



November 4, 2014

Liberty Housing Development Corporation
714 Market Street
Philadelphia, PA 19106

Attention: Bruce Connus, President and CEO

RE: \$5,430,000 LIHTC Construction Loan
Liberty 52, Philadelphia City and County, Pennsylvania

Dear Mr. Connus:

Thank you for giving Citizens Bank, N.A. ("Bank") an opportunity to bid on the construction financing for the above referenced senior affordable housing development. Based on a review of the application and operating budget provided by Liberty Housing Development Corporation, the Bank would be willing to consider construction financing on the following general terms:

Borrower: A to be formed Pennsylvania Limited Partnership of which Liberty Housing Development Corporation will be the general partner (the "Borrower").

Guarantor: Liberty Housing Development Corporation

Loan Amount: The principal amount of the Loan shall be an amount not to exceed the lesser of (i) Five Million Four Hundred Thirty Thousand and no/100 U.S. Dollars (\$5,430,000.00) subject to certain LTV and LTC limits.

Security: First mortgage and assignment of rents on the proposed development and an assignment of tax credit equity proceeds.

Loan Term: Twenty-four (24) months

Interest Rate: The One-Month London Interbank Offered Rate (LIBOR) plus 230 basis points (2.30%), adjusted monthly. Borrower shall make monthly payments during the term of interest only.

Loan Fee: \$46,155 (.85%)

Expenses: Borrower to be responsible for any and all closing costs relating to the loan.

Equity/Financing Requirements: Borrower/Sponsors shall provide or arrange sufficient funding sources including LIHTCs and subordinated financing to provide the funds necessary to meet the final project construction budget. The terms of any subordinated financing shall be subject to the Bank's review and approval. It is anticipated that the project financing will be structured so that upon Stabilization, the Bank's Construction loan shall be fully repaid from LIHTC equity proceeds.

This Letter of Interest should not be construed as a loan commitment. More specific terms and conditions of the bridge financing will be established upon receipt of the necessary underwriting and due diligence items required by Bank. A commitment by the Bank to lend remains subject to the Bank's approval process and its review and approval of all the due diligence information.

Thank you for considering Citizens Bank, N.A. for this financing. We applaud your efforts for pursuing this most worthwhile development for our community. Please feel free to contact us should you have any questions.

Best Regards,

Allen C. Lamboy, Vice President
Community Development Lending