

CO-DEVELOPMENT AGREEMENT

THIS CO-DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into effective as of the 7th day of June, 2024, by and between PACES PRESERVATION PARTNERS, LLC, a Georgia limited liability company ("PPP") and Housing Authority of Florence RAD, LLC, a South Carolina limited liability company ("Housing Authority") (collectively, PPP and Housing Authority are the "Developers"), and OAKLAND PLACE RAD 2024, LLC, a South Carolina liability company (the "Company").

WITNESSETH:

WHEREAS, the Company has been formed for the purposes, *inter alia*, of acquiring, financing, owning, constructing, developing, maintaining, improving, operating, leasing, and selling or otherwise disposing of real property described on Exhibit A attached hereto (the "Land"), together with all improvements furnishings, equipment, and personal property to be located thereon generally described on Exhibit B attached hereto (altogether, the "Improvements") (together, the Land and Improvements will be collectively referred to as the "Project"), all units of which Project (other than manager units, if any) are intended to be rented and managed in order that the Project will qualify for low-income housing tax credits provided in Section 42 of the Internal Revenue Code of 1986, as amended (the "Code").

WHEREAS, in order to effectuate the purposes for which it has been formed, the Company has engaged the services of the Developers with respect to overseeing the development of the Project for the Company; and

WHEREAS, the Developers (or their respective principals) are experienced in the development of low income multi-family housing projects pursuant to Section 42 of the Code; and

WHEREAS, the parties desire to memorialize their agreement with respect to the obligations of, and the services to be performed by the Developers.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Appointment. The Company hereby appoints the Developers to render services for the Company, and confirms and ratifies the appointment of the Developers with respect to services rendered for the Company to date, in supervising and overseeing the development of the Project as herein contemplated.

2. Obligations of the Developers.

PPP and Housing Authority acting jointly shall have the following duties to the extent they have not already been performed:

- (a) To assist, advise and consult on the selection of, and provide coordination and supervision of, the architect and engineer in connection with the preparation of, and any changes to, the site plan for the Improvements and the renderings, drawings and specifications for construction of Improvements (the "Plans and Specifications");
- (b) To be cognizant of, and advise the Company with respect to, compliance with Section 42 of the Code and applicable state law tax credit requirements as such laws relate to the development and construction of the Improvements and to coordinate the services of professionals in connection therewith;
- (c) reserved;
- (d) To assist, coordinate and supervise the obtaining of all necessary permits and approvals for, and in connection with, the development and construction of the Improvements;
- (e) To be cognizant of, and advise the Company with respect to, compliance with any and all construction related obligations of the Company under any agreements with construction lenders or any governmental entities, which agreements have been executed by the Company in connection with approvals for, or financing of the construction of the Improvements;
- (f) To cooperate and coordinate with the general contractor appointed by the Company;
- (g) To otherwise use commercial best efforts to coordinate, supervise, monitor and cause the development and construction of the Improvements on a timely basis and within the contemplated budget;
- (h) To record the progress on all of the foregoing, and, as requested, submit written progress reports to the Company; and
- (i) To maintain or cause to be maintained at its sole cost and expense all office and accounting facilities and equipment necessary to adequately perform all functions of Developers specified herein.

The Developers may retain the services of independent consultants, provided the Company shall have no responsibility to such independent parties. Further, the Developers shall not be required to take any action which would require a contractor's license.

The Developers shall be independent contractors for all purposes hereof.

The Company acknowledges and agrees PPP will not be liable for any actions taken by Housing Authority without PPP's consent, and Housing Authority will not be liable for any actions taken by PPP without Housing Authority's consent.

3. Development Fee.

(a) In consideration of the performance by the Developers of the development services described herein, the Company shall pay to the Developers a development fee of \$1,530,000.00, or such higher or lower amount as allowed by the tax credit agency (altogether, the "Development Fee"). The Company and the Developers acknowledge that specific portions of the Development Fee shall be earned by Developers as certain benchmarks are satisfied as more particularly described on Exhibit C, but in any event all of the Development Fee shall be earned by Developers upon substantial completion of construction. The Development Fee shall be paid from (i) debt and equity financing sources to the extent such payment is allowed (or not prohibited) by the documents evidencing such sources, and (ii) cash flow and capital proceeds. Upon completion of construction that portion of the Development Fee that has not been paid (the "Deferred Development Fee") shall bear interest at the annual long-term Applicable Federal Rate in effect during the month in which this Agreement was signed. Any outstanding balance of the Development Fee, together with accrued interest, existing on the earlier of Company dissolution or the 15th annual anniversary of construction completion shall be paid in full.

(b) The Development Fee payable with respect to the Project shall be shared by PPP and Housing Authority, seventy percent (70%) and thirty percent (30%), respectively.

(c) The obligations of the Company to pay the Development Fee shall be non-recourse to the Partners of the Company but recourse to the assets of the Company.

4. Termination of Duties and Responsibilities of Developers.

The Developers shall have no further duties or obligations hereunder after receipt of a Certificate of Occupancy for the last building in the Project and completion of all punch list items. The Developers' duties, responsibilities and rights hereunder shall not be terminated by the Company except for "cause" as finally determined by a court of competent jurisdiction. For purposes hereof, "cause" shall mean fraud, dishonesty, reckless disregard for customary practices and intentional misconduct after at least forty-five (45) days prior notice and opportunity to cure.

5. Miscellaneous.

(a) This Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by any of the parties hereto without the written consent of the other party, except that the Developers may assign their rights but not their duties under this Agreement.

(b) The descriptive paragraph headings of this Agreement are inserted for convenience only and are not intended to and shall not be construed to limit, enlarge, or affect the scope or intent of this Agreement nor the meaning of any provision hereof.

(c) This Agreement and the rights and obligations of the parties hereto shall be governed and construed and enforced in accordance with the laws of the State of South Carolina.

(d) This Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations, or warranties, express or implied, other than those set forth herein.

(e) This Agreement may only be amended or modified in a written instrument signed by each party hereto.

(f) No party hereto shall file or attempt to file this Agreement of record.

(g) This Agreement and the obligations of the Developers hereunder are solely for the benefit of the Company and no benefits to third parties are intended.

(h) In the event any provision hereof is deemed to be unenforceable or against the rules and regulation of the South Carolina State Housing Finance and Development Authority, then such provision shall be deemed omitted from this Agreement and to the extent possible such provision shall be replaced with an enforceable provision which corresponds with the spirit of the omitted provision, and no other provision of this Agreement shall be affected by such omission or unenforceability.

(i) The parties agree that the prevailing party in any action or dispute involving litigation concerning the subject matter hereof, shall be entitled to attorneys' fees and court costs.

(j) The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

(k) All capitalized terms herein shall have the same meaning as set forth in the Operating Agreement, except as otherwise expressly set forth herein.

6. Notice.

Any notice required to be given hereunder shall be in writing and mailed by certified mail, postage prepaid, or hand delivered with receipt of service simultaneously to all parties at the addresses set forth on Exhibit D attached hereto. Each party shall have the right to change its address for the receipt of notices, upon the giving of proper notice to all other parties hereto. Whenever a period of time is to be computed from the date of receipt of an item of certified mail, such period shall be computed from the fifth day following the date of mailing if delivery of the certified mail item is refused by the party to whom it was directed. Otherwise, such period shall be computed from the date of delivery.

7. Counterparts.

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

8. Responsibilities of the Company.

In order for the Developers to perform duties described herein, the Company shall:

- (a) Provide full information regarding its requirements for the Project;
- (b) Designate a representative who shall be fully acquainted with the scope of the work and has authority to render decisions promptly and furnish information expeditiously; and,
- (c) If the Company becomes aware of any fault or defect in the Project or nonconformance with any contract or other documents, it shall give prompt written notice thereof to the Developers.

9. Limitation of Liability. From and after the date of this Agreement:

(a) Except as may be expressly set forth in a separate written agreement signed by both PPP and the Housing Authority, then to the extent that the Developers become liable to the Company or any third-party entity for any kind of claim, damage, or the like (any of the preceding, a "Loss"), the cost of such Loss shall be shared by PPP and the Housing Authority in accordance with their proportionate share of the Development Fee, except that if either PPP or the Housing Authority is disproportionately responsible for the occurrence of the Loss, then the disproportionately responsible Developer shall solely bear the burden of the Loss and such disproportionately responsible Developer shall indemnify and hold harmless the other Developer.

(b) Each of PPP and the Housing Authority shall keep in force commercial general liability insurance in an amount not less than \$1 million per occurrence and \$2 million aggregate, and also excess liability not less than \$7 million in combination with the general liability aggregate ceiling (example, \$2 million general aggregate requires \$5 million excess, and \$3 million general aggregate requires \$4 million excess). PPP shall name the Housing Authority as additional insured on its liability coverages, and the Housing Authority shall name PPP as additional insured on its liability coverages.

(c) Reserved.

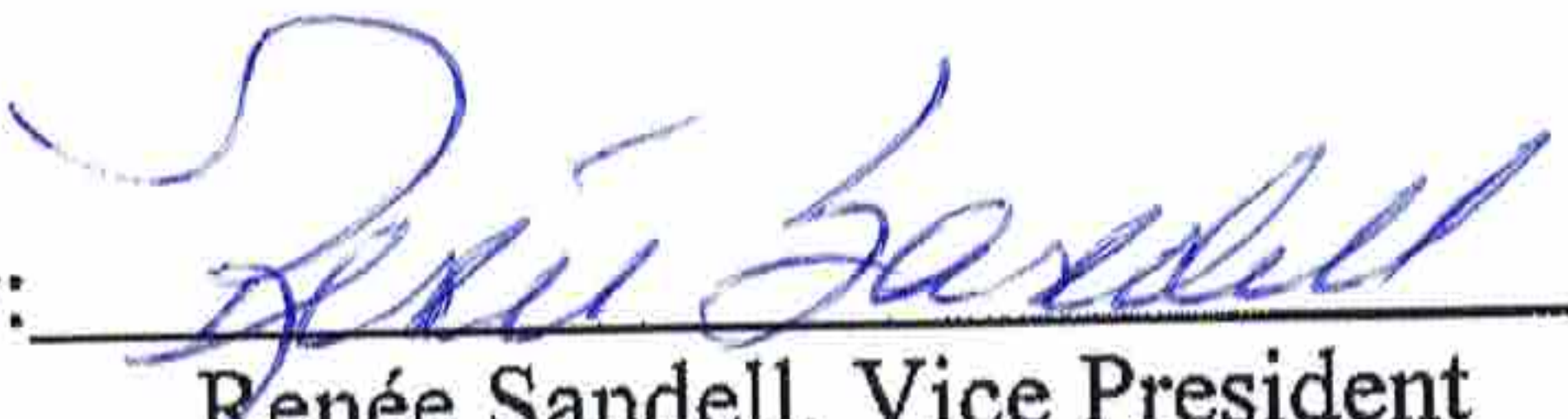
(d) Attorneys' Fees. The attorneys' fees and expenses incurred by the Parties hereto in connection with negotiating, executing and delivering this Agreement shall be for their own account. In the event of any dispute hereunder or of any action to interpret or enforce this Agreement, any provision hereof or any matter arising herefrom, the prevailing Party shall be entitled to recover its reasonable costs, fees and expenses, including, but not limited to witness fees, expert fees, consultant fees, and attorney's fees whether in settlement, in any declaratory action, at trial or on appeal.

[SIGNATURES CONTAINED ON NEXT PAGE]

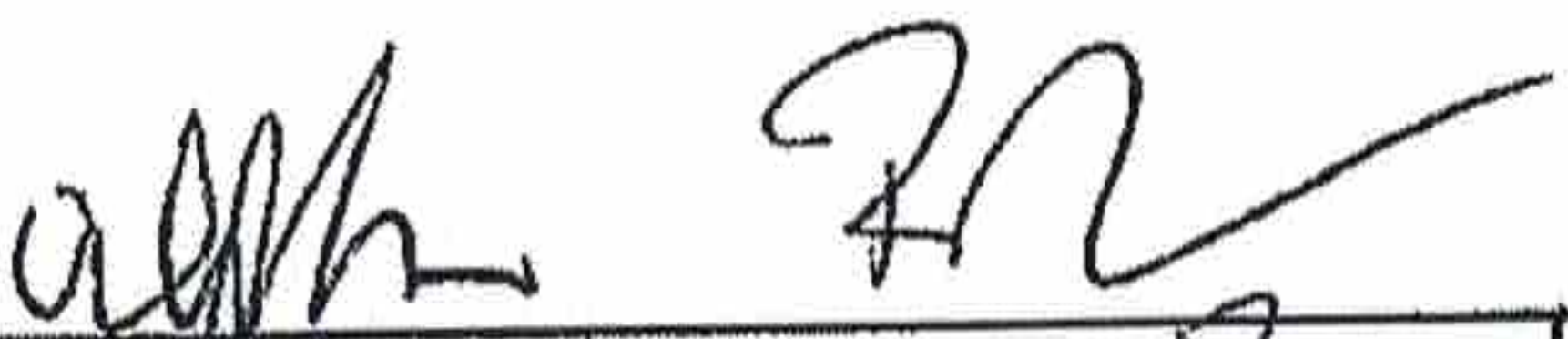
IN WITNESS WHEREOF, the parties have executed this Co-Development Agreement on the date and year first above written.

DEVELOPERS:

PACES PRESERVATION PARTNERS, LLC, a Georgia limited liability company

By: 
Renée Sandell, Vice President

HOUSING AUTHORITY OF FLORENCE RAD LLC,
a South Carolina limited liability company

By: 
Name: Alphonso Brachey
Title: Executive Director

COMPANY:

OAKLAND PLACE RAD 2024, LLC, a South Carolina limited liability company

By: PPP Oakland Place, LLC, its Manager


By: 
Renée Sandell, Vice President

EXHIBIT A

Legal Description

EXHIBIT B-7

PROJECT NO. SC0272

All that certain lot of land situate in the northern portion of the City of Florence, County of Florence, State of South Carolina, measuring 30 feet more or less on its East and West lines and 100 feet more or less on its North and South lines, beginning at a point on Oakland Avenue and running North along said street a distance of thirty (30) feet to the Southeast corner of George J. Nofal property, then turning in a western direction a distance of one hundred (100) feet to a point, then in a southerly direction a distance of thirty (30) feet, then in an eastern direction a distance of one hundred (100) feet to the point of beginning, being bounded on the North by property of George J. Nofal; on the East by Oakland Avenue; on the South and West by property of the Estate of Leroy Casley.

This being the same property conveyed to the Housing Authority of Florence by deed of Wilbur Hawkins, recorded in the office of the Clerk of Court for Florence County on July 23, 1970 in Deed Book A90 at page 29.

This property is part of the Oakland Place Project.

TM#90100-06-013

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 parcel)

EXHIBIT B-10

PROJECT NO. SC0272

All that certain parcel or lot of land situate in the northern portion of the City of Florence, County of Florence, State of South Carolina, measuring 105 feet more or less on its East and West lines, and 231 feet more or less on its North and South lines, beginning at a point on Oakland Avenue, being the southeast corner of said property, and running North along said street a distance of 105 feet to a point, then in a western direction 231 feet to a line, then South along said line a distance of 105 feet to a point on the northwest corner of Nofal property, then in an easterly direction along the southern boundary of Glass property a distance of 231 feet to the point of beginning, being bounded on the North by property of unknown parties; on the East by Oakland Avenue; on the South by property of George J. Nofal; and on the West by lands of unknown parties.

This being the same property conveyed to the Housing Authority of Florence by deed of Lillian R. Glass, recorded in the office of the Clerk of Court for Florence County on July 23, 1970 in Deed Book A90 at page 27.

This property is part of the Oakland Place Project.

TM#90100-06-015

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

EXHIBIT B

Description of all improvements furnishings, equipment,
and personal property located and to be located on the Property

Oakland Place Apartments (the "Project") is a multifamily residential development to be located in Florence, South Carolina. The Project will contain a total of 64 units.

EXHIBIT C

Development Fee

The Development Fee shall be deemed to be earned in accordance with the following:

It is acknowledged that a total of 20% of the Development Fee has been earned as of the date hereof. The remaining portion of the Development Fee will be earned in accordance with the following:

Another thirty percent (30%) of which to be earned at the filing of the Notice of Commencement, twenty-five percent (25%) upon 50% completion of the Project, and twenty-five percent (25%) upon receipt of the final Certificate of Occupancy.

EXHIBIT D

Notices

Any notice required to be given hereunder shall be in writing and mailed by certified mail, postage prepaid, or hand delivered with receipt of service simultaneously to all parties at the addresses set forth below:

If to the Developers, to:

Paces Preservation Partners, LLC
c/o The Paces Foundation, Inc.
2730 Cumberland Blvd. SE
Smyrna, GA 30080
Attention: Renée Sandell

and

Housing Authority of Florence RAD LLC
2640 West Palmetto Street
Florence, SC 29501
Attention: Alphonso Bradley

with copy to

Soho Realty Development, LLC
1408 North Westshore Blvd
Suite 804
Tampa FL 33607

If to the Company, to:

Oakland Place RAD 2024, LLC
2730 Cumberland Blvd. SE
Smyrna, GA 30080
Attention: Renée Sandell