

TAB 7

ENTITY

AGREEMENT

DEVELOPMENT SERVICES AGREEMENT

Green Heron Affordable, LP
(a South Carolina limited partnership)

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DEVELOPMENT SERVICES AGREEMENT

DEVELOPMENT SERVICES AGREEMENT

THIS AGREEMENT is made as of May 13, 2026, by and among GREEN HERON AFFORDABLE, LP, a South Carolina limited partnership ("**Owner**"), and HF HOUSING INC. a South Carolina nonprofit corporation ("**HF Housing**"), DAVIS AFFORDABLE HOUSING, LLC, a South Carolina limited liability company ("**Davis**"), VILLA AFFORDABLE HOUSING LLC, a South Carolina limited liability company ("**Villa**") (HF Housing, Davis and Villa are collectively referred to as "**Developer**").

A. Owner intends to acquire, certain real property located in Greenville, South Carolina (the "**Property**") and to construct, develop, own and operate a new construction apartment complex on the Property, to be commonly referred to as Green Heron Apartments which will comprise eighty (80) affordable rental units to be developed as the low-income housing tax credit ("**LIHTC**") project ("**Project**"); and

B. Owner desires to engage Developer to oversee the construction and development of the Project, and Owner and Developer desire to set forth the terms of such engagement in this Agreement.

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

1. Development Services.

(A) Owner hereby engages Developer to provide services in overseeing the development of the Project in accordance with the underlying plans and specifications approved by Owner and in compliance with all applicable laws, rules and regulations including, but not limited to, Section 42 of the Internal Revenue Code ("**IRC**") and all other LIHTC program regulations and requirements, and authorizes Developer to exercise such powers as may be reasonably necessary and appropriate in connection with the performance of such services. Developer shall perform services pursuant to the terms of this Agreement and shall use best efforts and due diligence in the performance of such services. Developer shall act as an independent contractor in the performance of such services and this Agreement shall not be deemed to create an employer-employee relationship, either express or implied, between Owner and Developer.

(B) Developer shall continue to perform or cause to be performed the following services with respect to the development of the Project:

(1) Assist in the acquisition of the improved portion of the Property and take all actions reasonably necessary in connection therewith, including the negotiation of the terms and conditions of such acquisition;

(2) Supervise and coordinate the activities of the contractors, attorneys and other professional consultants involved in the development of the Project;

- (3) Negotiate and administer agreements with the contractors, including review and approval of subcontractor agreements;
- (4) Prepare cost, income and other budgets and financial projections for the development of the Project;
- (5) Negotiate on behalf of Owner all necessary agreements with public authorities and utility companies relating to access, traffic control, utility services and other matters affecting the construction of the Project;
- (6) Review and approve final plans and specifications relating to the development of the Project;
- (7) Review, negotiate on behalf of Owner and administer the construction contract and the subcontract bids for the development of the Project;
- (8) Establish and administer field order and change order procedures;
- (9) Review, negotiate and administer all contractual documents relating to the development of the Project, including the review and approval of all progress payments before they are processed for payment;
- (10) Prepare and monitor performance schedules for development of the Project;
- (11) Periodically inspect work in progress and, if applicable, monitor the correction of any defects or deficiencies;
- (12) Recommend to Owner insurance coverage during the development of the Project;
- (13) Obtain such certificates, licenses, permits and approvals as are necessary for the development of the Project;
- (14) Maintain a central control file of all design, engineering and development and construction documents, if any, including contracts, plans and specifications for the Project;
- (15) Review and approve such bonds, if any, and/or evidences of insurance from the subcontractors as may be required by Owner;
- (16) Upon receipt of notice thereof, promptly notify Owner of violations of laws, regulations and/or statutes applicable to the Project, advise Owner of recommended actions to cure or contest such violations and, unless Owner elects to contest such violations, take such steps as are necessary to correct such violations and to otherwise assure that the Project is in compliance with all applicable laws, regulations and statutes using funds available to Owner;
- (17) Take all actions necessary to achieve the timely completion of construction of the Project;

(18) Ensure that development of the Project is completed in compliance with all applicable loan documents; and

(19) Perform any other service that is reasonably necessary for the development of the Project in accordance with this Agreement.

(C) Except as otherwise explicitly provided for in this Agreement, Developer shall be responsible for all of its expenses incurred in connection with the performance of services under this Agreement, including, without limitation, the following:

(1) All wages, salaries and other remuneration paid to Developer employees, consultants, advisors, and independent contractors, including, without limitation, unemployment insurance, social security, workers' compensation, pension benefits and disability benefits; and

(2) Developer general overhead and administrative expenses, including, without limitation, office rent, utilities, and supplies.

(D) Developer shall perform its duties under this Agreement to the best of its ability and shall use commercially reasonable efforts and due diligence in connection with such duties. Developer may, with the prior approval of Owner delegate all or any of its duties under this Agreement to affiliates of each Developer party, who shall perform such delegated duties under the supervision of Developer and Developer will remain responsible for such duties and obligations under this Agreement.

2. Development Fee. Owner shall pay Developer a fee of \$[2,250,000] (the "Development Fee") for its services under this Agreement. The Development Fee shall be deemed accrued and earned on a ratable basis throughout the development of the Project, and the entire Development Fee shall be treated as accrued and earned by the construction completion and placement in service of the Project. The Development Fee shall be allocated and paid to each of the Developer parties as follows: 20% to HF Housing, 53.33% to Davis, and 26.67% to Villa.

3. Reimbursement. Owner hereby unconditionally promises to reimburse Developer for any and all documented third-party costs incurred by Developer on behalf of Owner in the development of the Project, whether incurred prior to or subsequent to the date of this Agreement provided, and only to the extent, any such costs and expenses (i) are explicitly identified in the pre-development budget and/or the development budget for the Project as approved by Owner or (ii) are otherwise approved in writing by Owner prior to being incurred by Developer. Owner agrees to endeavor to cause such reimbursement in conjunction with the closing and funding of any construction loan or tax credit equity financing for the Project and, if possible and/or desired by Owner, to seek a predevelopment loan. Owner and Developer acknowledge and agree that the provisions of this section shall serve as the reimbursement agreement for purposes of the carryover allocation and cost certifications for the Project.

4. Guarantees. Any and all guarantees and indemnifications required in connection with development of the Project including, but not limited to, any such completion, repayment, cost-overrun, LIHTC or other guaranty required by any lender or LIHTC equity investor will be

provided jointly and severally by Davis and Villa. HF Housing will not provide or be responsible for any such guarantees, obligations, reimbursements, or indemnifications.

5. Term. This Agreement (other than the obligation to pay any unpaid reimbursements and any accrued Development Fees and the right of offset set forth below) shall terminate on the completion date of the development of the Project.

6. Miscellaneous.

(A) Amendments. This Agreement may not be modified, altered or amended except pursuant to a written instrument executed by all parties.

(B) Assignment. This Agreement may not be assigned, in whole or in part, by any party hereto without the consent of the other parties hereto.

(C) Binding Agreement. This Agreement shall be binding on the parties hereto, and their authorized representatives, successors and assigns.

(D) Counterparts. This Agreement may be executed in counterparts and all counterparts shall be considered part of one Agreement binding on all parties hereto.

(E) Disputes. Any dispute, controversy or claim arising out of or in connection with this Agreement, or any breach or alleged breach thereof, shall be settled by binding arbitration in Greenville, South Carolina conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association (or its successor) (the “**Rules**”) and administered pursuant to the expedited procedures provisions thereof (and by an independent arbitrator selected by) the American Arbitration Association in accordance with the Rules. The decision of the arbitrator shall be final and the costs of the parties to the arbitration, including reasonable attorneys’ fees, shall be borne by the losing party in the manner determined by the arbitrator.

(F) Entire Agreement. This Agreement supersedes any prior agreement and contains the entire agreement of the parties hereto or their predecessors in interest with respect to the subject matter hereof. Notwithstanding anything to the contrary contained herein, although the parties hereto anticipate that this Agreement may require either amendment or to be amended and restated in conjunction with the admission of a LIHTC investor member into Owner and a corresponding LIHTC equity closing, it is acknowledged and agreed that the provisions of this Agreement, in particular with respect to the obligations of the parties, will be incorporated into any such amendment to or amendment and restatement of this Agreement.

(G) Governing Law. This Agreement, and the application or interpretation hereof, shall be governed by the laws of the State of South Carolina.

(H) Headings. All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

(I) 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.

(J) Waiver. No consent or waiver, express or implied, by any party to or of any breach or default by any other party in the performance of this Agreement shall be construed as a consent or waiver to or of any subsequent breach or default in the performance by such other party of the same or any other obligations hereunder.

(K) Independent Contractor. The parties hereto do not intend to create a partnership or any similar association for any purpose. Developer shall be an independent contractor for all purposes.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Owner has caused this Agreement to be duly executed as of the day first written above.

OWNER:

GREEN HERON AFFORDABLE, LP,
a South Carolina limited partnership

By: HF Housing Inc., a South Carolina corporation,
its general partner

By: 
Name: B. Gayle Wecker
Title: President

IN WITNESS WHEREOF, HF Housing has caused this Agreement to be duly executed as of the day first written above.

HF HOUSING:

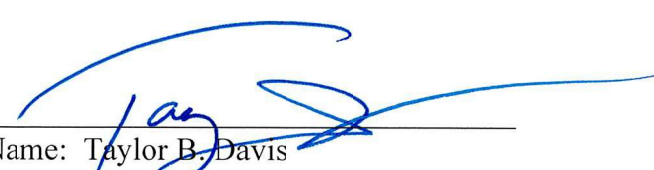
HF HOUSING, INC., a South Carolina nonprofit corporation

By: 
Name: B. Gage Wooters II
Title: President

IN WITNESS WHEREOF, Davis has caused this Agreement to be duly executed as of the day first written above.

DAVIS:

DAVIS AFFORDABLE HOUSING, LLC,
a South Carolina limited liability company

By: 

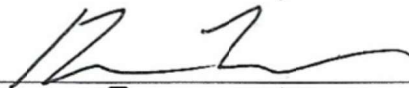
Name: Taylor B. Davis

Title: Manager

IN WITNESS WHEREOF, Villa has caused this Agreement to be duly executed as of the day first written above.

VILLA:

VILLA AFFORDABLE HOUSING, LLC,
a South Carolina limited liability company

By: 
Name: Robinson Villa
Title: Manager

INITIAL PARTNERSHIP AGREEMENT

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

LIMITED PARTNERSHIP AGREEMENT OF
 GREEN HERON AFFORDABLE, LP

THIS LIMITED PARTNERSHIP AGREEMENT is entered into as of April 28, 2026, by and among HF Housing, Inc., a South Carolina nonprofit corporation, as the general partner (the "General Partner"), Davis Affordable Housing, LLC, a South Carolina limited liability company ("Davis Limited Partner"), and Villa Affordable Housing, LLC, a South Carolina limited liability company ("Villa Limited Partner") (Davis Limited Partner and Vila Limited Partner are hereinafter sometimes referred to collectively as "Limited Partners" and individually as a "Limited Partner") (the General Partner and Limited Partners are hereinafter sometimes referred to collectively as "Partners" and individually as a "Partner").

W I T N E S S E T H:

WHEREAS, on April 28, 2026, pursuant to the filing of the Certificate (as defined below), the Partnership was formed; and

WHEREAS, the parties hereto desire to enter into this Agreement in order to more fully set forth the rights and obligations of the parties hereto with respect to the Partnership.

NOW THEREFORE, 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. Formation and Name of Limited Partnership. The parties hereto hereby form a limited partnership pursuant to the provisions of the Uniform Limited Partnership Act of the State of South Carolina, as amended and set forth in S.C. Code Ann. §§ 33-42-10 through 33-42-2040 ("Act") The name of the partnership shall be Green Heron Affordable, LP (the "Partnership"). All rights, liabilities and obligations of the General Partner and Limited Partners, both as among themselves and as to persons not parties to this Agreement, shall be as provided in the Act, except as otherwise provided herein.

2. Definitions. For purposes of this Limited Partnership Agreement, the following terms shall have the following respective meanings:

2.1 "Act" shall have the meaning set forth in Section 1 above.

2.2 "Agreement" means this Limited Partnership Agreement of the Partnership, as it may be amended from time to time.

2.3 "Capital Account" means, with respect to any Partner, the Capital Account maintained for such Partner in accordance with the following provisions:

2.3.1 To each Partner's Capital Account there shall be credited such Partner's Capital Contributions, such Partner's distributive share of Profits, and any items in the nature of income or gain that are specifically allocated.

2.3.2 To each Partner's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Partnership Property distributed to such Partner pursuant to any provisions of this Agreement and such Partner's distributive share of Losses.

In the event any interest in the Partnership is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

In the event the Gross Asset Values of Partnership assets are adjusted pursuant to Section 2.7 hereof, the Capital Accounts of all Partners shall be simultaneously adjusted to reflect the aggregate net adjustment as if the Partnership recognized gain or loss equal to the amount of such aggregate net adjustment.

The foregoing provisions and the other provisions of this Agreement relating to the Capital Accounts are intended to comply with Treasury Regulation § 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Treasury Regulations. In the event the General Partner shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto, are computed in order to comply with such Treasury Regulations, the General Partner may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Partner pursuant to Section 22 hereof upon the dissolution of the Partnership. The General Partner shall adjust the amounts debited or credited to Capital Accounts with respect to (a) any property contributed to the Partnership or distributed to the Partners, and (b) any liabilities that are secured by such contributed or distributed property or that are assumed by the Partnership or the Partners, in the event the General Partner shall determine such adjustments are necessary or appropriate pursuant to Treasury Regulation § 1.704-1(b)(2)(iv).

2.4 "Capital Contribution" means, with respect to any Partner, the amount of money and the initial Gross Asset Value of any property contributed to the Partnership (net of liabilities securing such contributed property that the Partnership is considered to assume or take subject to under Code § 752) with respect to the interest in the Partnership held by such Partner.

2.5 "Certificate" means the certificate of limited partnership required by the Act to be filed with the South Carolina Secretary of State, as it may be amended from time to time.

2.6 "Code" means the Internal Revenue Code of 1986, as amended, or subsequent revenue laws.

2.7 "Gross Asset Value" means an asset's adjusted basis for federal income tax purposes, except as follows:

2.7.1 The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset, as determined by the contributing Partner and the General Partner provided that if the contributing partner is a General Partner, the determination of the fair market value of a contributed asset shall require the consent of a majority of the Limited Partners;

2.7.2 [Reserved];

2.7.3 The Gross Asset Value of any Partnership asset distributed to any Partner shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the distributee and the General Partner;

2.7.4 The Gross Asset Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation Section 1.704-1(b)(2)(iv)(m) and Sections 2.8(v) and 9.8 hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this Section to the extent the General Partner determine that an adjustment pursuant to Section 2.7.2 hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this Section; and

2.7.5 If the Gross Asset Value of an asset has been determined or adjusted pursuant to Section 2.7.1 or 2.7.2 hereof, such Gross Asset Value shall thereafter be adjusted by the depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

2.8 "Net Profits and Losses" shall mean the net profits and net losses of the Partnership as determined for federal income tax purposes in accordance with Code §705(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 705(a)(1) shall be included in taxable income or loss with the following adjustments):

(i) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this Section shall be added to such taxable income or loss;

(ii) [Reserved];

(iii) [Reserved];

(iv) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of,

notwithstanding that the adjust tax basis of such property differs from its Gross Asset Value; and

(v) To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in complete liquidation of a Partner's Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits and Losses.

2.9 "Partners" shall have the meaning set forth in the introductory paragraph above.

2.10 "Partnership" has the meaning set forth in Section 1 above.

2.11 "Partnership Property" means all real and personal property acquired by the Partnership and any improvements thereto and includes both tangible and intangible property.

2.12 "Transfer" means the mortgage, pledge, hypothecation, transfer, sale, assignment, or other disposition of any part of all partnership interests in the Partnership, whether voluntarily, by operation of law or otherwise.

3. Principal Place of Business. The principal place of business of the Partnership shall be c/o HF Housing, Inc. - 124 Verdae Boulevard, Suite 502, Greenville, SC 29607 or at such other place in the State of South Carolina as may be designated by the General Partner.

4. Purpose of Partnership. The purpose of the Partnership shall be to purchase, hold, own, invest in, lease, construct develop, sell and otherwise operate the apartment project commonly known as The Alliance located in Greenville, Greenville County, South Carolina (the "Project"); to borrow money and issue evidences of indebtedness for the purpose of acquiring, improving, developing, and marketing the Project and to secure such evidences of indebtedness by assignments, pledges or other security interests, in furtherance of any and all objects of the business of the Partnership; and to do any and all other acts and things which may be necessary, incidental or convenient to carry out the business of the Partnership as contemplated by this Agreement, and any other legal business allowed under the Act. Notwithstanding anything to the contrary contained herein, the purpose of the Partnership shall be consistent with, and no action of the Partnership shall be in contravention of, the charitable purpose of the General Partner.

5. Duration of Partnership. The Partnership shall commence on the date that the Certificate of Limited Partnership is duly filed and shall continue perpetually unless sooner terminated and dissolved in accordance with the terms of this Agreement.

6. Partners. The names, addresses and designations of each of the Partners shall be as set forth in Exhibit A attached hereto, and as the same may be amended from time to time.

7. Contributions to Capital. Upon execution hereof, the Partners shall initially contribute to the Partnership their undivided interest in certain real and personal property more specifically described in Exhibit B. The initial capital contribution and percentage of profits and losses and capital of each Partner is as follows (said interest in profit and loss shall also represent the "Partnership Interest" of each Partner):

**INITIAL CAPITAL CONTRIBUTION
AND PERCENTAGE OF PROFITS AND
LOSSES AND CAPITAL OF EACH PARTNER**

<u>General Partner</u>	<u>Initial Capital Contribution</u>	<u>Percentage of Profits and Losses and Capitals</u>
HF Housing, Inc.	\$200.00	20.00%
<u>Limited Partners</u>		
Davis Affordable Housing, LLC	\$533.33	53.33%
Villa Affordable Housing, LLC	\$266.67	26.67%

The Partners shall be assessed for additional capital contributions other than their capital contributions made pursuant to this Section 7 as determined necessary or advisable by the General Partner to carry out the purposes of the Partnership. The General Partner may make mandatory capital calls by giving notice to all the Partners of the amount each is required to contribute to the Partnership's capital (the "Capital Call"). Any additional capital shall be contributed by the Partners in the same ratio as each Partner's Partnership Interest bears to the total of all the Partnership Interests in the Partnership. If any Partner fails to make his required Capital Call within ten (10) days after notice of a mandatory capital call ("Defaulting Partner"), each Partner who has made his required Capital Call pursuant to this Section may make an additional contribution to capital equal to such Partner's proportionate share of the Defaulting Partner's required contribution. If any Partner fails to make any such additional Capital Call within ten (10) days after expiration of the original ten (10) day period, the other Partners may make further contributions in proportion to their Partnership Interest until either the entire amount of the Defaulting Partner's obligation is paid, or until no Partner wishes to make any additional Capital Call. The Partners shall have ten (10) days to make such additional contributions to capital. Any Partner that makes additional Capital Calls hereunder to the Partnership shall have his Partnership Interest increased so that, when compared to all other Partner's Capital Calls, it is equal to a fraction, the numerator of which is the sum of such Partner's contribution to the capital of the Partnership and the denominator of which is the sum of all contributions to the capital of the Partnership made by all Partners. The Partnership Interest of the Defaulting Partner and each Partner that elects not to make an additional Capital Calls to the Partnership shall be reduced accordingly.

Separate Capital Accounts shall be maintained by the Partnership for each Partner. The Capital Account of each Partner shall be credited with his or her Capital Contributions and shall be appropriately adjusted to reflect each Partner's allocations of profits, gains, losses, deductions, the

net fair market value of distributions made to the Partner and such other adjustments as required by this Agreement and as shall be required by Section 704(b) of the Code.

8. Allocations for Tax Purposes. The Partners agree that, for federal income tax purposes, the Partners' share of income, gain, losses, credits, and deductions with respect to the Partnership shall be as follows:

8.1 Allocation of Net Profit. The Partnership's Net Profit for each Fiscal Year shall be allocated to the Partners in the following manner and in the following order of priority:

8.2 To the Partners, in proportion to, and to the extent of, the amount by which zero exceeds the balances standing in their respective capital accounts as of the last day of such Fiscal Year; and then

8.3 To the Partners in proportion to their respective percentage profit and loss interests in the Partnership;

9. Allocation of Net Loss and Tax Credits. The Partnership's Net Loss, Tax Credits and flow-through items (such as charitable contributions) for each Fiscal Year shall be allocated to the Partners in the following manner and in the following order of priority:

9.1 To the Partner or Partners, in proportion to, and to the extent of their contribution of cash or other liquid assets to the Partnership for the payment of the expenses of the Partnership and Partnership property, including, but not limited to, real estate taxes, legal and accounting fees, land clearing expenses, etc., and then

9.2 To the Partners, in proportion to, and to the extent of, the positive balances, if any, standing in their respective capital accounts as of the last day of such Fiscal Year; and then

9.3 To the Partners in proportion to their respective percentage profit and loss interests in the Partnership.

9.4 Special Allocation of Tax Benefit. The Partners do hereby acknowledge and agree that each Partner's interest in the profits and losses of the Partnership is attributable solely to such Partner's contributions to the capital of the Partnership. In the event, however, that any of the Partners are determined for income tax purposes to have received all or any part of such Partner's interest in the profits and losses of the Partnership (as distinguished from such Partner's interest in the capital of the Partnership) as compensation for services, and, as a result of such determination, is required to recognize compensation income for income tax purposes with respect to such interest in the Partnership, any corresponding income tax benefit inuring to the Partnership as a result of such determination, whether in the form of a deduction for compensation paid, a deduction for depreciation or amortization of any asset of the Partnership, a reduction in the gain required to be recognized by the Partnership upon a sale of any of its assets, or otherwise, shall be allocated for both financial accounting and income tax purposes solely to the

Partner(s) required to recognize such compensation income in an amount to each such Partner equal to the amount which bears the same ratio to any such income tax benefit as the amount of such compensation income required to be recognized by such Partner bears to the total amount of such compensation income required to be recognized by all of such Partners.

9.5 Special Allocations: Qualified Income Offset. In the event any Partner unexpectedly receives any adjustment, allocation, or distribution described in Treasury Regulation §§ 1.704-1(b)(2)(ii)(d)(4), 1-704-1(b)(2)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Partnership income and gain shall be specially allocated to such Partners in an amount and manner sufficient to eliminate the deficit balances in their Capital Accounts created by such adjustments, allocations or distributions as quickly as possible. Any special allocations of items of income or gain pursuant to this Section 9 shall be taken into account in computing subsequent allocations of Profits pursuant to this Section 9, so that the net amount of any items so allocated and the Profits, Losses and all other items allocated to each Partner pursuant to this Section 9 shall, to the extent possible, be equal to the net amount that would have been allocated to each such Partner pursuant to the provisions of Section 9 if such unexpected adjustments, allocations or distributions had not occurred.

9.6 Minimum Gain Chargeback. Notwithstanding any other provisions of this Agreement to the contrary, if there is a net decrease in Partnership "minimum gain" during the Partnership fiscal year, all Partners with deficit Capital Account balances at the end of such year will be allocated items of Partnership income and gain for such year in the amount and in the proportions needed to eliminate such deficits as quickly as possible. The "minimum gain chargeback" allocated in any taxable year of the Partnership shall consist first of gains recognized from the disposition of items of Partnership Property subject to one or more nonrecourse liabilities of the Partnership to the extent of the decrease in "minimum gain" attributable to the disposition of such items of Partnership Property, with the remainder of such "minimum gain chargeback" (if any) made up of a pro rata portion of the Partnership's other items of income and gain for that year. For purposes of this provision, the terms "minimum gain" and "minimum gain chargeback" shall have the same definition as contained in Treasury Regulation § 1.704-1(b)(4)(iv).

9.7 Tax-Allocations: Code § 704(c). In accordance with Code § 704(c) and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its initial Gross Asset Value.

In the event the Gross Asset Value of any partnership asset is adjusted pursuant to Section 2 hereof, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the Adjusted Basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code § 704(c) and the Treasury Regulations thereunder.

Any elections or other decisions relating to such allocations shall be made by the General

Partner in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any other provisions of this Agreement.

9.8 Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Partner in complete liquidation of his interest in the Partnership, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in accordance with their interests in the Partnership in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Partner to whom such distribution was made in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

10. Control and Operation of Partnership and Compensation.

10.1 Management and Indemnification. The General Partner shall have the exclusive control and management of the day-to-day operations of the Partnership business. The General Partner may delegate any or all of their powers, rights, and obligations hereunder, and may appoint, employ, contract or otherwise deal with any person for the transaction of the business of the Partnership, which person may, under the supervision of the General Partner, perform any acts or services for the Partnership as the General Partner may approve. The Partnership shall indemnify and hold harmless the General Partner from any loss or liability incurred by the General Partner in connection with any act performed or omitted by them within the scope of the authority conferred upon them by this Agreement; provided, however, that any indemnity under this Paragraph shall be provided out of and be limited to the extent of the Partnership assets only, and no Limited Partner shall have any personal liability therefor. The General Partner shall not be liable to the Partnership or the Limited Partners for, or as the result of, any act, omission or error in judgment which was taken, omitted or made by it in the exercise of its judgment under this Agreement and which does not constitute bad faith, actual fraud or willful misconduct, including a knowing violation of the criminal law or any securities laws.

10.2 Removal of a General Partner. The General Partner may be removed by the bankruptcy of such General Partner and by the involuntary transfer of a Partnership interest pursuant to a court decree other than as provided under Section 13. The removal of a General Partner shall constitute a sale of such Partner's Partnership interest and such Partnership interest shall be paid for as provided in Section 12.

10.3 Compensation of General Partner. The General Partner shall not receive compensation for its services but may be reimbursed for out-of-pocket expenses incurred on behalf of the Partnership and as further provided below.

10.4 Books and Records. The General Partner shall maintain or cause to be maintained complete and accurate records of all property owned or leased by the Partnership and complete and accurate books of account (containing such information as shall be necessary to record allocations and distributions), and make such records and books of account available for inspection and audit by the Limited Partners or their duly authorized representative (at the expense of the Partnership) during regular business hours and at the principal office of the Partnership. Within 75 days after the end of each calendar year of the Partnership, the General Partner shall cause to be prepared and distributed to all Partners reasonable tax-recording information, in sufficient detail to enable such Partner to prepare his or her federal, state and local income tax returns. In addition, within 120 days after the end of such calendar year of the Partnership, the General Partner shall cause to be prepared and distributed to each Partner, a balance sheet, and a report of the receipts, disbursements, net profits and losses, and cash flow of the Partnership, and the share of the net profits and losses and cash flow of each Partner for such calendar year. Such balance sheet and report shall be prepared in accordance with the Partnership's tax basis accounting practices and shall be certified by the General Partner to be true and correct to the best of his knowledge and belief.

10.5 Taxable Year. The taxable year of the Partnership shall be a calendar year. The Partnership's books shall be kept according to the accrual method of accounting.

10.6 Bank Accounts. Funds of the Partnership may be deposited in such bank account or bank accounts as shall be designated by the General Partner.

10.7 Election of New General Partner. If at the time there is no General Partner of the Partnership due to death, resignation or withdrawal, the remaining Partners of the Partnership may by an affirmative vote of a majority of the Partners, elect from among themselves a new General Partner.

10.8 Voting. Except as otherwise expressly provided in this Agreement or in the Act, the voting rights of each Partner in a particular matter shall be the same ratio as each Partner's Partnership Interest bears to the total of all the Partnership Interests in the Partnership.

11. Rights and Obligations of Limited Partners.

11.1 Rights to Participate in Management. The Limited Partners shall have no authority to conduct or control the Partnership business except as expressly provided herein and shall have no authority to bind the Partnership in any way. The Limited Partners shall not take part in or interfere in any manner with the conduct or control of the Partnership, except as to its right to participate in the following ways:

11.1.1 Being a contractor for or an agent or employee of the Partnership;

11.1.2 Consulting with and advising the General Partner as requested with respect to the business of the Partnership;

11.1.3 Acting as surety for the Partnership or guaranteeing or assuming one or more specific obligations of the Partnership, it being explicitly understood and agreed that Davis and Villa or their respective affiliates shall provide all guarantees required of the Partnership and with respect to the Project by any lender or LIHTC equity investor;

11.1.4 Taking any action required or permitted by law to bring or pursue a derivative action in the right of the Partnership;

11.1.5 Requesting or attending a meeting of Partners;

11.1.6 Approving, or disapproving any of the actions of the General Partner listed below in this Section 11.1.6 (each, a “Major Decision”) and such approval or disapproval of the Limited Partners shall be determined by a majority vote of such Limited Partners (by voting on a pro rata basis in connection with each Limited Partner’s percentage of partnership interest) as follows:

11.1.6.1 The dissolution and winding up of the Partnership;

11.1.6.2 The sale, exchange, lease, mortgage, pledge, or other transfer of all or substantially all of the assets of the Partnership;

11.1.6.3 The incurring of indebtedness by the Partnership other than in the ordinary course of its business;

11.1.6.4 A change in the nature of the business;

11.1.6.5 The admission or removal of an additional General Partner;

11.1.6.6 The admission or removal of a limited partner;

11.1.6.7 A transaction involving an actual or potential conflict of interest between the General Partner and the Partnership or the Limited Partners;

11.1.6.8 An amendment to this Limited Partnership Agreement or the Certificate of Limited Partnership;

11.1.7 Requesting that by a majority vote the partnership be dissolved pursuant to the death or dissolution of the General Partner.

11.1.8 Winding up the limited partnership pursuant to §33-42-1430 of the Act, or any successor section thereto;

11.1.9 Removing or assigning managerial responsibilities to a newly admitted General Partner pursuant to Section 10; or

11.1.10 Exercising any right or power permitted to limited partners under the Act and not specifically enumerated in this list.

11.1.11 Notwithstanding anything to the contrary contained herein, the General Partner shall retain the right to veto any action otherwise approved by the Limited Partners in this Section 11 above except for actions pursuant to Sections 11.1.6, 11.1.7 or 11.1.9 above.

12. Sale of Partnership Interests.

12.1 Sale. No Partner shall have the right nor be privileged to sell or otherwise transfer all or any portion of his or her Partnership interest without first offering that interest to the remaining Partners. Such remaining Partners shall have the option to Purchase not less than all of the interest of the transferring Partner offered for sale at the lesser of the price and upon the terms that such Partnership interest is offered to an outside party or at the appraised value of such Partnership interest. Such purchase shall be paid ten (10%) percent in cash upon purchase. The unpaid balance of the purchase price, if any, shall be paid with interest at the prime rate then in effect at Wells Fargo Bank, N.A. in one hundred and twenty (120) monthly installments, beginning three (3) months after such Partnership interest is transferred. The selling Partner shall give immediate notice in writing to the remaining Partners at the office of the Partnership of his or her intention to sell. The remaining Partners shall then have sixty (60) days to accept or reject in writing the offer to sell. If accepted, closing shall occur within ninety (90) days of such acceptance. A transfer, or attempt to transfer, of a Partnership interest other than as provided in this agreement, whether by voluntary or involuntary means, such as by bankruptcy, by death, or by judgment or other lien creditor, shall constitute an event of default and shall be treated as provided herein. This provision shall not apply to any transfer of a Partnership Interest by a Partner by death or inter vivos to or for the benefit of a "Family Member". The term "Family Member" shall mean such Partner's children, grandchildren, brothers, or sisters of the Partner, the children of any brother or sister of the Partner, or any trust established by the Partner for his or her benefit, or for the benefit of his or her children or grandchildren.

12.2 Preservation of Partnership. Notwithstanding the preceding provisions of this Paragraph 12, no sale or exchange of any partnership interest may be made if the sale or exchange would result in the termination of the Partnership under Section 708 of the Internal Revenue Code, or any successor section thereto. In addition, no sale or exchange of any partnership interest may be made if such a transaction will violate state securities laws, or jeopardize the Partnership's continued tax status as a partnership.

13. Withdrawal of a Partner. No Partner shall be allowed to withdraw from the Partnership.

14. Intentionally Deleted.

15. Bankruptcy or Incompetency of Limited Partner. Upon the legal Incompetency or adjudication of bankruptcy, whether voluntary or involuntary, of a Limited Partner during the term fixed for the continuance of the Partnership, the Partnership shall not be dissolved nor shall its

business terminate, but instead the administrator or trustee or other legal representative of the incompetent or bankrupt Limited Partner shall succeed to the rights of such Limited Partner, subject to the provisions of this Agreement. A trustee or other legal representative for the incompetent or bankrupt Limited Partner may apply for admission to the Partnership as a substituted limited partner to the extent of the Limited Partnership interest of the incompetent or bankrupt limited partner and may, by approval of the General Partner in its sole discretion, be so admitted, upon compliance with the provisions of Section 16 below. If such successor in interest to the bankrupt Limited Partner is not admitted as a substituted limited partner, such successor in interest shall have only such right as an assignee of such interest would have if such assignee or assignees had not been admitted as a substitute limited partner.

16. Substitution of a Limited Partner. As a condition to the admission of any substituted limited partner, such person or entity so to be admitted shall execute and acknowledge such instruments, in form and substance reasonably satisfactory to the General Partner, as the General Partner may deem necessary or desirable to effect such admission and to confirm the agreement of the person or entity being admitted as such Limited Partner to be bound by all the covenants, terms and conditions of this Agreement as the same may have been amended. Such person to be so admitted as a substituted Limited Partner shall also pay all reasonable expenses in connection with the substituted Limited Partner's admission, including, but not limited to, the cost of the preparation and filing of any amendment to the Certificate of Limited Partnership, which the General Partner may deem necessary or desirable in connection with the admission of such person as a substituted Limited Partner.

17. Termination of Partnership. The Partnership shall be terminated and dissolved upon the earlier of the following events:

17.1 Upon the expiration of the term of Partnership as set forth in Section 5 above;

17.2 At any time when there shall be no General Partner and a new general partner shall not have been designated pursuant to the terms of this Agreement;

17.3 Upon the sale of all or substantially all the assets of the Partnership;

17.4 Upon the written consent of all Partners;

17.5 Upon the death of the General Partner, at the request of a majority of limited partners.

18. Appraised Value. When under the terms of this Agreement it becomes necessary to establish the fair market value of an interest in the Partnership, and if the parties hereto or their legal representatives cannot agree upon a value or agree upon one qualified appraiser to appraise the property, then the value shall be determined by appraisers in the following manner: As to the interest of any party hereto, that party shall name one appraiser; the other parties hereto shall name a second qualified appraiser and the two appraisers shall elect a third. The fair market value shall be the average value of the three values determined by the appraisals. The party objecting to the single qualified appraiser agreed upon by the remaining Partners shall bear the cost of the two

additional appraisals when it shall become necessary to obtain the additional appraisals under this paragraph.

19. Distribution of Assets. Any cash available for distribution from operations, cash from sales or refinancing and from working capital reserves shall be allocated for distribution to the Partners in the following priority:

19.1 First, to the Partners until they have received sums sufficient to attain Recoupment. "Recoupment" shall mean the point at which distributions of cash from sales or refinancing, working capital reserves and cash available for distribution from operations, to the Partners cumulatively equal one hundred (100%) percent of the amount of original invested cash or other liquid capital and any subsequent investments of cash or liquid capital of the Partners contributed to the Partnership for purposes of payment of the expenses of the Partnership referred to in Section 9.1, above. Payment of the Recoupment shall not bear any interest. For purposes of achieving Recoupment, invested capital shall not be reduced by tax loss allocations but only by actual distribution of cash or other property.

19.2 Thereafter, to and among the Partners in proportion to their respective Partnership interests in the Partnership.

20. Default. If any Partner shall fail or refuse to or to act as provided or required by the terms of this Agreement, such failure or refusal shall constitute a default.

21. Consequences of Default. If any default as provided herein shall not be cured by such defaulting Partner within ten (10) days after written notice, then the non-defaulting Partners shall have the following options, in addition to any other remedies provided at law or in equity, and such remedies shall be cumulative:

21.1 To terminate the Partnership and to demand a division of Partnership assets, in which event the Partnership assets and Partnership liabilities shall be borne in proportion to the then respective Partnership interest of each Partner; or

21.2 To advance to the Partnership any sums not paid by the defaulting Partner and to treat such sums so advanced as a loan to the defaulting Partner with interest from the date of such advance at the lesser of eighteen (18%) percent annually or the then maximum rate allowed by the usury laws of the State of South Carolina, principal and interest payable on demand; or

21.3 To buy out the interest of the defaulting Partner at the then fair market value of the Partnership interest of the defaulting Partner, as established under section 14 as provided herein, less fifteen (15%) percent and all costs associated with such transfer. If this option (c) be elected, then the amount to be paid shall be payable at the option of the non-defaulting Partners in cash or part in cash and part by note of the non-defaulting Partners, which note shall provide for simple interest at the lower of ten (10%) percent per annum or the prime rate then in effect at Wells Fargo Bank, N.A., with the note payable in one hundred and twenty (120) monthly installments from the date after notice of default.

22. Distribution of Assets on Dissolution. In the event of dissolution of the Partnership, for any reason, the Partners shall proceed with reasonable promptness to liquidate and terminate the investment activities conducted by the Partnership. The assets of the Partnership shall be used to pay debts and liabilities of the Partnership and shall thereafter be distributed to and among the Partners in accordance with their respective positive Capital Account balances.

23. Meetings of the Partners. Meetings of the Partners shall be held not less than ten days nor more than 30 days after receipt of written notice from any of the Partners.

24. Amendments. This Agreement may be amended and the observance of any terms or conditions of this Agreement may be amended only with the written approval of the General Partner and the Partners holding at least two-thirds (2/3) of the Partnership Interests; provided, however, that no such amendment may be made if such amendment would cause a breach of any agreement to which the Partnership is a party or if any such amendment would cause a breach of any Partnership obligation.

25. Notices. All notices, consents or other instruments hereunder shall be in writing and mailed by United States mail, postage prepaid, and shall be directed to the parties hereto at the last addresses of the parties furnished by them in writing to the Partnership, and to the Partnership at its principal office. The Partnership and/or any Partner shall have the right to designate a new address for receipt of notices by notice addressed to the Partners and/or the Partnership and mailed as aforesaid. Such notices shall be made a permanent part of the Partnership records.

26. Certificate of Limited Partnership. The General Partner shall execute the certificate required by the Act and if requested, all amendments or cancellations thereof whenever the same shall be required or appropriate,

27. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective next of kin, legatees, administrators, executors, legal representatives, nominees, successors and assigns.

28. Integration. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith.

29. Governing Law. This Agreement and the rights of all parties hereunder shall be construed in accordance with the laws of the State of South Carolina.

30. Severability. It is expressly understood and agreed that, to the extent permitted by applicable law, the provisions hereof are each several from the rest of this Agreement and shall be fully effective, operative and enforceable even though the remainder of any part of this Agreement shall be held to be invalid or unenforceable by a court of competent jurisdiction,

31. Counterparts. This Agreement may be executed in several counterparts, each of which shall be considered an original when executed by the General Partner and the Limited Partners.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, General Partner has executed this Agreement as of the date first set forth above.

GENERAL PARTNER:

HF Housing, Inc.,
a South Carolina nonprofit corporation

By: 

Name: B. Weeks Jr

Title: President

IN WITNESS WHEREOF, Davis Limited Partner has executed this Agreement as of the date first set forth above.

LIMITED PARTNER:

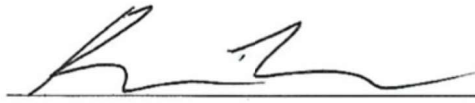
DAVIS AFFORDABLE HOUSING, LLC,
a South Carolina limited liability company

By:  _____
Taylor B. Davis, Manager

IN WITNESS WHEREOF, Villa Limited Partner has executed this Agreement as of the date first set forth above.

LIMITED PARTNER:

VILLA AFFORABDLE HOUSING, LLC,
a South Carolina limited liability company

By: _____

Name: Robinson Villa

Title: Manager

**EXHIBIT A
TO
LIMITED PARTNERSHIP AGREEMENT
OF GREEN HERON AFFORDABLE, LP**

(Name & Address of each Partner)

GENERAL PARTNER:

HF Housing, Inc.
124 Verdae Boulevard, Suite 502
Greenville, SC 29607

LIMITED PARTNERS:

Davis Affordable Housing, LLC
325 Rocky Slope Road, Suite 301
Greenville, SC 29607
c/o Taylor B. Davis

Villa Affordable Housing, LLC
325 Rocky Slope Road, Suite 301
Greenville, SC 29601
c/o Robinson Villa

**EXHIBIT B
TO
LIMITED PARTNERSHIP AGREEMENT
OF GREEN HERON AFFORDABLE, LP**

(Description of Initial Capital Contribution of each Partner)

GENERAL PARTNER:

HF Housing, Inc.

INITIAL CAPITAL CONTRIBUTION

See Section 7 of Agreement

LIMITED PARTNERS:

Davis Affordable Housing, LLC

INITIAL CAPITAL CONTRIBUTION

See Section 7 of Agreement

Villa Affordable Housing, LLC

See Section 7 of Agreement

ORG CHART

Green Heron - Organizational Chart

