



## Term Sheet for Navigator Pre-Development Loan

This Term Sheet for the Navigator Pre-Development Loan (this **Term Sheet**) is for discussion purposes only. It is not an offer, commitment, or agreement by Inclusive Prosperity Capital, Inc. or any of its subsidiaries (collectively, **IPC**) to enter into a financing arrangement. This Term Sheet is a summary and does not contain all terms and conditions of a typical loan facility with IPC. A legally binding obligation on the part of IPC will be established only if the parties execute definitive written agreements, and only after IPC completes its due diligence and is satisfied with the other conditions contained in the agreements. The terms and conditions included in this Term Sheet may be withdrawn or changed at any time, including the loan amount and interest rate, and remain subject to credit approval from IPC.

The Navigator Pre-Development Loan from Inclusive Prosperity Capital (IPC) finances the pre-development work necessary to achieve green, high-performing, resilient buildings. It provides funding to assess, design, and scope energy and resiliency upgrades to affordable and market-rate multifamily, nonprofit, and municipal properties, whether existing buildings or new construction. With a progressive interest rate structure, this flexible loan incentivizes the design of high-performance buildings and affordable housing.

Navigator Eligibility Requirements & Loan Amounts	
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>• Multifamily properties with 5 or more residential units, whether affordable, market rate, and/or mixed-use. This includes rental apartments, condominiums, and cooperatives that are regulated affordable housing, naturally occurring affordable housing (NOAH), or market rate housing</li> <li>• Non-residential properties owned by nonprofits and municipalities, including community centers and houses of worship</li> <li>• New construction and existing buildings</li> </ul>
<b>Eligible Uses</b>	<p><b>Scenario 1: Projects planning to meet qualified high performance green building standards (e.g., LEED, Net Zero, Passive House):</b></p> <ul style="list-style-type: none"> <li>• Comprehensive pre-development costs for new construction and substantial renovation projects including legal, environmental, and permit fees, etc.</li> </ul> <p><b>Scenario 2: Projects seeking to evaluate and/or design a targeted energy upgrade project:</b></p> <ul style="list-style-type: none"> <li>• Green charrettes, opportunity assessments, energy audits, energy-related design and engineering, scoping of health and safety remediation, and resiliency related pre-development costs</li> </ul> <p>Applicable previously paid or incurred expenses from the prior 12 months may be included as qualified Navigator loan uses in both scenarios.</p>
<b>Loan Amounts</b>	<ul style="list-style-type: none"> <li>• \$50,000 to \$2,000,000 (larger loan amounts by exception)</li> <li>• Navigator funds up to 80% of eligible pre-development costs; borrower provides the remaining 20%</li> </ul>

Navigator Loan Terms	
<b>Term</b>	<ul style="list-style-type: none"> <li>Up to 24 months</li> </ul>
<b>Interest Rates*</b> <small>(*rates are subject to change)</small>	Fixed rates of 5.50% - 9.00% depending upon: <ul style="list-style-type: none"> <li>Housing affordability</li> <li>Qualified green building standards</li> <li>Projects that use subsequent IPC financing products for implementation</li> </ul>
<b>Loan Payments</b>	<ul style="list-style-type: none"> <li>Principal and interest to be paid as a balloon payment when loan is due</li> </ul>
Navigator Underwriting Requirements	
<b>Underwriting</b>	<p><b>New construction projects evaluated as follows:</b></p> <ul style="list-style-type: none"> <li>Financial strength of borrower, collateral, and guarantors</li> <li>Likelihood of obtaining implementation/ term funding, including borrower reputation and track record of securing project financing</li> <li>Financial strength of project</li> </ul> <p><b>Existing buildings (with rent income history) evaluated as follows:</b></p> <ul style="list-style-type: none"> <li>Property financial strength</li> <li>Project Financial Strength</li> </ul>
<b>Debt Service Coverage</b>	<ul style="list-style-type: none"> <li>For existing buildings, Navigator requires a minimum projected global DSCR of 1.25X for apartments; 1.00X for condos, co-ops, non-profits, and others</li> </ul>
<b>Security Options</b>	<ul style="list-style-type: none"> <li>Navigator loans for existing buildings with a rent history may be unsecured</li> <li>For new construction and properties that do not have an adequate occupancy and rental revenue history, IPC may require a priority lien and/or cross-collateralization of other assets</li> </ul> <p>In both scenarios, corporate or parent company guarantees may be required pursuant to loan size and underwriting</p>
<b>Prepayment</b>	<ul style="list-style-type: none"> <li>No penalty for prepayment of a Navigator loan</li> </ul>
<b>Borrower Contribution</b>	<ul style="list-style-type: none"> <li>Borrower must contribute at least 20% of the approved Navigator funded pre-development project budget. The contribution can be made up front or pro-rata with each funding disbursement</li> </ul>
<b>Fees</b>	<ul style="list-style-type: none"> <li>2% closing fee that includes all standard closing costs and legal fees; additional legal and other fees may apply for non-standard projects; all fees may be financed into loan</li> </ul>



### Navigator Underwriting Requirements

**Professional Service Provider Qualifications**

- The project team must include at least one independently qualified energy consultant or design professional in a lead role, with a nationally recognized license or professional certification such as LEED-BD+C, CPHC, RESNET Rater, or a professional architect or engineer. They should have at least five (5) years of demonstrated relevant experience. Or otherwise, be approved by IPC.