

Boston Capital

March 16, 2016

Allen Knott, Principal
K2 Development
1011 Parkview Avenue, Suite A
Redding, CA 96001

RE: Market Street Apartments
Redding, CA

Dear Mr. Knott:

Boston Capital ("BC") is pleased to submit an offer to purchase the federal low income housing tax credits which will be allocated to the above referenced property should the project be successful in receiving a reservation of 2016 tax credits from CTCAC. The offer is subject to the terms and conditions outlined herein and changes in market conditions. Based on a total annual LIHTC allocation of \$704,891 BC will raise capital and contribute capital to the limited partnership in the amount of \$6,696,465 (\$.95 per dollar of tax credit). BC will purchase a 99.99% limited partnership interest in the Partnership. The total capital contribution will be payable as follows:

\$1,339,293 (20%) upon the latest to occur of (i) tax credit reservation, (ii) closing of the construction financing, (iii) receipt of a commitment acceptable to BC for the permanent financing or (iv) admission of BC;

\$4,017,879 (60%) upon the later to occur of (i) 100% Completion Date

\$669,646 (10%) upon the later to occur of (i) Initial 100% Occupancy or (ii) Closing of the permanent loan

\$669,647 (10%) upon the later to occur of (i) Rental Achievement or (ii) State Designation

This offer is subject to the receipt and satisfactory review by BC, in its sole discretion, of the following documents. Upon review, BC will either issue a comprehensive syndication agreement for countersignature or withdraw this offer.

1. Project Description
2. Construction/Development Cost Breakdown & Operating Pro-Forma
3. Construction Schedule
4. Qualified Lease-Up Schedule
5. 42(M) letter
6. Construction Loan Financing Proposal (Note, Loan Agreement, & Mortgage, if closed)
7. Permanent Loan Financing Proposal (Note, Loan Agreement, & Mortgage, if closed)
8. General Partner Resume
9. General Partner, Guarantor, and Affiliate current Financial Statements
10. Market Study

Please feel free to call me at (617) 624-8869 if you have any questions. We very much look forward to the opportunity to assist you with this tax credit development and to hearing from you.

Sincerely,



Samuel Guagliano
Vice President, Assistant Director, Acquisitions