

HOUSING AUTHORITY OF FLORENCE

**2640 West Palmetto Street
Florence South Carolina 29501**

DATE: OCTOBER 17, 2024

**CHURCH HILL RAD PROJECT
RE: LOAN COMMITMENT – SELLERS NOTE**

To Whom It May Concern:

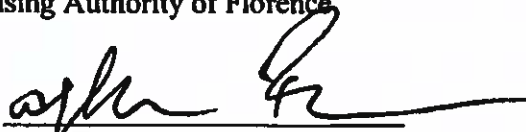
Upon the closing of the equity investment and execution of the Amended and Restated Partnership Agreement of the Buyer (the Partnership Agreement) and concurrently with the Buyer's ground lease of the real property located in Florence, South Carolina and acquisition of the improvements located thereon from the Buyer, commonly described as Church Hill RAD 2024, LLC, the Housing Authority of Florence (the Seller) will, subject to (i) approval by the Board of Commissioners of the Seller; (ii) approval by the Department of Housing and Urban Development, if required, and (iii) the terms described below, fund the Seller Loan to the Buyer (the Seller Loan) for the purpose of financing the acquisition, rehabilitation, and equipping of the Property. Terms used herein and not otherwise defined shall have the meaning assigned to them in the Partnership Agreement. The Seller Loan will the following terms:

- (1) Loan Purpose – Financing for acquisition of Church Hill Apartments (the "Development");**
- (2) Mortgage Amount – The Loan Amount will be for \$14,000,00.00 (fourteen million dollars). The Loan will be evidenced by a Promissory Note and other loan documents;**
- (3) Terms – The term of the loan shall be for 30 (thirty) years;**
- (4) Interest Rate – The note shall bear interest at 1% (or long-term AFR whichever is greater) in effect at the closing date at the pay rate described below;**
- (5) Payments – The Note shall be paid over a 30-year term. Payments shall be made annually equal to 50% of available cash flow after payment of first mortgage debt. The full amount of the loan shall be paid by the end of year 2054;**
- (6) Security – The loan shall be secured by a deed to secure the debt encumbering the Development (which includes the underlying real estate), and by a perfected security lien in all leases, rents, income and profits from the operation of the Development; and**

(7) Loan/Closing Documents – The Seller shall execute and deliver all such closing documents as Lender may in its judgment deem necessary for its protection. Such loan documents shall be prepared by counsel for the Lender and shall contain representations, covenants, and agreements satisfactory to Lender in its reasonable discretion.

This letter supersedes and amends any prior letter executed by us relating to the foregoing matters. Please feel free to contact us if you have any questions.

Sincerely,
Housing Authority of Florence

By: 
Dr. Alphonso Bradley
Executive Director

Agreed and accepted by:

Church Hill RAD 2024, LLC

By: 
Managing Member