



June 25, 2025

RJ Pasquesi
KCG Development, LLC
9311 N Meridian Street, Suite 100
Indianapolis, IN 46260

Re: Camelia Ridge Apartments (the “Project”)

Dear Mr. Pasquesi:

This letter of intent (this “Letter of Intent”) summarizes the principal business terms under which a CREA, LLC (“CREA”) entity (sometimes referred to herein as the “Limited Partner”) will acquire an interest in the Partnership that will develop and operate the Project. The terms and conditions of the Limited Partner’s investment in the Project are subject to the execution of a mutually agreed upon limited partnership agreement (the “Partnership Agreement”) and CREA’s Capital Committee approval. Capitalized terms not otherwise defined herein will have the meanings set forth in the Partnership Agreement.

1) Project Information and Assumptions

The Limited Partner’s willingness to acquire an interest in the Partnership is based upon the following information and assumptions. CREA reserves the right to update and adjust this Letter of Intent to reflect any changes in the following information and assumptions discovered during the due diligence and underwriting review.

- a) The Project, located in Hartsville, South Carolina, County of Darlington, will have 180 family units for rent. Within the Project, 180 units will be occupied in compliance with the Federal low-income housing tax credit (“LIHTC”) requirements of Section 42 of the Internal Revenue Code (the “Code”).

b) Participants

General Partner (0.010%):	Camelia Ridge Apartments, LLC
Limited Partner (99.99%):	CREA Camelia Ridge Apartments, LLC
Developer:	KCG Development, LLC
General Contractor:	KCG Construction, LLC
Property Manager:	TBD
Guarantors:	Developer and RJ Pasquesi, Individually

c) Project Timeframe

Closing Date:	May 2026
Construction Completion Date:	December 2027
Qualified Occupancy Date:	May 2028
Stabilized Operations Date:	August 2028

d) Tax Credit Delivery and Pricing

The terms and conditions set forth in this Letter of Intent are based upon a financial model initially submitted to CREA. Prior to closing, CREA will underwrite your financial assumptions and prepare a final financial model which, if acceptable to the General Partner, will be attached to the fully executed Partnership Agreement (the “Financial Forecasts”).

Federal LIHTC Tax Credits (the “Tax Credits”) are expected to be generated by the Partnership and allocated to the partners.

“Projected Tax Credits” means Tax Credits from the Agency in an amount equal to:

\$469,943 (21%)	in 2027
\$2,148,311 (95%)	in 2028
\$2,267,895 (100%)	in 2029 through 2036
\$1,795,854 (79%)	in 2037
\$117,486 (5%)	in 2038

State Tax Credits (the “Tax Credits”) are expected to be generated by the Partnership and allocated to the partners.

“Projected Tax Credits” means Tax Credits from the Agency in an amount equal to:

\$469,943 (21%)	in 2027
\$2,148,311 (95%)	in 2028
\$2,267,895 (100%)	in 2029 through 2036
\$1,795,854 (79%)	in 2037
\$117,486 (5%)	in 2038

The Financial Forecasts will reflect equity amounts calculated as follows:

LIHTC Equity

Federal LIHTC Reservation:	\$22,660,233
Limited Partner Interest:	99.99%
Credit Price:	\$0.82
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Total Federal LIHTC Equity:	\$18,579,533

State LIHTC Reservation:	\$22,660,233
Limited Partner Interest:	99.99%
Credit Price:	\$0.55
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Total State LIHTC Equity:	\$12,461,882
TOTAL LIMITED PARTNER EQUITY	\$31,041,415
CREA SLP, LLC Equity:	\$100

2) Limited Partner's Capital Contribution

- a) The Limited Partner will make capital contributions ("Capital Contributions") to the Partnership in installments (each, an "Installment"), pursuant to the terms and conditions of the Partnership Agreement. Each Installment is subject to the Limited Partner's receipt of: (i) a satisfactory AIA forms and general contractor lien waivers (during construction), (ii) a current date down endorsement or title update, (iii) satisfactory evidence that the Project is In Balance, (iv) evidence that the conditions of all prior Installments have been satisfied, and (iv) the General Partner's certification that the representations and warranties contained in the Partnership Agreement are true and correct as of the date of the Installment. Each Installment will be made within ten (10) business days of the receipt and satisfaction of all items listed below. Installments will be made as follows:
 - 1) \$6,208,283 (20%), (the "First Installment"), will be funded upon the later to occur of the execution of the Partnership Agreement and satisfaction of the following conditions, as determined by the SLP:
 - a) the Limited Partner's admission to the Partnership;
 - b) receipt by the SLP of due diligence documentation customary to closing a LIHTC transaction;
 - c) closing of all Project sources and funding of those sources as required pursuant to the Financial Forecasts;
 - d) receipt of a fixed rate commitment for the Permanent Loan(s); and
 - e) receipt of any necessary building permits or approved will-issue letter.
 - 2) \$10,864,495 (35%), (the "Second Installment"), will be funded upon the later to occur of December 1, 2027 and satisfaction of the following conditions, as determined by the SLP:
 - a) Lien-free (up to \$100,000 of liens may be bonded over) Construction Completion of the Project sufficient for all residential rental units to be "placed in service" within the meaning of Section 42 of the Code;
 - b) the issuance of all required permanent certificates of occupancy permitting immediate occupancy of all residential rental units;
 - c) architect's substantial completion certification that the Project has been completed in accordance with the Plans and Specifications;
 - d) receipt of the accountant's draft Cost Certification;
 - e) receipt by the SLP of satisfactory evidence that all environmental requirements have been met (if applicable); and
 - f) execution of a property management agreement if not required at closing.

- 3) \$13,347,808 (43%), (the “Third Installment”), will be funded upon the later to occur of August 1, 2028 and satisfaction of the following conditions, as determined by the SLP:
- a) the achievement of Stabilized Operations (as defined below);
 - b) receipt and approval of the Limited Partner’s third-party review of all of the first year’s tenant files for compliance with the Code and State requirements;
 - c) receipt of the accountant’s final Cost Certification;
 - d) payment in full of the Construction Loan and closing and funding of the Permanent Loans (which may occur simultaneously with the payment of this Third Installment);
 - e) receipt of the final as-built ALTA survey of the Project.

“Stabilized Operations” means a 90 consecutive day period following Construction Completion upon which: (i) the Project has achieved Qualified Occupancy, (ii) the Project has maintained physical occupancy of at least 90%, (iii) closing and funding of the Permanent Loan has occurred, and (iv) the Project has satisfied the Debt Coverage Ratio of 1:15:1:00 and a projected 1.10:1:00 throughout the Compliance Period.

- 4) \$620,828 (2%), (the “Fourth Installment”), will be funded upon the later to occur of October 1, 2028 and satisfaction of the following conditions, as determined by the SLP:
- a) the IRS Form 8609 for all buildings;
 - b) receipt of the approved and recorded Restrictive Covenant; and
 - c) an executed copy of the Deferred Developer Fee Note; and
 - d) a copy of the filed 168(h) election (if applicable).
- b) All equity Installments during the construction period (including the Construction Completion installment) will be funded on a monthly draw basis. Concurrently with the date a construction draw request is made to a lender, or when an Installment is requested during the construction period, the General Partner will furnish to the SLP a copy of any documents submitted to a lender as part of a construction draw or as otherwise required herein.
- 3) CREA, LLC has reviewed information provided by the Applicant which is to be submitted by the Applicant to the Authority for the Development to which such letter of interest relates; (i) expressly acknowledges that the Development will be subject specifically to the 40/60 or Average Income set-aside, and extended use restriction elections made by the Applicant; (ii) has reviewed the Minimum Underwriting Criteria set forth in this Allocation Plan; (iii) acknowledges any other special use restriction elections made by the Applicant, which give rise to additional points in this Allocation Plan.

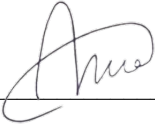
(signature page follows)

Camelia Ridge Apartments
Hartsville, South Carolina
June 25, 2025
Page 5 of 5

Thank you for your consideration and we sincerely appreciate the opportunity to work with you.

Very truly yours,

CREA, LLC

By: _____

Name: Adam Lavelle

Title: Senior Vice President, Acquisitions