



HIGHLY ACCESSIBLE LAND LOAN TERM SHEET

Description: The highly accessible land loan provides funds to enter into a land purchase contract or purchase land that is transit-oriented or are in close proximity to social and/or commercial services. This program is targeted toward NOAH's strongest borrowers.

Acceptable Borrowers: For- and non-profit entities including corporations, partnerships, limited liability companies, municipal or public corporations, or individuals that are duly authorized to conduct business in the State of Oregon. NOAH must have, or have had, a lending relationship with the borrower.

Acceptable Property Types: Improved or unimproved land to be developed as affordable housing that is transit oriented or located in close proximity to social and/or commercial services.

Minimum Affordability: Affordability to be guaranteed for the original term of the loan.

1. 51% or more of the units are to be rented to households earning 80% or less of median income as defined by HUD; or
2. 40% or more of the units are to be rented to households earning 60% or less of median income as defined by HUD; or
3. 20% or more of the units are to be rented to households earning 50% or less of median income as defined by HUD.

Loan Amount: \$25,000 minimum and up to \$1,000,000 maximum.

Maximum LTV: Up to 80% for a loan amount up to \$1,000,000; or
Up to 90% for non-profit developers and government entities with use of CDFI 10 funds.

*Loan to Value calculation to include accrued interest through the end of the loan term if this payment option is selected.

Minimum Debt Service Coverage Ratio (DCR): N/A

Recourse to Borrower: Fully recourse to the borrower. Sponsors will be required to provide a full payment and performance guaranty if a single asset entity owns, or will own, the property.

Security: 1st lien Deed of Trust (or shared first lien) on the subject property. Substitute collateral such as other property owned by the borrower; or a perfected security interest in liquid assets, accounts receivable, or inventories may also be acceptable at NOAH's discretion.

Interest Rate: 2.75% over the 10-year treasury with 5% minimum and 7% maximum. Current rate is 5%. Interest can accrue until maturity with an additional 25 basis points added to the rate.

Term: Not to exceed 36 months.

Amortization: N/A

Payments: Quarterly Interest only payment with principal due at loan maturity; or, principal and accrued interest due at loan maturity. Escrow payments for taxes and insurance (as applicable).

Pre-Payment Premium: None.

Fees: Origination Fee of 1% of the loan amount (\$4,000 minimum).
Good Faith Deposit of \$500.
Document preparation fee of \$500.
Borrower is responsible for all transaction costs.

Initial Term of Commitment: The term of any commitment will be (9) months to allow time for completion of acquisition.

Standard Reserves: N/A

Property Management: NOAH will require a qualified professional property management firm or agency, acceptable to NOAH, be engaged to manage the property for the term of the loan, as applicable.

Required Third Party Reports: FIRREA compliant appraisal, ordered by NOAH, if security is land or other real estate. Appraisal must provide "as-is" market value.

Appraisal review if loan amount exceeds \$500,000.

Phase I Environmental Report or Environmental Transaction Screen and Environmental Questionnaire.

Other reports as requested by NOAH.

General Funding Conditions: ALTA Lender's Title Insurance policy insuring 1st lien position. All other funding sources will be subordinate with terms acceptable to NOAH.

Flood Hazard Determination (obtained by NOAH).

Evidence of insurance for casualty, public liability, rental interruption and if applicable flood and boiler and machinery insurance.

Operations and Maintenance plans as required per the environmental review.

Proposed project is financially feasible.

Read and rely letter from environmental consultant/engineer.

Proposed project conforms to current zoning requirements.

Project has no environmental issues that would preclude, or unnecessarily delay, development.

There are no material impediments to development.

Project has a clean title or issues that can be easily resolved.

Evidence of secondary source of re-payment either from borrower assets or cash flow.

Evidence of ADA compliance (as applicable).

- Underwriting Checklist:**
1. Signed Letter of Interest and Deposit
 2. Fee Deposit
 3. Preliminary Title Report with copies of all exceptions
 4. Financial Pro forma inclusive of Income and Expense Statement and Statement of Sources and Uses for:
 - a. Interim OHAF period
 - b. Long term take out scenario with timeline
 5. Sponsor / General Partner financial information
 - a. Financial Statements for the last three fiscal years inclusive of Income and Expense Statement, Balance Sheet and Statement of Cash flows (preferably audited)
 - b. Year-to-date Financial Statement inclusive of Income and Expense Statement and Balance Sheet (dated within last three months)
 - c. Schedule of Real Estate Owned
 6. Property information, including zoning Letter/Evidence of current zoning
 7. Market Study
 8. Appraisal
 9. Plans and Specifications (as applicable)
 10. Environmental Phase I – from consultant with \$1 million in E&O Insurance
 11. Environmental Engineer E & O Insurance Certificate evidencing \$1 million in coverage
 12. Environmental Reliance Letter (NOAH to provide form)

13. Environmental Questionnaire or OHCS Environmental Review Checklist with Certification (NOAH to provide forms)
14. Subsidy Documents from Non-OHCS Funding Sources
15. Evidence of property tax exemption (if applicable)

**Borrower Reporting
Requirements:**

1. Quarterly Project Status reports detailing actions taken to finalize needed public and private subsidies in addition to other development activities.
2. Annual operating statements and rent rolls for the project, if applicable.
3. Annual borrower financial statements and/or tax returns.
4. Annual sponsor financial statements and/or tax returns.
5. Annual guarantor financial statements and/or tax returns, if applicable.

NOAH reserves the right to request more frequent reporting or such additional documentation as it deems necessary to adequately monitor project operations.

Please be advised that this term sheet is provided for informational purposes only, does not constitute a commitment or any offer from NOAH and is subject to change at any time. Please contact NOAH for questions related to your request or if you require additional information.