TERM SHEET FOR THE DEVELOPMENT OF

JEFFERSON VERDANT

IN THE CITY OF MCKINNEY, TEXAS

September 22, 2022

This Term Sheet addresses the terms for the development and financing of the Project (hereafter defined). This Term Sheet is not meant to be an exhaustive document and will be replaced and superseded by definitive documentation. No legally binding obligations on either party will be created, implied or inferred until documents in final form are executed and delivered by all parties in a form acceptable to each party, in each party's sole and absolute discretion. This Term Sheet replaces all previous understandings and agreements, written or oral, with respect to the Project.

The Project will be owned by a public facility corporation formed by The City of McKinney (the "PFC"). Approximately 15 acres of land located in the W. H. HUNT SURVEY, Abstract No. 450, Collin County, Texas will be owned by an affiliate of JPI Companies ("JPI") and will be conveyed to the PFC. The PFC will at Closing pay that JPI affiliate for the land and simultaneously enter into a lease with the Tenant for the land (the "Land"), who will make a Prepaid Rent Prepayment to the PFC of an amount equal to the cost of the Land. Tenant will be responsible for the development and construction of the Improvements and the costs associated therewith. The Land and Improvements will be leased to Tenant on a 99-year lease.

Ad Valorem Tax Exception:

The PFC shall be responsible for obtaining a 100% property tax exemption for the Project and Lease. The PFC shall apply for, and use good faith efforts to obtain prior to the Closing Date, a predetermination letter from the appraisal district indicating that the Project will be exempt. Within 30 days of the Closing Date, the PFC will apply for the formal tax exemption. Pursuant to the Lease, if the ad valorem tax exemption with respect to the Project is lost ("Loss of Tax Status Event") (i) for any reason other than the failure to meet the affordability requirements of Texas Local Government Code Chapter 303 governing the availability of a property tax exemption for the Project at any time within the first fifty (50) years of the Term of the Lease or (ii) at any time during the Term of the Lease due to the fraud or willful misconduct of the PFC or its affiliates, then as liquidated damages the PFC, as Landlord, will convey the Project to Tenant (fee ownership of the Project, free and clear) and the Lease and any accompanying regulatory agreement will terminate and no further distributions (other than pursuant to an indemnification obligation) and no additional rent shall be paid to the PFC. Upon a Loss of Tax Status Event occurring after the 50th anniversary of the commencement of the lease, then at the option of Tenant, Landlord will convey the Project to Tenant in fee and the Lease and accompanying regulatory agreement will terminate, upon payment by Tenant to Landlord of an amount equal to the fair market value of the Landlord's reversionary interest in the Project, assuming it is operated as a market rate apartment complex paying taxes. In the event of a Loss of Tax Status Event, prior to the transfers discussed in the prior sentence, the PFC and the Tenant shall use reasonable efforts to modify the structure to allow the ad valorem tax exemption to continue.

Calculator: Means the Novogradac Rent and Income Limit Calculator for the applicable year, under the "Other Federal, State, or Local Program" category for Dallas-Fort Worth-Arlington, TX HUD Metro FMR Area with rent calculations based on "80% AMI", for 50% of the units, Imputed Persons Per Bedroom for Rent Limited Calculations set to "1.5 Person/1 Bedroom" and the applicable family size selected for the respective Low Income Household leasing a particular Affordable Unit. In the event such tool is not available, applicable rent and income limits shall be calculated using a reasonable substitute tool as agreed to by the parties hereto.

Capital Event Rent: For any Refinancing Event that occurs before the initial Sale Event, the PFC shall receive 15% of the refinancing proceeds, if any, after payment of all debt, closing costs, establishment of reserves, return of all equity capital and the 8% return to the Equity Partners, and payment of any and all fees owed to Developer or its affiliates, including but not limited to the deferred developer fee, repayment of all Partner loans, and reimbursement for any amounts paid as a result of guaranteed obligations. On the initial Sale Event, the PFC shall receive 15% of the sale proceeds, after payment of all debt, closing costs, establishment of required reserves, return of all equity capital and the 8% return to the Equity Partners, and payment of any and all fees owed to Developer or its affiliates, including but not limited to the deferred developer fee, repayment of all Partner loans, and reimbursement for any amounts paid as a result of guaranteed obligations. At subsequent Sale Events after the initial Sale Event, the PFC shall receive a payment equal to 2% of the gross sales price.

City: City of McKinney, Texas.

Closing Date: The date of closing for all financing for the Project.

Construction: Tenant will contract with the PFC, as General Contractor, to construct the Improvements; and the PFC will enter into a Master Sub-Contract with JPI Construction, LLC ("JPI Construction"), an affiliate of Developer, to construct the Improvements. JPI Construction, LLC, will receive a Contractor Fee of 5% on the total amount of the Contract Price, including without limit, permits, fees and other costs set forth in the Master Sub-Contract, and any construction contract will also include a contractor's contingency of at least 1% solely for the use of JPI Construction. Developer or its affiliates will provide any required construction completion guaranties necessary to satisfy any lenders and Equity Partners for the Project on terms acceptable to Developer, in its sole discretion. The PFC, as General Contractor, shall be indemnified to the fullest extent permitted by applicable law by the Tenant and JPI Construction, to the extent of each's respective fault, and the indemnification shall be reflected in the construction contract documentation.

Developer:	Means an affiliate of JPI to be formed.
Developer Fee:	Developer is to receive a Developer Fee in connection with the development of the Project in an amount equal to 3.64% of the total development costs. It is anticipated 30% of the Developer Fee will be earned and paid at the construction loan closing. 60% of the Developer Fee will be earned and paid monthly out of the loan proceeds as part of the monthly construction loan process and the final 10% will be earned and paid upon issuance of the final certificate of occupancy for the Project. The timing and amount of the payment shall be subject to the lender and Equity Partner's reasonable consent.
Development Agreement:	Developer, the PFC and Tenant will enter into a development agreement ("**Development Agreement**") in a form acceptable to the parties of the contract.
Equity Partner:	A partnership or a limited liability company, the sole general partner or managing member of which will be a JPI affiliate, and whose limited partners will be JPI Limited Partner (which will contribute the Land Contribution and some cash in accordance with the Project Budget) and other equity partners (which will contribute cash in accordance with the Project Budget).
General Partner:	A limited liability company, affiliated with Developer.
Governing Law:	State of Texas.
Guarantees:	Certain financial obligations will be guaranteed by JPI or an affiliate on terms to be negotiated by JPI and lenders and the Equity Partners. The PFC will not be required to provide any financial guarantees with respect to financing or construction of the Project.
Improvements:	Approximately 383 units of multifamily residential housing in the Project, together with all onsite and offsite infrastructure improvements for the Project, pursuant to Plans and Specifications developed by Developer, and will include amenities and other Class-A multifamily amenities appropriate for the Project as determined by Tenant Partnership.

Land: Approximately 15 +/- acres for the Project to be built and operated as proposed by this Term Sheet, located in McKinney, Collin County, Texas, as more fully described on Exhibit A hereto.

Lease: Lease between the PFC, as landlord, and Tenant, pursuant to which the PFC leases the Project to the Tenant for a term of 99 years (the "**Lease**"). So long as Tenant is not in default under the Lease, Tenant will be permitted under the Lease to assign its interest in the Lease without the requirement of any consent from Landlord. Landlord will not be permitted to assign its interests under the Lease in any manner which jeopardizes the availability of exemption of the Project from ad valorem taxation.

The Lease will provide that Tenant will set aside or rent 50% of the units to tenants whose income is less than 80% of the AMI (the "Affordable Units"), such AMI shall have a floor no lower than the AMI on the Closing Date. The income and rent limits will be adjusted for family size and bedroom size and rent shall be calculated by using the Calculator (the "Affordability Requirement"). The Affordable Units at each AMI level will be spread pro-rata with the overall unit mix between one, two, and three-bedroom units.

The Lease will require the Tenant to maintain the Project as a Class A residential project and will require renovations to the extent financially feasible, to the extent necessary to maintain the Project as a Class A residential project. Tenant will insure the Project and will set aside an amount per door per year as determined by lenders as a reserve for replacements. Tenant will provide full indemnities to PFC. Provisions will be negotiated to help the PFC assure that the Project remains a Class A residential project throughout the Term of the Lease, including conducting periodic needs assessments by an engineer experienced in such assessments at predetermined intervals, prior to a capital event, and at any point in time when there is a significant negative change in occupancy. For avoidance of doubt, the parties agree that maintaining the Project as a Class A apartment project means keeping the Project as originally designed and constructed in appropriate condition to compete with other Class A residential projects of the same age as the Project, but does not mean adding amenities, making structural or other changes to the exterior or interior of the Project to make it consistent with newly constructed Class A apartment projects at a future date.

JPI Limited Partner: An affiliate of JPI, which will be a limited partner of the Equity Partner, which in turn will be a limited partner of the Tenant Partnership.

Management: The property management company that will be designated the property manager for the Project and will manage the leasing and operations of the Project is still to be determined. Management will receive a base Management Fee as follows: between 2.25 and 4% or as determined by competitive interview process for standard rates in the market for similar service. Management company shall be selected by JPI and reasonably acceptable to the General Manager of the PFC.

Marketing:	Developer agrees to include in all public marketing materials and websites for the Project a reference to the affordability provisions.
Miscellaneous Expenses:	Tenant Partnership will be responsible for and will include in the Project Budget all reasonable legal fees and financial advisor fees of the PFC actually incurred in connection with the preparation, negotiation and execution of the documents, all reasonable out-of-pocket expenses, including, without limitation, all business, financial, collateral due diligence expenses, and, to the extent provided herein, all appraisal fees and all examination fees.
PFC:	The Public Facility Corporation created by the City of McKinney.
PFC Structuring Fee:	The PFC, or one of its affiliates, will receive a structuring fee equal to $1,135,968 on the Closing Date of the Project in return for providing the organizational structure described in this Term Sheet.
Plans and Specifications:	The PFC, Tenant Partnership, Lenders, and Equity Partner will have the right to review and approve the Plans and Specifications for Project once they are materially completed, the approval of which will not be unreasonably withheld or delayed. Once they have approved the conceptual and/or schematic design for the Project, the PFC may not object to such design Plans and Specifications, unless the subsequent Plans and Specifications materially and adversely affects the design character or value of the Project.
Project:	The Project will be the Land and Improvements, to be developed by Developer.
Project Budget:	The Project Budget will be finalized and approved by all parties to the transaction prior to the Closing Date, and will include the proposed sources of funds that will be needed to develop, construct and operate the Project, and the uses on which the funds will be spent. Sources of revenue include, without limitation, rental income, capital contributions and other revenues. Project uses include all reasonable and necessary direct and hard costs incurred in connection with the Project.
Project Financing:	The PFC will provide the leasehold estate for the Project to the Tenant Partnership pursuant to a Lease Agreement. The Lease Agreement will be prepared once the Lenders are identified and will include commercially reasonable provisions required by the Lenders, which may include a requirement the PFC subordinate its interests in the Project (except for its rights to reimbursement and indemnification), including the leasehold and fee interests in the Project.

Loans

For the Project, Developer will obtain a senior loan from a senior lender to the Tenant for approximately the amount shown in the Project Budget for development of the Project to be secured by a first-lien deed of trust on the Tenant's leasehold interest in the Project, and if required, a lien on the PFC's fee interest in the Project. Developer may also obtain subordinated loans (which may be structured as mezzanine financing) from a subordinate lender for approximately the amount shown in the Project Budget which may be secured by a second-lien deed of trust on the Tenant Leasehold interest, a lien on the PFC's fee interest in the Project or partnership interest in the Tenant or Equity Partner.

All financings and guarantees must be acceptable to Developer and the Tenant Partnership in their sole and absolute discretion.

Equity

Developer will obtain one or more Equity Partners who will invest approximately the amount shown in the Project Budget. One of the Equity Partners will be JPI Partner (which will make a contribution of the Land at the Agreed Value and may make a contribution of cash as provided for in the Project Budget). Contributions from the Equity Partners will be contributed to the Tenant for approximately the amounts shown in the Project Budget. The Equity Partner will be paid from Cash Flow and will at all times be subordinate to the Loans.

Project Term: The "**Project Term**" is from commencement of Project for a period of 99 years after closing. Two years prior to the end of the Project Term, Tenant shall assist the PFC with evaluating its options upon the end of the Project Term and the reversion of the Project to the PFC. Should the PFC choose to sell the Project at the end of the Project Term, the Tenant shall assist the PFC in the sale of the Project.

Refinancing Event: Any refinancing of any loan, or receipt of any insurance or condemnation proceeds (other than business interruption or similar type of insurance or condemnation proceeds which cover a temporary taking of all or any portion of the Project and after such proceeds are applied to the rebuilding, repair or replacement of the Project) which occurs before the initial Sales Event.

Rent: Tenant will pay PFC rent of $420,000 commencing six months after the Project stabilizes, which is defined as reaching 90% occupancy, which shall be the start of Year 1. Thereafter payments shall increase by 3% per year. Rent will be paid annually, in full, on the first of the month following six months after stabilization and every 12 months thereafter. Upon the Initial Sale Event, Rent will be adjusted upward to an annual payment equal to the sales price x 80% x the ad valorem tax rate x 20% with a 3% annual increase thereafter. No adjustment will be made if this formula would decrease the prior year's rent.

Sale Event: A sale of the Project (including any proposed assignment of the entire Lease) to a third party for consideration or a sale or assignment of greater than 50% of the interests in the Tenant or an entity that controls or has a greater than 50% ownership interest in the Tenant (excluding assignments to affiliates or transfers pursuant to or for estate planning purposes) to a third party for consideration.

Sale Price: The sales price received by the Tenant for a Capital Event.

Sales Tax: The PFC will as General Contractor (which will subcontract with JPI Construction) be responsible to for the purchase of materials for the construction of the Project so that the purchases will be exempt from all sales and use taxes pursuant to Applicable Law. Tenant will pay PFC at Closing $864,032.

Sales Tax Savings: Means the purchase price of the construction materials purchased by the contractor, multiplied by the effective sales tax rate at the time of purchase.

Tenant: A single purpose Texas or Delaware limited partnership, the sole General Partner of which will be a JPI affiliate, and the Limited Partners of which will be the Equity Partner and JPI Partner.

This instrument may be executed in several counterparts, each of which will be deemed an original and all of which will constitute one and the same instrument and will become effective when counterparts have been signed by each of the parties and delivered to the other party; it being understood that all parties need not sign the same counterpart. The exchange of copies hereof and of signature pages by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means, will constitute effective execution and delivery hereof as to the parties and may be used in lieu of the original document for all purposes. Signatures of the parties transmitted by any of the foregoing methods will be deemed to be their original signatures for all purposes.

DEVELOPER: JPI Companies

By: Payton Mayer
Name: Payton Mayer
Title: CEO

PFC: MCKINNEY PFC

By: ____
Name: ____
Title: ____

EXHIBIT A

Property Description