



June 20, 2025

Renee Sandell
Church Hill RAD 2024, LLC
2730 Cumberland Blvd. SE
Smyrna, GA 30080

RE: TERM SHEET FOR A BERKADIA CONSTRUCTION LOAN AND A FORWARD COMMITMENT FOR A FIXED RATE TAX EXEMPT MORTGAGE FREDDIE MAC TAX EXEMPT LOAN
PROPERTY: CHURCH HILL APARTMENTS – A 166-UNIT MULTIFAMILY PROJECT LOCATED IN FLORENCE, SC
BERKADIA LOAN NUMBER: TBD

Construction Loan Amount:	Up to 23,500,000 (Tax-Exempt)
Perm Loan Amount:	Up to \$14,900,000
Commitment Period (Construction Phase):	30 Months (plus one 6-month extension with Lender and Freddie Mac approval).
Permanent Loan Term:	216 Months (18-year Loan Term), commencing on the Conversion Date.
Amortization:	Commencing on the Conversion Date, a 480 Month Amortization Period
Prepayment Type:	210 Month Yield Maintenance Period and open at Par thereafter
Maximum LTV:	90.0% of the final underwritten value of the Property.
Minimum Actual DSCR:	1.15x, as underwritten at the estimated interest rate set forth below.
Construction Interest Rate:	Estimated to be 6.50% . The final interest rate is subject to market conditions.
Perm Interest Rate:	Fixed Rate - Estimated to be 5.475% . Issuer and Trustee fees are excluded in the aforementioned Interest Rate. The final interest rate is subject to market conditions at the time of rate lock.
Interest Accrual:	Actual/360
Recourse:	The Construction Loan will be full recourse until Stabilization. The Freddie Mac Loan will be non-recourse after Stabilization, except that Borrower and each party identified ("Guarantors") will be personally liable (jointly and severally) for all standard exceptions to non-recourse liability and for environmental compliance and violations, all as set forth more fully in the Loan Documents (copies to be provided upon request). The financial condition of the Guarantor is subject in all respect to review and approval by Berkadia and Freddie Mac.
Tax Credit Equity Provider:	To be determined.
Construction Loan Origination Fee:	0.75% of the final Construction Loan Amount
Permanent Loan Origination Fee:	1.00% of the final Construction Loan Amount
Due Diligence Expenses:	Bank set up fees: Appraisal:

Property Needs Assessment:
 Title and Survey Review:
 Insurance Review:
 Phase I Environmental:
 Seismic Reports:
 Market Study:
 Due Diligence / UW Fee:
 Plan & Cost Review:
 Construction Monitoring Reports:

Conversion Fee: Greater of \$10,000 or actual expenses. Borrower will be responsible for Funding Lender expenses associated with the Conversion underwriting, an accounting of any expenses will be provided to Borrower.

Standby Fees: 0.15% per year for each year of the Forward Commitment Period

Construction Loan Legal Fees: TBD

Permanent Loan Legal Fees: \$65,000

Collection of Impounds/Escrows at Conversion:

Real Estate Taxes:	Required
Insurance:	Required
Replacement Reserves:	Required
Repairs:	Collected if required by Lender, based on third party reports.

The need and amount of all Impounds/Escrows are subject to final approval during underwriting.

Other Special Conditions:

1. Berkadia will require 15% of the total LIHTC equity to be funded at closing and will require an unconditional guarantee from a Credit Worthy Entity (the "LIHTC Guarantor") to fund the balance of the LIHTC equity required to complete construction and maintain the Loan in balance. terms and conditions outlined herein are subject in part to Berkadia and Freddie Mac's underwriting and approval of the LIHTC Guarantor.
2. Minimum hard cost contingency of 10% will be required along with a Guaranteed Maximum Price Contract (or equivalent) from a General Contractor with experience and track record acceptable to Berkadia.
3. Freddie Mac may at its full sole discretion modify the terms of this quote to include a Covid Debt Service Reserve equal to nine months of amortizing debt service (DSR) at Conversion, such as to mitigate the risk associated with an incomplete submission, decline in collections, or any change in property performance. The DSR for loans that are amortization, or partial interest only will be calculated based on amortizing debt service payments; the DSR for loans that are interest only for the entire term of the loan will be calculated based on interest only debt service payment. Note: Currently Freddie Mac has indicated that properties with eight years remaining on the initial 15-year LIHTC compliance period may be exempt from Covid Escrows.
4. Most Recent Full and Partial Month's Collections: For loans converting before the 15th of the month, the preceding month's collection must be provided prior to Conversion. For loans converting on or after 15th of the month, a partial current month's collection must be delivered prior to Conversion.
5. Most Recent Rent Rolls: an updated rent roll dated within 7 days of the Conversion Date must be provided
6. The TEL Program requires a cooperative Governmental Lender to enter into a Project Loan Agreement and Funding Loan Agreement (and other ancillary documents, certificates, etc.). The Project Loan Agreement is between the Governmental Entity, a Fiscal Agent (e.g. a trustee) and the Borrower where the Governmental Entity is making a mortgage loan to the Borrower with the proceeds the Governmental Entity is receiving from the Funding Loan from Construction Lender (the Initial Funding Lender) who ultimately assigns the Funding Loan to Berkadia as provided in the Construction Phase Financing Agreement. As required in the Freddie Mac form documents, interest payments per the mortgage loan will be exempt from federal and state income taxes and, as such, an unqualified tax-exempt opinion from nationally recognized bond counsel will be required. Any additional requirements that may be imposed by the Governmental Entity must be approved and documented by Freddie Mac.
7. The Property will be subject to one or more Regulatory Agreements and Declaration of Restrictive Covenants ("Regulatory Agreement"), which shall be subject to review and approval by Funding Lender and Freddie Mac in their sole discretion and which, in all events, will terminate upon foreclosure of the Security Instrument or upon a transfer of the Property by instrument in lieu of foreclosure. To the extent

required by Freddie Mac, the Regulatory Agreement shall be subordinated to mortgage/deed of trust/deed to secure debt securing the Loan.

8. Satisfactory Freddie Mac site inspection prior to Rate Lock
9. Third Party reports: 1) PCA, Environmental (Phase I), Wood-Damaging Insect, and Appraisal - less than or equal to six months before delivery of the full underwriting package; 2) Flood Zone, O&M Plans, and Seismic (if applicable), all dated less than twelve months of the full underwriting package.
10. Restricted rents must be underwritten to the lower of in-place rents, restricted rents, or market rents. Berkadia acknowledges that the Borrower intends to use Income Averaging.
11. Expenses and economic vacancy to be supported by appraisal and comparable data.
12. Issuer and TEL related fees must be included in underwritten expenses.
13. Satisfactory review of construction documents by Freddie Mac.
14. Freddie Mac satisfactory review of LIHTC syndicator documentation including Form 1115 and summary of track record, experience, and recapture history over the past 5-years.
15. Freddie Mac compliant soft Subordinate Debt.
16. Freddie Mac requires Lender to monitor construction progress through completion.
17. Freddie Mac compliant Borrower structure.
18. Freddie Mac will allow unsubordinated Ground Lease with Governmental Agencies. Ground Lease must be compliant and is subject to review by Freddie Mac.
19. At Conversion, underwritten NRI must be less than or equal to T-3 collections based on the Property's stabilized performance.
20. If the performance of the Property exceeds the pro-forma rents, occupancy and other criteria used by Freddie Mac to underwrite the Loans at the time of Commitment, Berkadia may request at Conversion, that the Loan Amount be increased or decreased by an amount that does not exceed 10% with no change in rate.
21. Interest Reserve will be subject to full Lender review of construction schedule and draw projects. Will be greater of 1) Lender's monthly cash flow model + 100 bps or 2) LIHTC Investor model.

Evaluation and processing of this Application will not begin until Borrower has (a) submitted this Application by executing and returning a copy to Lender (by original, email or facsimile) at the address shown below and (b) wired funds for the Due Diligence Deposit, Legal Deposit and the Freddie Mac Application Fee in the amount of \$27,500 in accordance with the wire instructions shown below. Lender will not commence evaluation of this Application, and the terms outlined in this Application will have no effect, unless this Application is submitted and the Due Diligence Deposit and the Freddie Mac Application Fee are paid in full.

Wire Instructions to Funding Lender:

TD Bank, N.A.	
Wilmington, DE	
Reference:	Church Hill Apartments
Wire Routing Number:	031101266
Beneficiary Name:	Berkadia Commercial Mortgage LLC
Account Number:	4394297498

On behalf of Berkadia Commercial Mortgage LLC, we appreciate the opportunity to service your financial needs and look forward to working with you.

Berkadia Commercial Mortgage LLC

By: 

By: _____
Heather Olson
Managing Director

SCHEDULE A
SPE Requirements

Generally, each Borrower and each SPE Equity Owner (if applicable) must be a Single Purpose Entity (SPE). If the Borrower is a TIC, each tenant must be an SPE.

FOR LOANS LESS THAN \$5,000,000:

Borrower must be a single asset entity, but is not required to be a SPE, bankruptcy-remote entity. The Property must be Borrower's sole asset and its operation Borrower's sole business.

FOR LOANS BETWEEN \$5,000,000 AND \$100,000,000 OR LESS:

1. Borrower must be a bankruptcy-remote **SPE** which complies with Rating Agency requirements. The Property must be Borrower's sole asset and its operation must be Borrower's sole business.
2. The Property must be held by a newly-formed SPE Borrower; however, a recycled SPE may be acceptable if Lender requirements are met. If a recycled SPE is contemplated, contact Lender.
3. For loans \$15,000,000.00 and less, a single member LLC Borrower may be formed in any jurisdiction. For loans more than \$15,000,000.00, a single member LLC Borrower must be formed in Delaware and have either a corporate springing member or two natural persons as springing members; a Delaware single member LLC legal opinion is also required.
4. For loans of \$25,000,000.00 or more (or loans in pools totaling such amount), Borrower must have an SPE Equity Owner (i.e., its managing member or general partner must be an SPE), unless Borrower is structured as a corporation or a Delaware single member limited liability company ("**DESM LLC**"). [Note: If Borrower or any SPE Equity Owner is a single member limited liability company, that entity must be formed in Delaware.] If Borrower is a limited partnership, all general partners must be SPEs.
5. The organizational documents of Borrower and any SPE Equity Owner must contain separateness covenants which are substantively compatible with those in the Loan Documents.
6. For loans of \$40,000,000.00 or more, a substantive non-consolidation opinion is required; that opinion will be reviewed by Freddie Mac's outside counsel.
 - "Rating Agency" means Fitch, Inc., Moody's Investors Service, Inc. or Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc., any successor to the same, or any other nationally recognized statistical rating organization.
 - This Exhibit summarizes limited aspects of Rating Agency SPE requirements, as supplemented by CME Program requirements. Borrower should confirm that the counsel it retains to represent it for the Loan is familiar with Rating Agency requirements and commercial mortgaged-backed securitization programs. Retaining counsel who lacks that expertise will result in a commensurate increase in the fees of Lender's counsel and, for loans of \$40,000,000.00 or more, Freddie Mac's outside counsel retained for review of the non-consolidation opinion.

EXHIBIT A

Calculation of the Borrower Breakage Fee

The Borrower Breakage Fee will be the greater of (A) or (B) below:

- (A) 0.5% of the Rate Locked Mortgage Amount; or
- (B) The product obtained by multiplying:
 - (1) the Rate Locked Mortgage Amount
 - by*
 - (2) the value obtained by subtracting
 - a. the Monthly Yield Rate at Breakage less 0.4167 basis points
 - from*
 - b. the Monthly Applicable Yield Rate at Rate-Lock
 - by*
 - (3) the Present Value Factor

For purposes of this Subsection (3) the following definitions will apply:

Breakage Date: the earliest of (i) the date of a Rejection of the Mortgage, (ii) the date the Borrower notifies the Seller or Freddie Mac that it will not or cannot originate the Mortgage, (iii) the date Seller notifies Freddie Mac of its inability to deliver the Mortgage, or (iv) the Mandatory Delivery Date

Rate Locked Mortgage Amount: the amount of the Mortgage set forth at rate lock.

Yield Rate at Breakage: As of the close of the trading session on the Breakage Date, the yield rate with a maturity equal to the term of the Index set forth at rate lock, found among the Daily Treasury Yield Curve Rates, commonly known as the Constant Maturity Treasury (CMT) rates, as reported on the U.S. Department of the Treasury website.

The Yield Rate at Breakage will be expressed as a decimal to two digits.

If no published CMT maturity matches the term of the Index, Lender will interpolate as a decimal to two digits the yield rate between (i) the CMT with a maturity closest to, but shorter than, the term of the Index, and (ii) the CMT with a maturity closest to, but longer than, the term of the Index, as follows:

$$\left[\left(\frac{(B-A)}{(D-C)} \right) \times (E-C) \right] + A$$

A = yield rate for the CMT with a maturity shorter than the term of the Index
B = yield rate for the CMT with a maturity longer than the term of the Index
C = number of months to maturity for the CMT maturity shorter than the term of the Index
D = number of months to maturity for the CMT maturity longer than the term of the Index
E = number of months in the term of the Index

In the event the U.S. Department of the Treasury ceases publication of the CMT rates, the Yield Rate at Breakage will equal the yield rate on the U.S Treasury security which is not callable or indexed to inflation and which has a maturity closest to (but not shorter than) the term of the Index.

The selection of an alternate security pursuant to this Section will be made in Freddie Mac's discretion.

Applicable Yield Rate at Rate Lock: the yield rate on the Index at Rate Lock (set forth at rate lock)

Monthly Applicable Yield Rate at Rate-Lock: the Applicable Yield Rate at Rate Lock divided by 12

Monthly Yield Rate at Breakage: the Yield Rate at Breakage divided by 12

Present Value Factor: the factor that discounts to present value the costs resulting to Freddie Mac from the difference in the Applicable Yield Rate at Rate-Lock and the Yield Rate at Breakage calculated using the following formula:

$$\frac{1 - (1 + r)^{-n}}{(r)}$$

r = Monthly Yield Rate at Breakage

n = the number of months in the Mortgage term (set forth at rate lock)

Assignment of Borrower Breakage Fee to Freddie Mac

Lender intends to assign the Borrower's obligation to pay the Borrower Breakage Fee under this Lender's Application to Freddie Mac and deliver to Freddie Mac the Good Faith Deposit in payment of its obligation to pay any Breakage Fee it owes to Freddie Mac in connection with this Mortgage. Borrower hereby consents to the assignment to Freddie Mac by Lender of Borrower's obligation to pay the Borrower Breakage Fee under this Lender's Application and the delivery to Freddie Mac of the Good Faith Deposit. Borrower acknowledges that any such assignment to Freddie Mac will in no way alter or diminish Borrower's obligation to Lender under this Lender's Application; provided, however, to the extent that Borrower has paid the Borrower Breakage Fee to Freddie Mac directly, Lender will not be entitled to collect such fee. Borrower confirms and acknowledges that if the Borrower Breakage Fee becomes due, pursuant to such assignment, Freddie Mac may demand that Borrower pay the Borrower Breakage Fee directly to Freddie Mac and Freddie Mac will not be required to pursue its remedies first against Lender.

Waiver of Right to Assert Defenses

By execution of this Lender's Application, Borrower waives, to the fullest extent permitted by applicable law, the right to assert against Freddie Mac as assignee of Lender, any claim or defense to the claim assigned that arises out of transactions or relationships between Borrower and Lender, including, but not limited to, claims or defenses for fraud or set-off. By execution of this Lender's Application, Borrower acknowledges and agrees that this waiver is entered into knowingly and voluntarily with the benefit of competent legal counsel.

Waiver of Right to Contest Liquidated Damages

By execution of this Lender's Application, Borrower waives, to the fullest extent permitted by applicable law, any defense as to the validity of any liquidated damages set forth in this Lender's Application on the grounds that such liquidated damages are void as penalties or are not reasonably related to the actual damages. By execution of this Lender's Application, Borrower acknowledges and agrees that this waiver is entered into knowingly and voluntarily with the benefit of competent legal counsel.