



June 24<sup>th</sup>, 2025

Nate Broman-Fulks  
Taft-Mills Group  
631 Dickinson Avenue  
Greenville, NC 27834

Dear Nate:

Thank you for giving us this opportunity to provide you with this 4% LIHTC tax exempt term bond/loan term sheet for the 192-unit Fox Ridge Trace project located in Aiken, SC. The following outlines the general loan terms and conditions for your review and consideration:

**4% LIHTC Tax Exempt Bond/Term Loan**

<b>Borrower:</b>	<b>Fox Ridge Trace, LLC</b>
<b>Loan Amount:</b>	Lesser of (a) \$19,590,000; or (b) the amount necessary to provide a 1.15 to 1.00 debt service coverage ratio with respect to the Project measured at the funding of the Loan; or (c) the amount such that the loan amount will not exceed 90% of the As Stabilized Rent Restricted Appraised Value.
<b>Purpose:</b>	Provide permanent term loan takeout financing to pay off the construction loan.
<b>Tax Exempt Interest Rate:</b>	Tax-exempt fixed interest rate of 6.05%. The interest rate shall be fixed by a SWAP Agreement that is calculated to include a 36-month forward rate lock.
<b>Loan Fee:</b>	\$401,800
<b>Maturity Date:</b>	20 years
<b>Repayment Terms:</b>	Amortize the loan over 40 years, with all unpaid principal and interest due at maturity of the 20 year term.
<b>Collateral:</b>	First Real Estate Mortgage on the real property for the project referred to as Fox Ridge Trace located in Aiken, SC, assignment of the development agreement, and an assignment of rents and leases of the real property.
<b>Guarantors:</b>	Continuing SWAP Guarantees and Perm Loan Non-Recourse Carve out Guarantees from the Developer/Owners and the General Partner.
<b>Loan Agreements:</b>	Borrower's loans shall be governed by loan documents which will contain terms and conditions that will be satisfactory to both the Borrower and Bank. All loan documents will be prepared by CRBT's legal counsel, Winthrop & Weinstine in Minneapolis, MN.

**Due Diligence:**

The Lender will need as part of necessary due diligence, and as a condition to making the Credit Facility available, the following, but not limited to:

- (i) Appraisal including a Market and Feasibility Study
- (ii) Borrower, General Partner, Sponsor and Guarantors Financial Statements and Tax Returns;
- (iii) Phase I environmental report;
- (iv) 42(m) letter issued by the allocating agency with respect to the Project;
- (v) Financial statements of Investor, if requested by Lender;
- (vi) Organizational documents and operating agreements of Borrower, General Partner, Corporate Guarantor, in form and substance acceptable to Lender;
- (vii) Documents evidencing Investor's obligation to contribute the Tax Credit Equity to Borrower in form and substance acceptable to Lender;
- (viii) Lender's Title Insurance commitment and pro-forma policy in a form and substance acceptable to Lender;
- (ix) An ALTA survey of the Project;
- (x) The Borrower and all related entities obtaining all necessary approvals and making all necessary filings to obtain the Tax Credits;
- (xi) The receipt of insurance coverage for the Project acceptable to Lender;
- (xii) Any general information concerning the Borrower, the sponsor, the Project, and financing that has not already been provided to Lender, such as the following:
  - 1. Developer resume/biography;
  - 2. Previous Tax Credit Development Experience;
  - 3. Project Overview;
  - 4. Discussion and details of ownership structure for Project;
  - 5. Project timeline;
  - 6. Overall sources and uses for entire Project;
  - 7. Detailed breakdown of Tax Credits;
  - 8. Identification and background/resume of architect;
  - 9. Any agreements with the city where the Project is located (e.g., development agreements, etc.); and
- (xiii) Other items as requested during further review.

## **GENERAL CONDITIONS PRECEDENT TO CLOSING:**

If the Borrower accepts the terms of this proposal letter and CRBT formally credit underwrites and approves this loan, the closing and funding of the loans would be subject to, but not limited to the following conditions and requirements:

1. The execution of all loan and security documents prepared by CRBT in such form and containing such terms, conditions and provisions that CRBT or its legal counsel deems reasonably necessary.
2. Evidence of the Borrower's organization, good standing, capacity, and authority to borrow and to execute the loan documents, and to operate its business in the jurisdictions where it does so. These documents to include but are not limited to, the Borrower's articles of organization, operating agreement and borrowing resolution.
3. The Borrower, Bank, and Tax Credit Investor will establish a mutually agreed upon DSCR of at least 1.15x to size the permanent loan at the time of the construction loan closing and perm loan rate lock
4. Draw monitoring and inspections will be required with each draw request and this expense will be paid for by the borrower.
5. For the conversion of the project to occur, a minimum occupancy of 90% and a DSCR of 1.00 for 90 consecutive days must be achieved prior to CRBT agreeing to close/fund the term loan and payoff the construction loan/lender. This would also require the approval of the Tax Credit Investor. Notwithstanding the foregoing, obligations under the Swap Agreement will commence 36 months from the date the rate is locked whether or not the Project is in a position to convert to the permanent note.
6. Clean Financial/credit and background checks on the Developer Sponsors/Owners.
7. Reserve Accounts required for this project/loan will be required to be opened and maintained at CRBT.
8. The Borrower shall reimburse Lender and its participants for all reasonable out-of-pocket legal and documentation expenses incurred in connection with the transaction.
9. Borrower is responsible for all costs associated with the consummation of this transaction, including but not limited to the following: third party report costs (appraisal, environmental, market study, construction monitoring & engineering reports), and all other closing costs.
10. A \$10,000 good faith deposit/commitment fee is required with this signed term sheet. In the event the bank does not credit approve the loan, the \$10,000 will be fully refunded to the Borrower. In the event the Borrower does not close the loan for any reason after it is formally credit approved, the \$10,000 will be fully retained by CRBT to offset our credit underwriting expenses. If the loan is approved and funded, the \$10,000 can either be applied to closing costs or returned to the Borrower if requested.

**This proposal letter outlines the basic structure and terms of the credit facilities requested by Borrower. It is not a commitment letter and may not reflect the final loan terms and conditions as required in our final loan credit approval. The terms contained herein are subject to formal credit underwriting and approval.**

If you have any questions or need additional information regarding the contents of this letter, please let me know.

Sincerely,



Michael Goerd  
Vice President  
Specialty Finance Group  
MGoerd@CRBT.com