

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT SERVICES AGREEMENT (the “Agreement”) is entered into as of the 15th day of December, 2023 between **HARDEN-LAUREL, LLC**, a South Carolina limited partnership (the “Owner”), **THE HOUSING AUTHORITY OF THE CITY OF COLUMBIA, SC**, (“Columbia Housing”) a public body organized and existing under and by virtue of the laws of the State of South Carolina (the “Authority”), and **THE BENOIT GROUP DEVELOPMENT COMPANY, LLC**, a Georgia limited liability company (“TBG”) (Authority and TBG, hereinafter collectively referred to as the “Developer”).

RECITALS

WHEREAS, the Authority is fee simple owner of the Property known as the Allen Benedict Court Site or ABC Site (the “Project Area”);

WHEREAS, the Authority desires to develop an affordable housing project eligible for Low-Income Housing Tax Credits (“**Tax Credits**”) under §42 of the Internal Revenue Code of 1986, as amended (the “Code”).

WHEREAS, the Owner is the optionee of a long-term leasehold interest with the Authority and was formed to acquire, construct, develop, improve, maintain, own, operate, lease, dispose of and otherwise deal with an affordable housing project on the Site known as Harmony at Horizon Village, 1810 Allen Benedict Court, Columbia, SC 29203.

WHEREAS, the Authority desires to employ Owner to develop and construct a well-conceived affordable housing community to be located on the Allen Benedict Court Site or ABC Site (the “Project”), for the exclusive purpose of providing affordable housing.

WHEREAS, the Authority intends to ground lease a portion of the Master Site to Owner for the purposes of vertical development pursuant to that certain Ground Lease Agreement, dated on or about the date hereof (the “Project Ground Lease”), for a period of ninety-nine (99) years under the terms and conditions set forth there in.

WHEREAS, Harmony at Horizon Village, 1810 Allen Benedict Court, Columbia, SC 29203, will constitute Replacement Housing (as defined in the MDA), and Owner has applied or will apply to the South Carolina Housing Finance Authority (“SCHousing”) for an allocation of low-income housing tax credits (“LIHTC”) to assist in the development of the Project.

WHEREAS, the parties believe that the experience and skills of the Developer will lead to the production of a high-quality affordable housing development.

NOW, THEREFORE, acknowledging sufficient consideration, the parties agree as follows:

Section 1. Obligations of the Developer. The Developer will perform or cause to be performed the following tasks:

- a. Obtain local approvals for the construction of the Project;

- b. Obtain and analyze a third-party market study establishing sufficient market demand for the Project.
- c. Cause Owner engagement of an architect to design the Project and obtain and review completed design drawings, plans and specifications for the Project.
- d. Negotiate and cause to be executed, in the name and on behalf of the Authority, agreements for architectural, engineering, testing or consulting services for the Project, and any agreements for the construction of any improvements to be constructed or installed by the Owner or the furnishing of any supplies, materials, machinery or equipment therefore, or any amendments thereof, provided that no agreement shall be executed nor binding commitment made until the terms and conditions thereof and the party with whom the agreement is to be made shall have been approved by the Owner.
- e. 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.
- f. Prepare and submit to the Owner for approval a construction budget and make recommendations to the Owner regarding any necessary modifications thereto.
- g. Make available to the Owner upon request copies of all contracts, option agreements, construction financing commitments, budgets, plans and specifications, or other items prepared or obtained.
- h. Obtain a construction contract sufficient to cause all improvements at the Project to be fully completed in accordance with the plans and specifications (the "Construction Contract") at a price not to exceed the amount provided therefor pursuant to the Owner's financial projections from the "Contractor") and to be completed by a date specified in the Construction Contract by which all activity necessary to cause the Project to be fit for occupancy and use for its intended purpose (other than issuance of certificate(s) of occupancy) (such date being the "Completion Date").
- i. 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 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 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 Company for approval.
- j. 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 and construction budget.
- k. 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 Owner under any documents executed by the Owner 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 of the Project (including filing, on behalf of the Owner, any notices of completion required or permitted to be filed upon the completion of any improvement(s) and taking such actions as may be required to obtain any certificates of occupancy or equivalent documents required to permit the occupancy of dwelling units and other space in the Project).
- l. Maintain, or cause to be maintained, appropriate insurance coverages for the Project, the Owner and the Owner's employees (including builders' risk, contractor's liability, and worker's compensation insurance) (including as required by the Investor, as defined below), the limits of such coverage to be reasonable under the circumstances, but no less than that required by construction lenders or applicable statutes.
- m. 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.
- n. Supervise and be responsible for the development and construction of the Project and perform the services and carry out the responsibilities with respect to the Project as are reasonably within the general scope of such development and construction and such other responsibilities as are designated from time to time by the Owner that are not otherwise inconsistent with the terms hereof.
- o. Conduct any other activity reasonably required to comply with requirements of the Code or of State law.

Section 2. Ownership of Project. The Owner and the Developer acknowledge that it is the intent that an investor will acquire an approximately 99.99% ownership interest in the Owner. The remaining ownership interest will be a managing member interest held jointly by an affiliate of TBG known and an affiliate of Columbia Housing.

Section 3. Development Fee. For services provided and to be performed under this Agreement the Company agrees to pay the Developer a fee (the “**Development Fee**”) in the amount set forth in the final development budget. The Development Fee shall be shared as follows: (i) 30% to Authority (or designated affiliate) and 70% to TBG (or designated affiliate) The Authority and TBG shall defer any share of the gross Development Fee in proportion to their respective share of the Development Fee.

Section 4. Reimbursement of Company Expenses. In addition to the Development Fee payable herein, the Developer shall receive reimbursement from the Company for any costs, fees or expenses paid to third parties and incurred in connection with the construction and development of the Project, including, without limitation of the generality of the foregoing, payments to any third party constructor for construction, engineering, appraisal market study, surveying or similar services and payments of any cash escrows or letters of credit, attorneys fees, accountants fees, or other consulting fees incurred in connection with the Project.

Section 5. Saving Clause. If one or more provisions of this Agreement or any application of any provision shall be deemed or declared to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions of this Agreement shall in no way be affected or impaired. This Agreement shall be governed by the laws of the State of Alabama.

Section 6. Assignment of Agreement. No assignment of the rights or benefits and no delegation of the duties provided in this Agreement may be made without the written consent of the non-assigning or non-delegating party; provided, however, that the Developer may subcontract certain of the services to be performed by and under this Agreement, but such subcontract shall not be construed to constitute a novation of this Agreement and any subcontracting party shall still retain responsibility for its performance under this Agreement.

Section 7. Modification. This Agreement shall not be changed, modified or amended except by a writing signed by the parties hereto.

Section 8. Miscellaneous

(a) No Third-Party Beneficiaries. There shall be no actual or intended third-party beneficiaries to this Agreement.

(b) No Continuing Waiver. The waiver of either party of a breach of any provision of this Agreement shall not operate or be construed to be a waiver of any subsequent breach. No waiver shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

(c) Binding Nature. This Agreement shall bind and inure to the benefit and burden of the parties, their personal representatives, successors and permitted assigns.

(d) Term of Agreement. The term of this Agreement shall begin on the date hereof and end when the Developer has fully and satisfactorily performed the services described herein. This Agreement will terminate if the application to the AHFA for Tax Credits is unsuccessful.

(e) Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Alabama.

(f) 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.

[signature pages to follow]

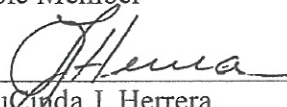
IN WITNESS WHEREOF, the undersigned parties have executed this instrument effective as of the date first set forth above.

OWNER:

HARDEN-LAUREL, LLC
a South Carolina limited liability company

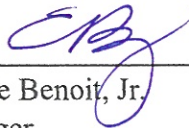
By: SCAHI Harden-Laurel, LLC
Its: Managing Member

By: South Carolina Affordable Housing
Initiative, Inc.;
Its: Sole Member

By : 
Lucinda J. Herrera,
Vice-President, Secretary

DEVELOPER :

**THE BENOIT GROUP DEVELOPMENT
COMPANY LLC**, a Georgia limited liability
company

By: 
Name: Eddie Benoit, Jr.
Title: Manager

AUTHORITY:

**THE HOUSING AUTHORITY OF THE CITY
OF COLUMBIA, SC**

By: 
Yvonda A. Bean, Chief Executive Officer

Date: December 15, 2023