

OPTION TO LEASE

This **OPTION TO LEASE** (this "Option") is made and entered in to as of this ___ day of May, 2025, by and between the Housing Authority of Florence South Carolina, a public body corporate and politic organized under and by virtue of the laws of the State of South Carolina ("HAFSC"), and Oakland Place RAD 2024, LLC, a South Carolina limited liability company ("Optionee"). HAFSC and Optionee may be referred to herein individually as a "Party" or collectively as "Parties."

WITNESSETH:

WHEREAS, the Optionee was organized to develop, construct, own, and operate Oakland Place Apartments, a 64-unit affordable housing development which will be located on a site owned by HAFSC (the "Development"); and

WHEREAS, the Optionee intends to apply for Low Income Housing Tax Credits (the "Tax Credits") under Section 42 of the Internal Revenue Code of 1986, as amended in support of the Development; and

WHEREAS, in furtherance of the Development, HAFSC and Optionee desire to enter into a ground lease of land described on Exhibit A attached hereto (the "Property"); and

WHEREAS, pursuant to this Option, HAFSC shall grant to Optionee an option to lease the Property as the development site.

NOW THEREFORE, for and in consideration of the mutual covenants and conditions contained in this Option, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the HAFSC and the Optionee hereby agree as follows:

1. **Option.** At any time on or before January 31, 2026, as such date may be extended by HAFSC at the request of Optionee (as so extended, the "Option Deadline"), Optionee shall have the right and option to lease the Property pursuant to the terms and conditions contained in a ground lease ("Lease") to be negotiated between HAFSC and Optionee or to acquire the Property upon such other such terms as HAFSC and Optionee shall agree to in writing. Optionee may exercise the option granted herein upon written notice to HAFSC at any time on or before thirty (30) days prior to the Option Deadline. Notwithstanding any other provision contained herein, this Option is expressly conditioned upon an award of Tax Credits to the Development evidenced in writing approved by HAFSC.
2. **Terms and Conditions of the Lease.** HAFSC and Optionee shall negotiate in good faith to finalize the terms and conditions of the Lease no later than thirty (30) days prior to the Option Deadline. The Lease shall contain the following basic terms: (a) the Lease shall be for a term of years to be negotiated between HAFSC and Optionee as required by the covenants and restrictions imposed by HAFSC and/or the Tax Credits to preserve the use of the Property for affordable and low income housing purposes; (b) the Lease shall permit Optionee to construct and own the improvements on the Property; (c) the Lease shall contain terms that permit financing of the improvements; (d) the Lease shall contain covenants and restrictions that shall run with the Property, as required by HAFSC and/or the Tax Credits, to preserve the use of the Property for affordable and low income housing purposes; and (e) the Lease shall contain such terms and conditions as are usual and customary for similar transactions. In the event that the parties are unable to agree upon the terms of the Lease by the Option

Deadline, or in the event Optionee shall fail to exercise the option as provided in Section 1 above, and notwithstanding anything contained herein to the contrary, this Option shall terminate, whereupon neither of the parties shall have any further rights, claims or liabilities under this Option.

3. Rent Payment. In the event the Optionee exercises the Option granted herein, the Optionee agrees to enter into a ground lease with the Optionor, under which the Optionee shall pay to the Optionor an annual rent of One Hundred Dollars (\$100.00), payable in advance on the first day of each lease year for as long as the Development and Property are subject covenants and restrictions as required by HAFSC and/or the Tax Credits to preserve the use of the Property for affordable and low income housing purposes.

4. Miscellaneous.

(a) Headings. The headings in this Option are for reference only and shall not affect the interpretation of this Option.

(b) Severability. If any term or provision of this Option is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Option or invalidate or render unenforceable such term or provision in any other jurisdiction.

(c) Notices. All notices, demands and communications required or which either party desires to give or make hereunder shall be if in writing signed by or on behalf of the party giving or making the same, and if served/delivered to the addresses, fax numbers and/or electronic mail addresses set forth below:

To HAFSC: Housing Authority of Florence, South Carolina
Attn: Dr. Alphonso Bradley
2640 West Palmetto St.
Florence, SC 29501
abradley@hafsc.org

To CHCDC: Oakland Place RAD 2024, LLC
Attn: _____

Notice may be sent via confirmed delivery service (UPS, FedEx, US Certified Mail Return Receipt, etc.), facsimile or electronic mail (e-mail). Notices sent by confirmed delivery service shall be effective upon the date of the delivery confirmation. Notices sent by facsimile transmission shall be deemed to have been given at the time of transmission; provided, the sending party has a facsimile confirmation report. Notices by e-mail shall be deemed to have been given at the time of transmission; provided, the sending party has a send confirmation report. Any Party hereto may change its address, fax number or e-mail address for the service as aforesaid by giving written notice to the other of such change of address in accordance with the provision of this Section.

5. Entire Agreement. This Option and the documents to be delivered hereunder constitute the sole and entire agreement of the Parties to this Option with respect to the subject matter contained


herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

6. Successors and Assigns. This Option shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns. No Party may assign its rights or obligations hereunder without the prior written consent of all other Parties. Any assignment in violation of this Section shall be void. No assignment shall relieve the assigning Party of any of its obligations hereunder.
7. No Third-Party Beneficiaries. This Option is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Option.
8. Amendment and Modification. This Option may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto.
9. Waiver. No waiver by any Party hereto of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party hereto shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Option shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
10. Governing Law. This Option shall be governed by and construed in accordance with the internal laws of the State of South Carolina without giving effect to any choice or conflict of law provision or rule (whether of the State of South Carolina or any other jurisdiction).
11. Submission to Jurisdiction. Any legal suit, action or proceeding arising out of or based upon this Option or the transactions contemplated hereby may be instituted in the federal courts of the United States of America located in the District of South Carolina, Florence Division or the courts of the State of South Carolina Florence County, and each Party hereto irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.
12. Effective Date. "Acceptance Date" shall mean the latest date upon which all parties to this Option execute the Option and deliver such executed Option to all other parties hereto.
13. Counterparts. This Option may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Option delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Option.
14. Damages. NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR SPECIAL DAMAGES OF ANY KIND FOR ANY REASON, EVEN IF A PARTY WAS WARNED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE IN ADVANCE.

IN WITNESS WHEREOF, the Parties hereto have executed this Option to Lease.

(Signature Pages to Option to Lease Follow)

**HOUSING AUTHORITY OF FLORENCE,
SOUTH CAROLINA**

By: 
Dr. Alphonso Bradley
Executive Director

Date: 5-20-25

(HAFSC Signature Page to Option to Lease)

OAKLAND PLACE RAD 2024, LLC

By:



PPP Oakland Place, LLC
Managing Member

Date:



(Oakland Place RAD 2024, LLC Signature Page to Option to Lease)

(Signature Page to Option to Lease)

EXHIBIT B-8

PROJECT NO. SC0272

All that certain tract of land in the City and County of Florence, State of South Carolina, known as Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 on a plat of property of J. Madison Rainwater made by A. L. Ervin on September 4, 1945, said lots having the following measurements and boundaries together: Beginning at the northeast corner of the intersection of Oakland Avenue (formerly Goose Pond Road) and Layton Street and running in a northerly direction along Oakland Avenue 214.4 feet to the point where it intersects with property of the City of Florence; then turning East and running in an easterly direction 425.7 feet to Rose Street, then turning South and running in a southerly direction 224 feet to the northwest corner of the intersection of Rose and Layton Streets; then turning West and running in a westerly direction 424.38 feet to the point of beginning.

This being the same property conveyed to the Housing Authority of Florence by deed of Bascom A. Dewitt, recorded in the office of the Clerk of Court for Florence County on June 30, 1970 in Deed Book A89 at page 47.

This property is part of the Oakland Place

Project. TM#90100-05-002

EXHIBIT B-9

PROJECT NO. SC0272

All that tract of land situate in the City and County of Florence, State of South Carolina, containing 2 ½ acres and fronting on both Oakland Avenue and Rose Street, having the following measurements and boundaries: On the North by property now or formerly of School District Number One whereon it measures 425.7 feet more or less; on the East by Rose Street whereon it measures 256 feet more or less; on the South by property of B. A. Dewitt whereon it measures 425.7 feet more or less and on the West by Oakland Avenue whereon it measures 256 feet more or less.

This being the same property conveyed to the Housing Authority of Florence by deed of City of Florence, recorded in the office of the Clerk of Court for Florence County on July 7, 1970 in Deed Book A89 at page 107.

This property is part of the Oakland Place

Project. TM#90100-05-002 (annexed to this

Property)

EXHIBIT B-11

PROJECT NO. SC0272

All that certain lot of land situate in the City of Florence, County of Florence, State of South Carolina, beginning at a point on Oakland Avenue at the northeastern corner of property of Alease C. Anderson Lowery and running North along Oakland Avenue a distance of 66.25 feet more or less to a point, then in a westerly direction a distance of 100 feet more or less to a point, then in a northerly direction for 30 feet to a point, then turning and running in a western direction 133.2 feet more or less to a point, then turning and running south 51.25 feet more or less to a point, then turning and running in an eastern direction a distance of 228.6 feet to the point of beginning on Oakland Avenue, being designated as Lot C on a plat recorded in Plat Book 4, at Page 234, office of the Clerk of Court for Florence County.

This being the same property conveyed to the Housing Authority of Florence by deed of Willie Mae Gibson, recorded in the office of the Clerk of Court for Florence County on July 2, 1970 in Deed Book A89 at page 68.

This property is part of the Oakland Place Project.

TM#90100-06-012