

Greenleaf Apartments

Location Maps

Address: 5224 East 12th Street, Kansas City, MO 64127

Parcel Numbers: 28-210-23-02-00-0-00-000, 28-210-22-07-00-0-00-000

Immediately Surrounding Properties

North

Winner Road beyond which are Industrial Warehouse Development (4900-5344 Winner Road) and La Cubana Cuban Restaurant (5402 Winner Road) to the north across Winner Road

Northeast

Intersection of Winner Road and East 11th Street beyond which is Phillips 66/Quick Shop (5401 Winner Road)

East

Scandalo's Party Hall (5400 E 12th Street), Wooded land

Southeast

East 12th Street beyond which is Abarrotes Lore (1205 Hardesty Avenue)

South

East 12th Street beyond which are single-family residences, New Testament Christian Church (5225 East 12th Street), and Used Car Lot (1201 Van Brunt Boulevard)

Southwest

The intersection of Van Brunt Boulevard and East 12th Street beyond which is Elmwood Cemetery (4900 East Truman Road)





CONTRACTOR'S/MORTGAGOR'S COST BREAKDOWN

Applicant/Developer: Greenleaf Preservation LP MHDC Project No: 22-428-TE
 Development Name: Greenleaf Apartments Development Location: Kansas City, MO
 Costs below are based upon prevailing wage rates: No Date of Plans upon which estimate is based: 6/23/2023

Item Description of Work	Labor Cost	Material Cost	Total Scheduled Value	Work Description
1 Earthwork	\$ 26,000.00	\$ 39,000.00	\$ 65,000.00	Grading, Demo, SWPPP
2 Site Utilities			\$ -	
3 Roads & Walks			\$ -	
4 Off Site Work			\$ -	
5 Concrete	\$ 234,600.00	\$ 351,900.00	\$ 586,500.00	Path of Travel, Pads, Stairs
6 Masonry	\$ 55,720.00	\$ 83,580.00	\$ 139,300.00	Enclosures, Brick Façade
7 Structural Metals			\$ -	
8 Rough Carpentry	\$ 101,500.00	\$ 152,250.00	\$ 253,750.00	ADA Re-Framing, General Repairs
9 Finish Carpentry	\$ 108,330.00	\$ 162,495.00	\$ 270,825.00	PLAM Countertops
10 Cabinets	\$ 298,750.00	\$ 448,125.00	\$ 746,875.00	Kitchen Cabinets, ADA Cabinets
11 Waterproofing			\$ -	
12 Insulation	\$ 123,420.00	\$ 185,130.00	\$ 308,550.00	R-49 Insulation at Attics
13 Roofing Systems	\$ 119,600.00	\$ 179,400.00	\$ 299,000.00	Shingle Roofing
14 Siding	\$ 344,000.00	\$ 516,000.00	\$ 860,000.00	GAF Fiber Cement Siding
15 Gutters & Downspouts	\$ 45,200.00	\$ 67,800.00	\$ 113,000.00	New Gutters, Downspouts, Splash B
16 Doors & Hardware	\$ 203,080.00	\$ 304,620.00	\$ 507,700.00	Entry Doors, Hardware, ADA
17 Windows	\$ 717,288.00	\$ 1,075,932.00	\$ 1,793,220.00	Provia Vinyl Windows
18 Drywall	\$ 202,350.00	\$ 303,525.00	\$ 505,875.00	Drywall Repairs in Units
19 Flooring	\$ 230,304.00	\$ 345,456.00	\$ 575,760.00	LVT at Wet Areas, Corridor Floors
20 Carpet	\$ 48,100.00	\$ 72,150.00	\$ 120,250.00	Carpet in Beds, Living
21 Painting	\$ 374,150.00	\$ 561,225.00	\$ 935,375.00	Paint Units, Corridors, Exterior
22 Signage	\$ 30,650.00	\$ 45,975.00	\$ 76,625.00	Unit, Building Signage
23 Bathroom & Closet Accessories	\$ 26,772.00	\$ 62,468.00	\$ 89,240.00	Bathroom Accessories
24 Appliances	\$ 92,625.00	\$ 548,375.00	\$ 641,000.00	Refrigerator, Stove, Etc.
25 Window Coverings	\$ 27,000.00	\$ 40,500.00	\$ 67,500.00	Horizontal Mini-Blinds
26 Plumbing	\$ 579,140.00	\$ 868,710.00	\$ 1,447,850.00	New Fixtures, Toilets, Water Heater
27 Fire Sprinklers			\$ -	
28 HVAC	\$ 542,460.00	\$ 813,690.00	\$ 1,356,150.00	New Furnaces, AC Units
29 Electrical	\$ 396,348.00	\$ 594,522.00	\$ 990,870.00	New Fixtures, CCTV System
30 Fire Alarm Systems			\$ -	
31 Special Equipment	\$ 301,000.00	\$ 451,500.00	\$ 752,500.00	Access Control, Gates, Fencing
32 Landscaping	\$ 40,000.00	\$ 60,000.00	\$ 100,000.00	New Trees, Trimming
33 MHDC Approved Impact Fees			\$ -	
34 Accessory Bldg (attach separate FIN-115 detailing costs)	\$ -	\$ -	\$ -	
35 Demolition (interior rehab)	\$ 471,000.00	\$ 117,750.00	\$ 588,750.00	Unit finishes demo
36 Demolition (land make-ready)	\$ 36,000.00	\$ 9,000.00	\$ 45,000.00	
37 Sheet Metal	\$ 43,600.00	\$ 65,400.00	\$ 109,000.00	Handrails, Bollards
38 Other (describe below) Comm Ctr., Mailbox, Clean	\$ 754,437.50	\$ 754,437.50	\$ 1,508,875.00	New Community Bldg, Maibox
Bonding	N/A	N/A	\$ 214,033.59	
Permits	N/A	N/A		
Construction Subtotal	\$ 6,573,424.50	\$ 9,280,915.50	\$ 16,068,373.59	
General Requirements (attach separate FIN-115 detailing costs)	N/A	N/A	\$ 951,260.40	6.00%
Subtotal	\$ 6,573,424.50	\$ 9,280,915.50	\$ 17,019,633.99	
Builder's Overhead	N/A	N/A	\$ 317,086.80	2.00%
Builder's Profit	N/A	N/A	\$ 951,260.40	6.00%
TOTAL CONSTRUCTION	\$ 6,573,424.50	\$ 9,280,915.50	\$ 18,287,981.19	

To induce the Missouri Housing Development Commission to disburse up to the amounts shown above for trade costs when funds are requested, the Contractor and Mortgagor hereby certify the estimated costs for each line item are correct, and the supporting documentation of the costs has been submitted or will be submitted to MHDC prior to closing.

Mortgagor	Signature	Date
Equitable Housing Construction Partners	Signature	Date
Contractor	Signature	Date

Items not included in the Form FIN-115 Cost Breakdown: Cost of survey, appraisals, geotechnical and environmental hazards investigation, architectural services and contingency reserves.

For firm submission: Where trade work above is to be supplied by a subcontractor or material supplier and the dollar amount is greater than \$10,000, provide documentation on the subcontractor's or supplier's letterhead, signed, which indicates their scope of work and cost of work, such that the full trade activity is explained by either of these sources or the General Contractor's scope of work.

CONTRACTOR'S/MORTGAGOR'S COST BREAKDOWN
SUPPLEMENTAL FIN-115 FOR GENERAL REQUIREMENTS

Applicant/Developer: Greenleaf Preservation LP MHDC Project No: 22-428-TE
 Development Name: Greenleaf Apartments Development Location: Kansas City, MO

Item Description of Work	Total Scheduled Value	Description
1 Supervision	\$ 804,725.00	
2 Field Engineering	\$ 29,550.00	
3 Field Office Expense	\$ 16,624.00	
4 Temporary Facilities	\$ 55,410.40	
5 Temporary Utilities	\$ 4,315.00	
6 Cleaning/Rubbish Removal	\$ 33,246.00	
7 Watchman Wages	\$ 7,390.00	
8 Builder's Risk Insurance		
9 Testing		
10 Contractor's Cost Certification		
11 Other Fees:		
12 Other Fees:		
13 Other Fees:		
GENERAL REQUIREMENTS SUBTOTAL**	\$ 951,260.40	

** Total links to the General Requirements line of the FIN-115.

**Rental Housing Programs Application
Exhibit 4b - Development Questionnaire**

updated
July, 2022

The purpose of the Development Questionnaire is to give the applicant the opportunity to list salient points about the proposed development as it relates to MHDC's evaluation criteria.

Development Name:

Greenleaf Apartments

Development Characteristics:

Describe the resident population you wish to serve.

The project has no age restrictions and is therefore considered a "family" development.

What amenities, design, or services do you intend to supply in order to address the needs of this population?

The project will involve the construction of a new community center building where resident services will be administered by our nonprofit service provider. Those services include, but are not limited to after school programs, job search assistance, financial literacy training, health and wellness seminars. There will also be a new outdoor pergola area with BBQs for residents to utilize. WiFi will be provided site-wide to help residents stay connected. 5% of units will be gut renovated to UFAS/ADA standards to meet the needs of current and/or future residents with disabilities.

Market Characteristics:

Describe the rent structure and how those rents compare with other affordable and market-rate properties in the area.

Since 100% of the units are covered by the HAP contract, the tenants pay 30% of their income and as a result, we do not "compete" with any surrounding properties and there is a long waitlist. The rents being collected were established by the HUD-compliant RCS as part of the mark-up-to-market process.

How will the proposed development address relevant housing needs in the surrounding community?

Preservation of existing HAP contracts and project-based section 8 properties in general is an important housing priority of the City and State more broadly. Greenleaf provides critical affordable housing to a vulnerable low income tenant population that would otherwise not have any options. Further, the property is in need of repair and preservation of the historic architectural elements, all of which will be accomplished by an allocation of 4% credits from MHDC.

What does this development bring to the market that the comparable properties do not?

Mainly, the existing HAP subsidy as described in the previous question. However, we believe that even if it were a market rate project with no subsidy, the amenity package and renovations we are planning will make Greenleaf competitive with the "Class A" multifamily apartments in the vicinity. We also believe that the legacy historical aspects of the property give it a timeless charm that cannot be replicated by properties in the area that were subsequently developed.

Development Team Characteristics:

Identify the key development team members and highlight their experience with similar development types. Key members include only those development team members that have day-to-day responsibilities over the development and/or are prime decision-makers.

The main day-to-day decisionmaking on the management/compliance/financial side of the project will be handled by Sydne Garchik, who is 33.3% GP and also fully owns the development company, MRK Partners, Inc. Sydne founded MRK Partners in 2015 and has since developed 17 properties totalling 2,868 units, most of which were HAP / LIHTC projects like this one. In addition to a strong track record of performance and compliance with similar projects, Sydne brings a passion for improving the lives of residents through service coordination and other programs like MRK's Bloom Scholarship.

Construction will be overseen by Justin Krueger, who is also a 33.3% GP and owner of the General Contractor, MFRG-Icon construction. Justin is a 20+ year construction veteran with over \$700mm of projects completed in 11 states. MFRG-Icon is a specialist GC that only does renovation work on affordable housing projects like this one, and they have substantial experience with HUD as well as other federal, state, and local fundign programs nad regulatory requirements. In addition Justin and his team bring substantial experience with in-place renovations and temporary relocation, as well as all the coordination required with that process.

Feasibility:

Provide a description of the financial structure and feasibility of the development.

The project is feasible as envisioned thanks to a combination of funding sources which include Tax-Exempt Bonds (Freddie Mac TEL Program), 4% LIHTCs, Federal Historic Tax Credits, and State Historic Tax Credits. The Freddie TEL is "immediate", meaning no separate construction loan will be required and the permanent loan will be in place right away when the tax credit partnership acquires the project.

Provide a brief description of any unusual milestones or approval processes that will need to be reached in order to proceed to firm commitment and closing in a timely manner, such as condemnation, replatting, historic approval. List the main steps in achieving final approval of such processes and the projected dates of completion of each step.

Historic Approval is anticipated to be the only complex or time consuming item between now and firm commitment/closing. The project has received its part 1 approval, which has been included with this application. We anticipate that Part 2 approval from the State will be obtained in April/May 2023 and then Federal approval shortly thereafter, with closing anticipated to happen in June 2023.

Describe the level of contact you have had with the syndicator or investor providing the equity letter supplied with the application. Explain why you believe the proposed development will be successful in attracting this or another investor to provide equity investment.

Generally, tax credit investors are attracted to HAP projects since the contract is a commitment from the federal government to pay rent and there is therefore less risk of foreclosure. While there has been uncertainty in the economy of late, the market for tax credits has remained strong throughout. We do not anticipate any issues obtaining the tax credit pricing shown in this application and we have seen

preliminary interest from multiple groups that we believe will be sustained following the tax credit award and moving towards closing.

Community Impact:

Explain the level of local support the proposed development has received.

The project has received a letter of support from the Mayor's office for the purpose of the historic application. Additionally, the local nonprofit Kansas City Mothers in Charge has provided their support for this application. Beyond that, our understanding from discussions with property management and residents is that this project will be welcomed by the community and does not have the typical controversial features of new affordable housing projects since it only involves a substantial renovation and beautification of the existing complex (no new units being constructed).

What catalytic effect will the development have on the surrounding community?

By improving the aesthetics of the community and providing a new gathering place (community center) we are confident that this substantial investment in the neighborhood will improve surrounding property values and enrich the resident experience.

Narrowing the Digital Divide:

Specifically address compliance with the HUD Broadband Rule and how the development will comply with the Rule.

The project will provide broadband infrastructure in each unit, in accordance with the HUD broadband rule. Additionally, complementary WiFi will be provided throughout the property including both units and common areas. High-speed internet is critical for success in the modern economy, and we share HUD and MHDC's commitment to ensuring its availability to affordable housing residents.

Other Salient Information:

Provide any information or description of the development that explains any unique or important characteristics that would help MHDC better understand what you are trying to accomplish.



TERM SHEET

**Multifamily Rental Developments with Rent Restrictions
New Construction and/or Substantial Rehabilitation and/or Term Mortgages
Tax-Exempt "Back-to-Back"**

Greenleaf Apartments

June 15, 2023

NOTE: This Term Sheet constitutes a brief summary of certain, but not all transaction terms and conditions for discussion purposes only. The summary that follows is subject to credit approval and does not constitute an offer or commitment.

In connection with this Term Sheet, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Term Sheet, and nothing in this transaction or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Term Sheet. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Term Sheet, if you have not already done so.

PRELIMINARY LOAN TERMS

**Transaction
Summary:**

CITIBANK, N.A. ("CITI") proposes to arrange a tax-exempt construction/permanent loan to Industrial Development Authority of the City of Kansas City, Missouri (the "Governmental Lender"), where "construction" means: new construction (ground up), moderate rehabilitation or substantial rehabilitation. The proceeds of the Loan to Governmental Lender shall fund an interim construction loan converting into a permanent mortgage loan ("Tax-exempt Loan") by Governmental Lender to the Borrower for the Property described below. If required by Governmental Lender, a fiscal agent ("Fiscal Agent") will be appointed and will be responsible for following the terms of the Tax-exempt Loan documents and administering funds held under the Construction Funding Agreement.

The Tax-exempt Loan will have two distinct phases: (1) Construction Phase - an initial phase during which funds will be advanced to Governmental Lender in full on the Closing Date for the Tranche A and on a "draw-down" basis during the Construction Phase for Tranche B. Payments on the Tax-exempt Loan during the Construction Phase will be interest only, unless otherwise noted; and (2) Permanent Phase - a subsequent phase when, upon completion of construction and achievement of stabilized operations, no additional funds will be available to Borrower. Payments during the Permanent Phase will include principal reduction payments as well as interest, unless otherwise noted below.

For purposes of this Term Sheet, the term "Construction Phase" means the period from the Closing Date through the day prior to the Conversion Date and the term "Permanent Phase" means the period from the Conversion Date (inclusive) through the maturity date (or earlier termination) of the Project's permanent financing.

Property:

An existing multifamily project containing 195 units located in Kansas City, MO. The property is commonly referred to as "Greenleaf Apartments" ("Property").

Set-Asides: 100% of the units are reserved for individuals or families whose income is no greater than 60% of Area Median Income ("AMI").

Applicant: **MRK Partners**

Borrower: A single asset entity whose manager or general partner is the Applicant or an affiliate of Applicant. Borrower entity, its constituent entities and its operating or partnership agreement must be acceptable to CITI in all respects.

**LIHTC Investor/
Syndicator:** The Low Income Housing Tax Credit ("LIHTC") Investor/Syndicator, the upper tier investor(s) and the terms and conditions of the partnership or operating agreement must be acceptable to CITI in all respects including, particularly, the timing and conditions to funding capital contributions.

Guarantor(s): BEAR Family Investments LLC and Justin Krueger. The Guarantor(s)' financial condition(s) must be acceptable to CITI in all respects.

Subordinate Debt: If applicable, the sources of subordinate debt and the subordinate loan documents must be acceptable to CITI in all respects. All subordinate debt must fund prior to the Loans funding unless CITI approves other arrangements.

Loan Security: First lien on land and any improvements, UCC filings for fixtures; assignment of all leases and rents; and, a first priority collateral assignment of all contracts, management agreements, and other agreements and all permits relating to the Property. Ground leases must be subordinate to CITI's lien position unless the fee interest is owned by a government agency to ensure long-term affordability. All income and rent restrictions will be subordinate to the CITI security instrument.

**Construction Phase
Recourse Guarantees:** Prior to conversion of the Loans to the Permanent Phase (described below), the Loans will be fully recourse to the Borrower and to the Guarantor(s) and Completion and Repayment Guarantees are required from the Borrower and the Guarantor(s).

**Guarantees,
Permanent Phase:** None, except for industry standard carve outs ("Carve Outs"). Carve Outs include guarantees against fraud, misrepresentation, bankruptcy and environmental issues.

**Indemnity for
Loss of Tax Exclusion** In connection with having the Tax-Exempt Loan structured as a drawdown loan, the Guarantor will be required to indemnify CITI and Governmental Lender for any losses resulting from any of the undrawn amounts of the Tax-Exempt Loan being deemed taxable.

**Environmental
Indemnity:** Borrower and Guarantor(s) will be liable for CITI's standard environmental indemnity.

Closing: Closing is subject to full satisfaction of CITI's standard due diligence, underwriting and credit approval processes, and the execution and delivery of all required loan documents, delivery of opinions, payment of fees and other customary requirements.

Closing Date (est.): TBD

CONSTRUCTION PHASE

Construction Phase

Loan Amount: The Total Construction Phase Loan amount is currently estimated to be \$31,000,000, which breaks into \$16,920,000 on the Tranche A Tax-exempt Loan and \$14,080,000 on the Tranche B Tax-exempt Loan but in any event, a combined amount not to exceed 80% of costs covered through the Construction Phase.

Term: 30 months, plus two 6-month extensions. Fees for the extension(s) are indicated below under "Fees & Expenses".

Construction Phase

Interest Rate – Tranche A

Tax-Exempt Loan: A fixed rate equal to the sum of 17 year SOFR Swap Index (which shall have a floor of 0.75%) plus a spread of 2.25%. Currently, 17 year SOFR Swap Index is 3.43%, thus the current indicative rate is 5.68%. This rate does not include Governmental Lender, Fiscal Agent, or miscellaneous third party fees. The rate will be committed at the time of closing of the Construction Phase financing when Borrower has satisfied all conditions required by CITI. Pricing is based on current market conditions and is subject to change.

Construction Phase

Interest Rate – Tranche B

Tax-Exempt Loan: Variable rate equal to 1-Month Term SOFR as published by the CME Group¹ (which shall have a floor of 0.50%) plus a spread of 2.00% ("Construction Phase Interest Rate"). Rate adjusts monthly. Currently, 1-Month Term SOFR is trading at approximately 5.09%, thus the current indicative rate is 7.09%.

Construction Phase

Interest Day Count:

Actual/360

Interest Reserve:

Calculated at the Construction Phase Interest Rate noted above, plus, for the Taxable Construction Loan, a cushion acceptable to CITI at time of final credit approval. Currently, CITI is underwriting with a cushion of 1.00%. The Interest Reserve will be sized based on an analysis of the projected draw schedule for the Taxable Loan from the closing of the Construction Phase financing through Conversion.

Availability:

Loan proceeds will be advanced to Borrower on a draw basis (Tranche A will be fully funded at closing, Tranche B will be on draw-down basis) upon receipt of a written request from Borrower, supported by documentation acceptable to CITI. Borrower will be required to submit a loan budget worksheet with each draw request tracking all Property sources and uses of funds. Draw requests limited to one per month.

Loan in

Balance:

The Loans must remain "in balance" during the Construction Phase. "In balance" means that (1) the funds available during the Construction Phase (from the Tax-exempt Loan and all other debt and equity sources) are sufficient to complete the construction or rehabilitation of the Property and all other expenses reasonably expected to be necessary to achieve the conditions for conversion of the Tax-exempt Loan to the Permanent Phase; and (2) the sources available at Conversion are sufficient to pay down the Construction Phase Loan Amount to the Permanent Phase Loan Amount, along with any other funding requirements for Conversion.

¹ <https://www.cmegroup.com/market-data/cme-group-benchmark-administration/term-sofr.html>

Amortization: None. Payments on the Loans during the Construction Phase will be interest only.

**Prepayment and
Yield Maintenance:**

Prepayment of Taxable Loan principal amounts during the Construction Phase may be made without any prepayment premium.

Voluntary prepayment of Tax-exempt Loan principal amounts during the Construction Phase, including those as a result of a Borrower default, may be made without prepayment fee or penalty unless the Construction Phase Loan Amount is reduced to less than ninety percent (90%) of the Permanent Phase Loan Amount (as defined below).

If the prepayment reduces the Tax-exempt Loan amount to an amount less than ninety percent (90%) of the Permanent Phase Loan Amount, the Borrower shall pay the greater of: (i) 1% of the amount of the Tax-exempt Loan prepaid below 90% of the Permanent Phase Loan Amount; or (ii) CITI's standard yield maintenance amount on the amount of the Tax-exempt Loan prepaid below 90% of the Permanent Phase Loan Amount.

In the event that a Tax-exempt Loan prepayment resulting from a Tax-exempt Loan resizing, as determined by CITI in its sole discretion, reduces the Tax-exempt Loan amount to an amount less than the Permanent Phase Loan Amount, the Borrower shall pay the greater of: (i) 1% of the amount of the Tax-exempt Loan prepaid below 90% of the Permanent Phase Loan Amount; or (ii) CITI's standard yield maintenance amount on the amount of the Tax-exempt Loan prepaid below 90% of the Permanent Phase Loan Amount.

Notwithstanding any of the above, in the event the amount of such prepayment would cause the Tax-exempt Loan amount to fall below 50% of the Permanent Phase Loan Amount, the Borrower shall be required to repay the Tax-exempt Loan in full plus the greater of: (i) 1% of the amount of the Tax-exempt Loan repaid below 90% of the Permanent Phase Loan Amount; or (ii) CITI's standard yield maintenance amount on the amount of the Tax-exempt Loan repaid below 90% of the Permanent Phase Loan Amount.

If Borrower prepays Tax-exempt Loan principal amounts through the application of insurance proceeds or a condemnation award, no prepayment fee shall be payable to CITI.

**Budget and
Contingencies:**

The budget for the Construction Phase, including all budget line items, is subject to CITI approval. The budget shall include a hard cost contingency of no less than 5% of budgeted hard costs for new construction projects and no less than 10% of budgeted hard costs for rehabilitation projects. The budget shall include a soft cost contingency of no less than 5% of budgeted soft costs, excluding 1) soft costs incurred prior to or in connection with closing; 2) interest reserve and bank fees; 3) capitalized operating reserve deposits and other costs that may be due in connection with Conversion for which specific sources are identified; and 4) developer fees.

**General Contractor and
Bonding Requirements:**

The general contractor and the construction contract must be acceptable to CITI.

Retainage:

Construction contract will provide for a minimum retainage of 10% of each construction pay application until "substantial completion" (as defined in the Loan documents), unless there are other requirements under State law OR unless other arrangements have been approved by CITI. Retainage percentage amounts can be revised, but only down to a

minimum of 10% until 50% completion and then 0% retention withheld thereafter. No release of retainage is permitted for achieving 50% completion. All retained amounts will be released upon final, lien-free completion of construction, as approved by CITI.

PERMANENT PHASE

Permanent Phase

- Loan Amount:** An amount currently estimated to be in the maximum amount of \$16,920,000 or such other loan amount supported by CITI's underwriting of the Property at the time of Conversion in accordance with CITI's underwriting requirements including those listed below.
- Maturity Date:** Anticipated nominal maturity date of 32 years following the Closing Date, subject to any Governmental Lender restrictions.
- Mandatory Prepayment / Term:** At the end of the 17th year following the Closing Date, mandatory prepayment of the Tax-exempt Loan will be required in full.
- Amortization:** 40 years.
- Lock-out Period:** From the Conversion Date until the 10th anniversary of the Conversion Date.
- Yield Maintenance Period:** From the Closing Date until 6 months prior to the Mandatory Prepayment.
- Permanent Phase Interest Rate:** A fixed rate equal to the sum of 17 year SOFR Swap Index which shall have a floor of 0.75% plus a spread of 2.25%. Currently, the 17 year SOFR swap index is 3.43%, thus the current indicative rate is 5.68%. Pricing is based on current market conditions and is subject to change.
- Permanent Phase Interest Day Count:** Actual/360
- Conversion to Permanent Phase Requirements:** Conversion requirements include completion of construction and 90% physical occupancy of Project for three consecutive calendar months. CITI will review the Property's net operating income to determine the maximum Permanent Phase Loan Amount based on the Debt Service Coverage and Loan-to-Value noted below.
- Debt Service Coverage:** A minimum of 1.15 to 1.00.
- Loan-to-Value:** 90% of market value, based on restricted rents and inclusive of value of permanent below market financing (if applicable), assuming project rents on 80% or more of the units are discounted to a level at least 10% below market. Otherwise, 85%.
- Other Conversion Requirements:** As may be required by Governmental Lender.
- Replacement Reserve:** Upon Conversion, Borrower will be required to fund a Replacement Reserve for each of the first five years following Conversion in a minimum amount of \$250/unit/year for new construction projects or, for renovation projects, in an amount determined by a Physical Needs Assessment acceptable to CITI, but in a minimum amount of

\$300/unit/year. For each successive five year period thereafter until Tax-exempt Loan maturity, the Replacement Reserve level will be determined by a new Physical Needs Assessment acceptable to CITI.

Taxes and Insurance: Commencing upon Conversion, real estate taxes and insurance premiums must be escrowed with the Tax-exempt Loan servicer ("Servicer") on a monthly prorated basis in an amount sufficient to enable the Servicer to pay (at least 30 days before due) all taxes, assessments, insurance premiums or other similar charges affecting the Property.

HAP Contract: An acceptable HAP contract is required by CITI prior to closing.

OTHER

Appraisal, Environmental, Plan/Cost Reviews:

Appraisal and Plan/Cost Review reports will be commissioned and reviewed by CITI. CITI may rely upon environmental reports commissioned by Borrower if report is current (within 12 months) and CITI has been provided evidence of acceptable E&O insurance coverage carried by Borrower's environmental consultant and a reliance letter in form acceptable to CITI. Otherwise, CITI will commission its own environmental report. Appraisal, environmental and plan/cost reviews must be acceptable to CITI in all respects. CITI reserves the right to either co-engage any vendor providing the foregoing services and/or to share the reports with a LIHTC Investor/Syndicator.

Property Tax Abatements, Incentives:

All documentation related to any tax abatement or tax incentives must be acceptable to CITI in all respects.

Developer Fee:

Any developer fee paid prior to conversion to the Permanent Phase shall be pre-approved by CITI in its sole discretion.

FEES & EXPENSES

Application Fee:

\$25,000, which amount shall be non-refundable (except as set forth in the "Exclusivity" section of the Preliminary Application, if applicable) and due and payable upon acceptance of a Loan Application. This fee is applicable toward third party reports, loan underwriting and processing (in the minimum amount of \$5,000), and CITI's initial legal fees. Applicant is responsible for the payment of all reasonable costs incurred in connection with the underwriting, processing and/or closing of the Tax-exempt Loan (including CITI legal fees).

Origination Fee:

A non-refundable Origination Fee equal to 1.00% of the combined Construction Phase loan amounts ("Origination Fee") shall be earned in full by CITI upon the closing of the Tax-exempt Loan, and is due and payable at that time.

CITI Legal Fees (est):

Estimated fees of CITI's counsel for the initial closing is \$74,000 and assumes no significant negotiation over CITI's form documents. A portion of the Application Fee will be applied to initial CITI counsel fees. Applicant agrees to make a supplemental deposit to cover CITI's counsel fees once the drafting of legal documentation commences, if requested.

Fees of CITI's counsel for work associated with conversion of the Tax-exempt Loan to the Permanent Phase are estimated to be \$5,000.

Course of Construction

Inspections (est): \$TBD/monthly report.

Construction Term

Extension Fee: 0.25% of the outstanding available Construction Phase Loan.

**Conversion Fee
and Expenses:**

A Conversion fee equal to \$10,000 will be charged by CITI. Other expenses, including insurance review, site inspection and loan servicer set-up fees are estimated to be \$5,000.

Rate Lock:

No earlier than 5 business days prior to Closing. Rate lock must occur on or before one hundred twenty (150) days following the date of the Preliminary Application.

Other Costs:

Applicant is responsible for costs of survey, title insurance policy, hazard insurance policy, tax escrow fee and all other normal and customary loan closing expenses.

Term Sheet

Expiration Date:

June 29, 2023, unless attached to a signed Preliminary Application letter received by CITI on or before June 29, 2023 along with the Application Fee, in which case 150 days following the date of the Preliminary Application.

This Term Sheet is an indication of our proposal to finance the Property. It is understood and agreed that this Term Sheet does not, in any manner, constitute a commitment to lend. The financing documents evidencing the Tax-exempt Loan will be in separate documents and will contain terms and conditions that may be in addition to or in substitution of those set forth in this Term Sheet.

Any terms set forth herein are intended for discussion purposes only and are subject to the final terms as set forth in separate definitive written agreements. This Term Sheet is not a commitment to lend, syndicate a financing, underwrite or purchase securities, or commit capital nor does it obligate us to enter into such a commitment, nor are we acting as a fiduciary to you. By accepting this presentation, subject to applicable law or regulation, you agree to keep confidential the existence of and proposed terms for any transaction contemplated hereby (a "Transaction"). The provision of information in this Term Sheet is not based on your individual circumstances and should not be relied upon as an assessment of suitability for you of a particular product or transaction. Even if CITI possesses information as to your objectives in relation to any transaction, series of transactions or trading strategy, this will not be deemed sufficient for any assessment of suitability for you of any transaction, series of transactions or trading strategy.

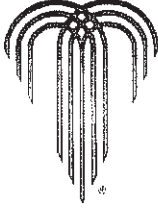
This Term Sheet is provided for information purposes and is intended for your use only. Except in those jurisdictions where it is impermissible to make such a statement, CITI hereby informs you that this Term Sheet should not be considered as a solicitation or offer to sell or purchase any securities or other financial products. This Term Sheet does not constitute investment advice and does not purport to identify all risks or material considerations which should be considered when undertaking a transaction. CITI makes no recommendation as to the suitability of any of the products or transactions mentioned. Any trading or investment decisions you take are in reliance on your own analysis and judgment and/or that of your advisors and not in reliance on us.

CITI often acts as (i) a market maker; (ii) an issuer of financial instruments and other products; and (iii) trades as principal in many different financial instruments and other products, and can be expected to perform or seek to perform investment banking and other services for the issuer of such financial instruments or other products. The author of this Term Sheet may have discussed the information contained herein with others within or outside CITI and the author and/or such other Citi personnel may have already acted on the basis of this information (including by trading for CITI's proprietary accounts or communicating the information contained herein to other customers of CITI). CITI, CITI's personnel (including those with whom the author may have consulted in the preparation of this Term Sheet), and other customers of CITI may be long or short the financial instruments or other products referred to in this Term Sheet, may have acquired such positions at prices and market conditions that are no longer available, and may have interests different from or adverse to your interests.

CITI is required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with CITI. CITI will ask for your complete name, street address, and taxpayer ID number. CITI may also request corporate formation documents, or other forms of identification, to verify information provided.

Although Citibank, N.A. (together with its subsidiaries and branches worldwide, "Citibank") is an affiliate of CITI, you should be aware that none of the financial instruments or other products mentioned in this term sheet (unless expressly stated otherwise) are (i) insured by the Federal Deposit Insurance Corporation or any other governmental authority, or (ii) deposits or other obligations of, or guaranteed by, Citibank or any other insured depository institution.

CITY OF FOUNTAINS
HEART OF THE NATION



KANSAS CITY
MISSOURI

QUINTON D. LUCAS
Mayor

July 27, 2022

Jennifer Kingsbury, HTC Program Administrator
Missouri Department of Economic Development
301 West High Street, room 770
Jefferson City, MO 65102

RE: 5224 E. 12th St. Kansas City, MO 64127
Missouri Historic Preservation Tax Credit Application

Dear Ms. Kingsbury:

Please accept this letter supporting the award of Missouri Historic Tax Credits for the rehabilitation of the Greenleaf Apartments in Kansas City. I believe this project is a fit for the Historic Tax Credit program, and the rehabilitated building will provide a great benefit to our neighborhoods, our community, and our region.

Specifically, Greenleaf Apartments is a 195-unit apartment project built between 1949-1953 to provide a need for post-World War II working housing. Currently, Greenleaf Apartments operates as an affordable housing option for this specific neighborhood and the credits are needed to continue the affordable housing preservation for 20+ years to come.

I hope DED will join the City in supporting this application. The issuance of Missouri Historic Tax Credits will allow this transformational project to proceed, preserving a piece of our shared history while addressing the present needs of our community. We look forward to seeing this important historic resource remain an economic contributor to Kansas City.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Q. Lucas', written in a cursive style.

Quinton D. Lucas

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MayorQ@KCMO.org

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MISSOURI SENATE
BARBARA ANNE WASHINGTON
SENATOR, 9th DISTRICT

COMMITTEES
Agriculture, Food Production and
Outdoor Resources
Appropriations
Health and Pensions
Small Business and Industry
Professional Registration
Court Automation
Joint Committee on Administrative Rules
Joint Committee on Legislative Research
Joint Committee on Legislative Research
Oversight
Joint Committee on the Justice System
Select Committee on Redistricting

November 15, 2022

Kip Stetzler
Missouri Housing Development Commission
930 Main Street, Suite 1400
Kansas City, MO 64105

Dear Mr. Stetzler:

As state senator for Missouri's 9th Senatorial District, one of my top priorities is ensuring the families in my community have access to affordable and safe housing. With that in mind, I am writing in support of Greenleaf Preservation LP's application for a Low-income Housing Tax Credit to renovate 195 aging rental units in one of my district's most impoverished neighborhoods.

The proposed renovations include new flooring, kitchen cabinets, refurbished bathrooms and energy efficient lighting, appliances and HVAC systems. The exterior of the combined studio, one, and two-bedroom units will be refreshed and compliant with ADA guidelines. The project also includes a brand-new community room, business center and exercise facility, and the developer will work in tandem with the Sansone Group to provide on-site property management services, further demonstrating its commitment to uplifting the community.

Preserving affordable housing and revitalizing underserved neighborhoods are a great return on this initial investment and will have a lasting, generational impact in my community. I proudly endorse Greenleaf's renovation project and ask you give careful consideration to their application for Low-income Housing Tax Credits.

Sincerely,

A handwritten signature in black ink that reads "Barbara Anne Washington".
Barbara Anne Washington
Ninth Senatorial District