



Local Initiatives Support Corporation
718 Arch Street, Suite 55
Philadelphia, PA 19106
Phone: 215-923-3801 • Fax: 215-923-3168

September 15, 2014

Pita Oxholm
Director of Real Estate Development
Esperanza
4261 N. 5th Street
Philadelphia, PA 19140

Re: Permanent financing for Clemente School Redevelopment Commercial portion

Dear Pita:

The Philadelphia office of Local Initiatives Support Corporation ("LISC") is pleased to provide this letter of interest regarding potential permanent financing for the commercial portion of the Clemente School Redevelopment project which is expected to entail the renovation and tenancing of 5,500 sf of ground floor commercial space at 3921-61 N. 5th Street in North Philadelphia. You have indicated that you are seeking financing of approximately \$250,000 which would finance renovation and fitout expenses for the commercial space and would amortize during the permanent loan period. We have reviewed initial information regarding the project and look forward to working with you on the financing if you are successful in securing funding for the overall project.

Please understand that this letter is only an indication of interest in providing a loan in support of the Project and is not a commitment or an offer to provide financing. This letter of interest has been prepared in reliance on information provided to Philadelphia LISC's staff by you. LISC has not had the opportunity to complete its investigation of the Project or to underwrite the proposed financing for the Project.

Based on current lending terms, LISC would expect to charge a 1% origination fee and based on current interest rates, our long term lending interest rate would be at 6% fixed. We would expect to provide a 5 to 7 year term with a 15 year amortization schedule. Remaining underwriting terms would be identified during the underwriting process and would be contingent upon the projected value of the commercial space, rental rates of tenants, and tenant quality.

The approval, closing and disbursement of the loan will also be subject to satisfaction of LISC's standard closing and disbursement conditions for a loan of this type and any special conditions required by the Local Advisory Committee of LISC's Philadelphia office, or by LISC's National Credit Committee. Any changes in the assumptions or information on which this letter is based may result in changes of the terms and conditions of the loan or cause LISC to decline to provide the proposed financing.

LISC is pleased to have the opportunity to support your project and looks forward to working with you to provide financing for the Project.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Andrew Frishkoff", is written over the typed name and title.

Andrew Frishkoff
Executive Director