

DEVELOPMENT AGREEMENT

This Development Agreement (the “**Agreement**”), dated and effective as of May 9th, 2025, is made by and between Capstone at Greenwood Commons, LP, a South Carolina limited partnership (the “**Partnership**”), and Capstone at Greenwood Commons Developer, LLC, a South Carolina limited liability company (the “**Developer**”).

Recitals

The Partnership was formed for the purpose of acquiring or leasing a site, developing and constructing thereon and operating a residential project located in Greenwood County, South Carolina (the “**Project**”).

1. **Appointment and Term.** The Partnership hereby appoints the Developer to render services in overseeing the development of the Project for the Partnership as herein contemplated and the Developer hereby accepts such appointment.

2. **Authority and Obligations.** The Developer shall have the authority and obligation to:

(a) Obtain construction financing, if required, on behalf of the Partnership in an amount sufficient to fund the construction and/or rehabilitation of the Project.

(b) Prepare or cause to be prepared such environmental and neighborhood impact studies or reports, engineering surveys, and plans and specifications as may be required in connection with the construction and/or rehabilitation of the Project.

(c) Prepare and submit to the Partnership for approval a construction budget and make recommendations to the Partnership regarding any necessary modifications thereto.

(d) Make available to the Partnership upon request copies of all contracts, option agreements, construction financing commitments, budgets, plans and specifications, or other items prepared or obtained.

(e) Obtain a construction contract (the “**Construction Contract**”) in an amount not to exceed the amount provided therefor pursuant to the Partnership financial projections from a reputable general contractor (the “**General Contractor**”).

(f) Perform or cause to be performed, in a diligent and efficient manner, general administration and supervision of construction of the Project, including but not limited to the following:

(i) administration and supervision of the activities of the General Contractor and all other contractors, subcontractors, and others employed in connection with the construction of the Project;

(ii) preparation of construction schedules pursuant to which all phases of construction are to be completed on or before the Completion Date and supervision of the scheduling of construction in conformity with such construction schedules;

(iii) periodic inspection of construction in progress, including but not limited to inspection at completion for defects in construction and to assure compliance with the plans and specifications, and supervision of correction of any and all deficiencies noted pursuant to such inspections;

(iv) processing and payment of applications for progress payments made by the General Contractor, including verification of such applications against the progress of construction as indicated by the aforementioned periodic inspections; and

(v) analysis of requests for any and all change orders to or variations from the Projections and the plans and specifications and submission of such requests to the Partnership for approval.

(g) Perform, or cause to be performed, in a diligent and efficient manner, preparation of contracts, letter agreements, purchase orders, and similar documents as are necessary to complete timely the construction of the Project in accordance with the plans and specifications.

(h) Cause the Project to be completed on or before the Completion Date in a manner consistent with good workmanship, in compliance with the following:

(i) the plans and specifications;

(ii) all obligations of the Partnership under any documents executed by the Partnership under the construction loan documents; and

(iii) all municipal, state, and other governmental laws, ordinances, and regulations governing the construction of the Project and the use thereof for its intended purposes and all other requirements of law applicable to construction and/or rehabilitation of the Project.

(i) Maintain, or cause to be maintained, builders risk, contractor's liability, and worker's compensation insurance required by law or by the investor limited partner with the Partnership named as an additional insured, the limits of such coverage to be reasonable under the circumstances, but no less than that required by construction lenders or applicable statutes.

(j) Keep or cause to be kept separate project accounts and cost records and prepare and furnish upon request financial and progress reports and statements with respect to construction of the Project.

(k) Make available to the Partnership upon request copies of all contracts and subcontracts relating to the development of the Project.

(l) Deliver to the Partnership copies of all inspection reports and applications for payment given any lender providing a loan to the Partnership.

3. ***Developer Fee.***

(a) For development services to be performed under this Agreement, the Partnership shall pay the Developer a total fee equal to \$1,450,000 (the “***Developer Fee***”). Of this, \$1,241,995 is payable no later than completion of construction of the Project from capital contributions to be made by the investor limited partner that will be admitted to the Partnership in the manner and at the times stated in the First Amended and Restated Agreement of Limited Partnership that will be executed in connection with the admission of that partner.

(b) Any amount of the Developer Fee that is not paid from capital contributions as stated in (a) (estimated to be \$208,005) (the “***Deferred Developer Fee***”) shall be paid from the Net Cash Flow of the Partnership to the extent available for payment of the Deferred Development Fee in accordance with such Agreement of Limited Partnership. Any amount of the Developer Fee that has not been paid in full on or before December 31, 2040, shall be paid no later than such date. The Partnership’s obligation to pay the Deferred Development Fee is evidenced by the Note attached hereto as Exhibit “A”.

4. ***Operating Agreement.*** Except as expressly provided herein, this Agreement shall be subject to the applicable terms and conditions of such First Amended and Restated Agreement of Limited Partnership.

5. ***Burden and Benefit.*** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. No party may assign this Agreement without the consent of the other party.

6. ***Severability of Provisions.*** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

7. ***No Continuing Waiver.*** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. 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.

8. ***Defined Terms.*** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Operating Agreement.

9. ***Governing Law.*** This Agreement shall be construed and enforced in accordance with the laws of the State of South Carolina, without regard to principles of conflicts of laws.

10. ***Binding Agreement.*** This Agreement shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors, and assigns.

11. ***Headings.*** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

12. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

13. **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.

[signatures begin on the following page]

The parties have executed this Development Agreement as of the date first written above.

PARTNERSHIP:

CAPSTONE AT GREENWOOD COMMONS, LP,
a South Carolina limited partnership

By: Capstone at Greenwood Commons GP, LLC,
a South Carolina limited liability company
Its: General Partner

By: Banyan GP Holdings, Inc.,
an Alabama corporation
Its: Manager


By: 

R.B. Coats, III, President

DEVELOPER:

**CAPSTONE AT GREENWOOD COMMONS
DEVELOPER, LLC,**
a South Carolina limited liability company

By: The Banyan Foundation, Inc.,
a North Carolina nonprofit corporation
Its: Manager

By: 

R.B. Coats, III, President

EXHIBIT "A"
FORM OF PROMISSORY NOTE

US \$208,005

Vestavia Hills, Alabama
May 9, 2025

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned, **Capstone at Greenwood Commons, LP**, a South Carolina limited partnership ("Maker"), promises to pay to the order of **Capstone at Greenwood Commons Developer, LLC**, a South Carolina limited liability company, its successors and assigns (hereinafter, together with all subsequent holders of this Note, called "Lender"), whose address 4509 Pine Tree Circle, Vestavia Hills, AL 35243, or at such other place as Lender may specify, on or before the Maturity Date (hereinafter defined), the principal sum of \$208,005, together with interest thereon from and after the date of Stabilization, as defined in Maker's Amended and Restated Agreement of Limited Partnership executed in connection with the admission of the first tax credit investor into Maker, as the same may be from time to time amended (the "Partnership Agreement"), at the Long Term Applicable Federal Rate, determined as of the date hereof.

The principal of this note and interest earned hereon shall be paid from the first cash flow that Maker would, but for this Note, be entitled to pay to its partners under the terms of the Partnership Agreement at such time or times and in such amounts as such cash flow is permitted to be paid under the Partnership Agreement. All payments shall be applied first to interest and any balance to principal. The unpaid balance of the principal amount hereof and all interest accrued thereon shall mature and be due and payable on December 31, 2042 (the "Maturity Date").

Costs of Collection. Maker agrees to pay all costs of collection hereof when incurred, including reasonable attorneys' fees actually incurred, whether or not any legal action shall be instituted to enforce this Note.

Prepayment. Maker shall have the right to prepay this Note in whole or in part at any time without premium and penalty.

Default And Remedies

Events of Default. Each of the following events shall constitute an "Event of Default":

- (a) If Maker shall make any distribution to any of its Partners prior to payment in full of the principal of this Note.
- (b) If Maker shall fail to pay the unpaid balance of this Note and all unpaid interest accrued thereon on the Maturity Date.

Acceleration; Other Remedies. Upon the occurrence of an Event of Default, Lender may, at its option, without further notice or demand, declare the unpaid principal of this Note and all interest accrued thereon at once due and payable, and pursue any and all other rights, remedies, and recourses available to Lender, or pursue any combination of the foregoing, all remedies hereunder being cumulative.

No Waiver. Failure to exercise any of the foregoing options shall not constitute a waiver of the right to exercise the same or any other option at any subsequent time in respect to any other event. The acceptance by Lender of any payment hereunder that is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the foregoing options at that time or at any subsequent time or nullify any prior exercise of any such option without the express written consent of Lender.

Miscellaneous

Waivers. (a) Maker waives presentment and demand for payment, notice of intent to accelerate maturity, notice of acceleration of maturity, protest or notice of protest and nonpayment, bringing of suit and diligence in taking any action to collect any sums owing hereunder or in proceeding against any of the rights and properties securing payment hereof. Maker agrees that the time for any payments hereunder may be extended from time to time without notice and consent to the acceptance of further security for this Note, all without in any manner affecting their liability under or with respect to this Note. No extension of time for the payment of this Note or any installment hereof shall affect the liability of Maker under this Note even though Maker is not a party to such agreement.

(b) Maker hereby waives and renounces, to the extent same may be waived and renounced, for itself, its legal representatives, successors and assigns, all rights to the benefits of any statute of limitations and any moratorium, reinstatement, marshalling, forbearance, valuation, stay, extension, redemption, appraisalment, exemption and homestead now provided or which may hereafter be provided by the Constitution and the laws of the United States and of any state, both as to itself and in and to all of its property, real and personal, against the enforcement and collection of the obligations evidenced by this Note.

Limited Liability of the Grantor and Its Partners. Notwithstanding anything to the contrary contained in this Note, the Lender agrees that no general partner or limited partner of the Maker shall have any liability for any obligation of Maker hereunder, and that such obligations shall be satisfied solely from the assets of maker.

Notice. All notices or other communications required or permitted to be given pursuant to this Note shall be in writing and shall be considered properly given if mailed by first-class United States mail, postage prepaid, registered or certified with return receipt requested, or by delivering same in person to the intended addressee or by overnight delivery service. Notice so mailed shall be effective two (2) days after its deposit. Notice given in any other manner shall be effective only if and when received by the addressee. For purposes of notice, the address of Maker shall be the address listed on the final page of this Note, and Lender's address shall be the address given on the first page hereof; provided, however, that either party shall have the right to change its address for

notice hereunder to any other location within the continental United States by the giving of thirty (30) days' notice to the other party in the manner set forth hereinabove.

Governing Law. This Note shall be governed by and construed according to the laws of the State of South Carolina.

Severability. Whenever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

Time of the Essence. MAKER AGREES THAT TIME IS OF THE ESSENCE IN THE PERFORMANCE OF ALL OBLIGATIONS HEREUNDER.

Subordination. The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of all indebtedness of the Maker which is secured by any security deed or security interest on any portion of the Project or the rents, issues or profits thereof, or which arises under the Partnership Agreement or any loan made by any partner of Maker pursuant thereto. As used herein, the "Project" means a residential project located in **Greenwood County, South Carolina.**

IN WITNESS WHEREOF, this Note has been duly executed under seal on the date first above written.

MAKER:

**CAPSTONE AT GREENWOOD COMMONS,
LP,**
a South Carolina limited partnership

By: Capstone at Greenwood Commons GP, LLC,
a South Carolina limited liability company
Its: General Partner

By: Banyan GP Holdings, Inc.,
an Alabama corporation
Its: Manager

By: 
R.B. Coats, III, President

Maker's Address:
4509 Pine Tree Circle
Vestavia Hills, AL 35243