

June 18, 2025

Bryan Brown
Chief Executive Office
Greenville Housing Fund
1615-A Wade Hampton Blvd
Greenville, SC 29607

RE: ***Victoria Arms/ Northgate Manor*** (the "Project")
220 Biblebrook Drive Greer, South Carolina 29651
103 School Street Greer, South Carolina 29651

Dear Mr. Brown:

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 project. 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 or this information may result in changes to the terms and conditions, including the purchase price, outlined in this letter.

1. Project Information

Victoria Arms/ Northgate Manor will involve the rehabilitation of 120 LIHTC units of housing for family residents, located in Greer, Greenville County, South Carolina. The 120 units will consist of, 1BR, 2BR and 3BR units, all with AMI limits at the 60% AMI level.

NEF has analyzed the project's development budget and has based this letter of interest on the assumption of a total development cost of approximately \$35.70 million and an allocation of 4% low-income housing tax credits in the combined annual amount of \$1,511,909 (\$935,457 dedicated to Victoria Arms and \$576,452 to North Gate Manor) from the South Carolina State Housing Finance and Development Authority.

Development Team

Project Owner:	GHG Victoria Northgate, LLC
Sponsor/Developer:	Greenville Housing Fund
Co-Developer:	Greer Housing Authority
Guarantor:	Greenville Housing Fund
Property Manager:	Vista Capital Management
General Contractor:	Harkins Builders
Architect:	Moseley Architects



3. **Timing Assumptions**

This letter is based on the following timing assumptions:

Benchmark	Date
Construction Start	October 1, 2026
Partnership Investment Closing	October 1, 2026
Placement in Service Date	April 1, 2028
100% Qualified Occupancy	April 1, 2028

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 Project's financing will be from the following sources in the following amounts:

Source	Type	Amount	Interest Rate	Term / Am.
HUD 221d4 (A)	1 st Mortgage Loan	\$8,638,000	6.65%	40 Years
Seller Note	2 nd Mortgage Loan	\$13,550,000	4.50%	40 Years

5. **Tax Credits**

The Sponsor intends to apply to the South Carolina State Housing Finance and Development Authority for an annual allocation of 4% low-income housing tax credits ("LIHTCs") totaling \$1,511,909, of which \$935,457 dedicated to Victoria Arms and \$576,452 to North Gate Manor. The requested credit amount is based on the Project having a combined Qualified Basis of \$31,892,859, using a tax credit rate of 4.0%, and receiving a 130% basis boost for being located within a Qualified Census Tract.

6. **Capital Contributions**

NEFAC will acquire a 99.99% limited partnership interest in the Project for a total purchase price (the "NEFAC Capital Contribution") of \$12,547,617, inclusive of NEF fees, which represents \$0.829¹ cents for each \$1.00 of LIHTCs. This equity total will be the sum of \$7,763,354 from Victoria Arms and \$4,784,264 from Northgate Manor. NEFAC shall make its capital contributions to the Partnership as described below:

NEFAC Equity Amounts

Milestone	Total Equity %	Total Equity \$	Developer Fee %	Developer Fee \$
Closing	20%	\$2,465,976	30%	\$790,976
Completion	75%	\$9,422,495	45%	\$1,186,463
Stabilization	3%	\$395,488	15%	\$395,488
8609 Tax Filing	2%	\$263,659	10%	\$263,659

¹ Price per credit is calculated on the projected losses, depreciation and credits associated with the transaction, as well as Investor demand.

Totals	100.00%	\$12,547,617	100%	\$2,636,585
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Developer Fee Equity. The Project Sponsor, or whichever entity is designated in the Development Agreement to receive such payment, shall be paid a development fee (the “Developer Fee”) in the amount of \$3,600,000. The Developer Fee shall be payable at the times and upon the conditions set forth in the Development Agreement, which shall include approximately 30% payable at closing. 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.

Deferred Developer Fee. A portion of the Developer Fee shall be paid as a deferred developer fee (the “Deferred Developer Fee”) from Project cash flow or the proceeds of refinancing or sale of the Project. This amount is projected to be approximately \$963,415.

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 \$0.829 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 \$0.40 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.

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”).

8. Reserves

Operating Reserve. The General Partner shall establish an Operating Reserve which shall be funded from NEFAC equity in the amount of \$755,157 and thereafter the General Partner will be required to maintain this Operating Reserve balance from Project cash flow.

Replacement Reserve. The General Partner shall establish a Replacement Reserve and will be required to fund an annual amount of \$300 per unit per year. NEF’s prior written consent will be required for any withdrawals greater than \$5,000.

9. General Partner Guaranties

Development Completion Guaranty. The General Partner will provide an unlimited guarantee of development completion which includes payments required for construction completion, funding of any

operating deficits prior to Stabilized Occupancy, and conversion of the construction loan to a right-sized permanent loan having debt service requirements consistent with targeted debt service coverage levels. The General Partner will provide monthly reports to us during construction. The general contractor will provide (i) either a Stipulated Sum Contract or a Guaranteed Maximum Price Contract (using the current AIA form of agreement), and (ii) either a letter of credit equal to 15% of the total construction cost or a 100% payment and performance bond.

Operating Deficit Guaranty. The General Partner will provide an Operating Deficit Guaranty in an amount of equal to six months of operating expenses, replacement reserves, and debt service (determined at the time of final underwriting) until the Project has maintained a 1.15 annual Debt Service Coverage Ratio for two consecutive years after the third anniversary of the date Stabilized Occupancy is achieved. If at the end of that period the Operating Reserve is not funded at the level specified in Paragraph 10.B above, the Operating Deficit Guaranty will remain in effect until the General Partner causes the Operating Reserve to be funded at the required level in the manner provided in the Partnership Agreement.

Repurchase. The General Partner 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 \$60,000 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 General Partner and all of the General Partner'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 General Partner provided that NEF approves the proposed replacement Management Agent in writing. If the Management Agent is related to a General Partner, 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 from net cash flow to NEF or its designated affiliate an annual Asset Management Fee in the amount of \$100 per unit. This fee will be paid from cash flow and is not an operating expense.

12. Incentive Management Fee

The General Partner shall receive an Incentive Management Fee paid from 90% of available cash flow and is not an operating expense.

13. Limited Partner Costs and Expenses

NEF will charge the project 55,000 for legal fees and other closing costs inclusive of the NEF tax opinion.

14. Issues to be Resolved Prior to Final Approval

- A. Review of experience and financial strength of the developer/sponsor
- 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 and Phase II (if necessary) Environmental Report
- I. Review of Project operating expenses

15. 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. Should the Project receive an award of LIHTCs from the South Carolina State Housing Finance and Development Authority, 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 final 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 for families in Charleston County.

Very truly yours,

NATIONAL EQUITY FUND, INC.



By: _____

Stacy Woodford
Officer, Originations

June 18, 2025

Bryan Brown
Chief Executive Office
Greenville Housing Fund
1615-A Wade Hampton Blvd
Greenville, SC 29607

RE: ***Northgate Manor*** (the “Project”)
220 Biblebrook Drive Greer, South Carolina 29651

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1. **Project Information**

Victoria Arms will involve the rehabilitation of 46 LIHTC units of housing for family residents, located in Greer, Greenville County, South Carolina. The 46 units will consist of, 1BR, 2BR, and 3BR units, all with AMI limits at the 60% AMI level.

NEF has analyzed the project’s development budget and has based this letter of interest on the assumption of a total development cost of approximately \$13.64 million and an allocation of 4% low-income housing tax credits in the combined annual amount of \$576,452 from the South Carolina State Housing Finance and Development Authority.

Development Team

Project Owner:	GHG Victoria Northgate, LLC
Sponsor/Developer:	Greenville Housing Fund
Co-Developer:	Greer Housing Authority
Guarantor:	Greenville Housing Fund
Property Manager:	Vista Capital Management
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Architect:	Moseley Architects



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Placement in Service Date	April 1, 2028
100% Qualified Occupancy	April 1, 2028

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 Project's financing will be from the following sources in the following amounts:

Source	Type	Amount	Interest Rate	Term / Am.
HUD 221d4 (A)	1 st Mortgage Loan	\$3,000,000	6.65%	40 Years
Seller Note	2 nd Mortgage Loan	\$5,200,000	4.50%	40 Years

5. **Tax Credits**

The Sponsor intends to apply to the South Carolina State Housing Finance and Development Authority for an annual allocation of 4% low-income housing tax credits ("LIHTCs") totaling \$576,452. The requested credit amount is based on the Project having a combined Qualified Basis of \$12,147,156, using a tax credit rate of 4.0%, and receiving a 130% basis boost for being located within a Qualified Census Tract.

6. **Capital Contributions**

NEFAC will acquire a 99.99% limited partnership interest in the Project for a total purchase price (the "NEFAC Capital Contribution") of \$4,784,263 inclusive of NEF fees, which represents \$0.829¹ cents for each \$1.00 of LIHTCs. NEFAC shall make its capital contributions to the Partnership as described below:

NEFAC Equity Amounts

Milestone	Total Equity %	Total Equity \$	Developer Fee %	Developer Fee \$
Closing	19%	\$925,309	30%	\$218,100
Completion	77%	\$3,677,205	45%	\$327,150
Stabilization	2%	\$109,050	15%	\$109,050
8609 Tax Filing	2%	\$72,700	10%	\$72,700
Totals	100.00%	\$4,784,264	100%	\$727,000

¹ Price per credit is calculated on the projected losses, depreciation and credits associated with the transaction, as well as Investor demand.

Developer Fee Equity. The Project Sponsor, or whichever entity is designated in the Development Agreement to receive such payment, shall be paid a development fee (the “Developer Fee”) in the amount of \$1,380,000. The Developer Fee shall be payable at the times and upon the conditions set forth in the Development Agreement, which shall include approximately 30% payable at closing. 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.

Deferred Developer Fee. A portion of the Developer Fee shall be paid as a deferred developer fee (the “Deferred Developer Fee”) from Project cash flow or the proceeds of refinancing or sale of the Project. This amount is projected to be approximately \$727,000.

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 \$0.829 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 \$0.40 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.

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”).

8. Reserves

Operating Reserve. The General Partner shall establish an Operating Reserve which shall be funded from NEFAC equity in the amount of \$277,198 and thereafter the General Partner will be required to maintain this Operating Reserve balance from Project cash flow.

Replacement Reserve. The General Partner shall establish a Replacement Reserve and will be required to fund an annual amount of \$300 per unit per year. NEF’s prior written consent will be required for any withdrawals greater than \$5,000.

9. General Partner Guaranties

Development Completion Guaranty. The General Partner will provide an unlimited guarantee of development completion which includes payments required for construction completion, funding of any operating deficits prior to Stabilized Occupancy, and conversion of the construction loan to a right-sized permanent loan having debt service requirements consistent with targeted debt service coverage levels. The General Partner will provide monthly reports to us during construction. The general contractor will provide

(i) either a Stipulated Sum Contract or a Guaranteed Maximum Price Contract (using the current AIA form of agreement), and (ii) either a letter of credit equal to 15% of the total construction cost or a 100% payment and performance bond.

Operating Deficit Guaranty. The General Partner will provide an Operating Deficit Guaranty in an amount of equal to six months of operating expenses, replacement reserves, and debt service (determined at the time of final underwriting) until the Project has maintained a 1.15 annual Debt Service Coverage Ratio for two consecutive years after the third anniversary of the date Stabilized Occupancy is achieved. If at the end of that period the Operating Reserve is not funded at the level specified in Paragraph 10.B above, the Operating Deficit Guaranty will remain in effect until the General Partner causes the Operating Reserve to be funded at the required level in the manner provided in the Partnership Agreement.

Repurchase. The General Partner 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 \$60,000 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.

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- B. Review of all tax credit documentation
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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 for families in Charleston County.

Very truly yours,

NATIONAL EQUITY FUND, INC.



By: _____

Stacy Woodford
Officer, Originations