

BANK COMMITMENT LETTER - DEBT



July 1, 2021

Mitchell Rosenstein
Green Mills Group
3323 West Commercial Boulevard, Suite E220
Ft. Lauderdale, FL 33309

**Re: The Pantry Lofts
 Fort Lauderdale, Broward County, Florida**

Dear Mr. Rosenstein:

Thank you for considering JPMorgan Chase Bank, N.A. ("JPMorgan Chase" or "Lender") as a potential construction and permanent lender for the development of affordable rental housing to be known as **The Pantry Lofts**, Broward County, Florida. We have completed a preliminary review of the materials you have submitted, and the following is a brief outline of the terms that we propose to underwrite for credit approval. Of course, this letter is for discussion purposes only and does not represent a commitment by JPMorgan Chase to provide financing for the project nor an offer to commit, but is rather intended to serve as a basis for further discussion and negotiation should you wish to pursue the proposed transaction. Our interest and preliminary terms are subject to change as our due diligence and discussions with you continue. Such a commitment can only be made after due diligence materials are received, reviewed and approved and credit approval has been obtained.

Facilities: JPMorgan Chase will provide a credit facility in the amount of **\$21,000,000**, the proceeds of which will fund a construction loan to the Borrower. Subject to Lender's receipt from Impact CIL, LLC ("Impact") of a commitment to purchase, and subject to the Borrower meeting the conditions required for conversion, Lender will close a permanent loan for sale to Impact in an amount not to exceed **\$4,500,000**.

Borrower: TBD

General Partner: TBD

Developer: TBD

Project: The Pantry Lofts will consist of an 90-unit affordable rental property that will be targeted towards elderly households and located in Fort Lauderdale, Broward County, Florida.

Construction Loan

Amount: \$21,000,000; subject to final budget, sources and uses of funds, and LIHTC equity pay-in schedule.

Initial Term: 24 months.

JPMorgan Chase Bank, N.A. • 100 North Tampa Street, Suite 3300, Tampa, Florida 33602
Telephone: 813.483.8297 • tammy.haylock-moore@chase.com

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Interest Rate:	One-Month Libor (subject to 50 bps Floor) + 250 bps (3% as July 1, 2021) with interest-only payments due monthly.
Commitment Fee:	1% of the loan amount.
Extension Option:	One, conditional, six-month maturity extension.
Extension Fee:	0.25% of the remaining loan commitment amount.
Collateral:	First mortgage; other typical pledges and assignments.
Guarantee:	Full payment and completion guarantees and environmental indemnity a guarantor or guarantors/indemnitor(s) satisfactory to JPMorgan Chase.
Developer Fee:	Assigned to Lender. Notwithstanding provisions of the LP or LLC Agreement, any payments of developer fee prior to permanent debt conversion are subject to Lender's prior approval and control.
Tax Credit Equity:	At least 15% must be paid in at closing. The identity of the equity investor and pay-in schedule for this transaction must be disclosed and acceptable to the Lender in its sole discretion.
Subordinate Liens:	Subordinate financing will be permitted subject to approval of terms by JPMorgan Chase and Impact.
Repayment:	Construction Loan will be repaid with principal reductions from equity funded at or subsequent to construction completion and the Permanent Loan.
Loan to Value:	Up to 80% including the value of the real estate and tax credits.
Contract Bonding:	100% Payment and Performance Bonds from "A" rated surety

Permanent Loan

Amount:	\$4,500,000 subject to final underwriting and in accordance with, and subject to satisfaction of, Impact's requirements.
Forward Commitment:	24 months plus one six-month option.
Fees:	Loan Fee– greater of \$7,500 or 0.75% of perm loan, payable at Construction Loan closing. Conversion Fee: \$10,000, payable at Permanent Loan closing.
Interest Rate:	The applicable interest rate for the Permanent Loan shall be locked at Construction Loan closing. Current underwritten rate is 5.00% with principal and interest payments due monthly upon conversion.

Please note that credit markets are volatile. Loan fees and interest rates are subject to adjustment prior to commitment.

Rate Lock:	Forward rate lock must be secured by a second lien subordinate note. The subordinate note is equal to the lesser of 3% of the Permanent Loan amount or Yield Maintenance Amount. At stabilization/conversion closing, the secured subordinate lien will be released. Security forfeited if loan does not convert.
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Term:	18 years.
Amortization:	35 years.
Collateral:	First mortgage; other typical pledges and assignments.
Guarantee:	After conversion, the Permanent Loan shall be non-recourse to the Borrower, except as to standard carve-outs for the Borrower, General Partner, and Key Principals.
Loan to Value:	Up to 85% of the stabilized rent-restricted value.
Conversion Requirements:	<ul style="list-style-type: none">• 1.20x debt service coverage ratio (DSCR); 1.15x all-in DSCR including all loans requiring debt service payment. Commercial income will be excluded from DSCR analysis.• 90% economic and physical occupancy for 90 days.
Prepayment Terms:	Prepayments are subject to yield maintenance, except for the last three years of the term. During the last three years, the prepayment fee will be 1% of the loan balance. There is no prepayment fee during the final 90 days of the term.
Escrows/Reserves:	Escrows required for property taxes, insurance, and replacement reserves. Minimum replacement reserve of \$250/unit/year or as required by Equity. Debt service reserve shall be funded with a minimum contribution of six months of debt service expense.

We appreciate the opportunity to discuss the possibility of providing construction and permanent financing for the proposed project with you. This letter of interest is for your, the local authorities and Florida Housing Finance Corporation's information and use only; and is not to be shown to or relied upon by other parties. Please note that JPMorgan Chase and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transaction described herein or otherwise. JPMorgan Chase and its affiliates may share information about you in connection with the potential transaction or other possible transactions with you.

This letter, which expires July 31, 2022, serves as an outline of the principal terms of the proposed facility, and is subject to receipt and satisfactory review of all due diligence materials by Lender and to change as described above. Please note that JPMorgan Chase cannot extend any legally binding lending commitment until formal credit approval has been obtained and a commitment letter has been issued.

Sincerely,


JPMorgan Chase Bank, NA



Tammy Haylock-Moore, Authorized Officer

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The Pantry Lofts Development, Fort Lauderdale, FL
By: Green Mills Holdings, LLC, and or its assignees

By: 
Name: Mitchell Rosenstein
Title: Manager