amounts to total capital contributions of \$17,549,119. We propose that the capital be contributed in accordance with the following schedule:

<i>Project Milestone</i>	<i>% of Equity</i>	<i>Capital Contributed</i>
<i>At Closing</i>	<i>60%</i>	<i>10,529,471</i>
<i>During Construction</i>	<i>35%</i>	<i>6,142,192</i>
<i>At Completion</i>	<i>2%</i>	<i>350,982</i>
<i>Stabilization/ Delivery of IRS Forms 8609</i>	<i>3%</i>	<i>526,474</i>
<i>Total Capital Contributions</i>	<i>100%</i>	<i>\$17,549,119</i>

The Project is anticipated to produce approximately \$62,720 in solar investment tax credit basis that would produce a capital contribution of approximately \$59,578 at \$0.95 that would be paid in on a similar schedule to the above federal LIHTC.

Wells Fargo will require replacement reserves of \$300 per unit per year, and an operating reserve of at least \$1,393,000, which is approximately equal to 6 months of projected operating expenses, debt service and replacement reserves. Annualized Debt Service Coverage Ratio must not be either (a) less than 1.15 to 1.00 at the time of conversion, or (b) projected to be less than 1.15 to 1.00 in any year of the initial Compliance Period, based on underwriting parameters including income inflation of 2% per year and expense inflation of 3% per year.



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This letter reflects an estimate of what Wells Fargo would invest based on its view of current market pricing for the underlying transaction as presented. It is based upon current tax laws, current return objectives and current market conditions. Changes to any of the foregoing could affect pricing if and when a term sheet is issued. In addition, all equity investments are subject to verification of project information, completion of underwriting, due diligence, documentation, a fully negotiated Limited Partnership Agreement and Wells Fargo credit and business unit approvals.

The borrower will be responsible for paying a portion of the investor's legal fees.

Wells Fargo acknowledges the other anticipated sources of funds and their terms as reflected in the sources of funds and financial narrative of the application.

Wells Fargo appreciates the opportunity to respond to your request, and we wish you continued success in your development efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Malboeuf Crampton", with a long horizontal flourish extending to the right.

Jennifer Malboeuf Crampton
Managing Director
Wells Fargo Community Lending and Investment