

DEVELOPMENT FEE AGREEMENT
(Victoria Arms and Northgate Manor)

THIS DEVELOPMENT FEE AGREEMENT (the "Agreement") made effective as of the 11th day of October, 2024, by and among GHG Victoria Northgate, LLC, a South Carolina limited liability company, with its principal place of business at 103 School Street, Greer, SC 29651, (the "Company"), Greenville Housing Fund, a South Carolina nonprofit corporation, with its principal place of business at 1615-A Wade Hampton Blvd., Greenville, SC 29607 ("GHF") and the Housing Authority of the City of Greer, SC, a South Carolina public body corporate and politic ("GHA"), with its principal place of business at 103 School Street, Greer, SC 29651 (GHF and GHA, collectively referred to herein as the "Developer").

W I T N E S S E T H

WHEREAS, the Company has been formed to redevelop, improve, maintain, own, operate, and otherwise deal with an affordable housing project utilizing low-income housing tax credits (the "Tax Credits") to be known as Victoria Arms and Northgate Manor located in Greer, South Carolina (the "Project");

WHEREAS, the Company desires to engage the Developer in connection with the Project; and

WHEREAS, each of the parties hereto desires to memorialize the understanding of the parties with respect to the development of the Project;

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, and intending to be legally bound hereby, the Company and the Developer hereby agree as follows:

1. Agreement to Act as Developer. The Company hereby retains the Developer, and the Developer hereby agrees with the Company, to serve as the developer on behalf of the Company with respect to the Project upon the terms and conditions hereinafter set forth.

2. Development Services.

a. The Developer shall oversee the development and construction of the Project and perform the services and carry out the responsibilities with respect to the Project as are set forth herein, and such additional duties and responsibilities as are reasonably within the general scope of such services and responsibilities and are designated from time to time by the Members of the Company on behalf of the Company, including but not limited to:

i. Preparing and submitting to the Company for approval a Project budget (the "Budget") and Project plans and specifications (the "Plans and Specifications");

ii. Obtaining construction financing on behalf of the Company in an amount sufficient to fund the construction of the Project pursuant to the Budget and the Plans and Specifications (such financing is referred to hereinafter as the "Financing");

iii. Causing a qualified party to prepare a market study of the area in which the Project is situated to determine the demand for low-income housing in that area;

iv. Causing a qualified party to conduct a Phase I environmental assessment survey of the Project;

v. Negotiating and causing to be executed in the name or on behalf of the Company agreements for architectural, engineering, testing or consulting services for the Project, and any agreements for the construction of any improvement or tenant improvements to be constructed or installed by the Company, or the furnishing of any supplies, materials, machinery or equipment therefor, or any amendments thereof, provided that no agreement shall be executed, nor a 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 Company, unless the terms, conditions, and parties comply with guidelines issued by the Members concerning such agreements;

vi. Assisting the Company in dealing with neighborhood groups, local organizations, abutters and other parties interested in the Project;

vii. Establishing and implementing appropriate administrative and financial controls for the design and construction of the Project, including but not limited to:

(A) coordination and administration of the Project's architect, the general contractor, and other contractors, professionals and consultants employed in connection with the design or rehabilitation of the Project;

(B) administration of any construction contracts on behalf of the Company;

(C) rendering such advice and assistance as will aid in developing economical, efficient, and desirable design and construction procedures;

(D) rendering of advice and recommendations as to the selection procedures for, and selection of, subcontractors and suppliers;

(E) review and submission to the Company for approval of all requests for payment under any architectural agreement, general contractor's agreement, or loan agreement with any lending institution providing funds for the benefit of the Project;

(F) submission of suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Project;

(G) applying for and maintaining in full force and effect any and all governmental permits and approvals required for the lawful construction of the Project;

(H) complying with all terms and conditions applicable to the Company or the Project contained in any governmental permit or approval required or obtained for the lawful construction of the Project, or in any insurance policy affecting or covering the Project;

(I) furnishing such consultation and advice relating to the construction and development of the Project as may be reasonably requested from time to time by the Company;

(J) keeping the Company fully informed on a regular basis of the progress of the design and construction of the Project, including the preparation of such reports and financial documents as are provided for herein or as may reasonably be requested by the Company; and

(K) at the Company's expense, filing on behalf of and for the Company any notices of 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;

viii. Inspecting the progress of the course of construction of the Project, including verification of the materials and labor being furnished to and on such construction so as to be fully competent to approve or disapprove requests for payment made by the architect and the general contractor, or by any other parties with respect to the design and construction of the Project, and in addition to verify that the same is being carried out substantially in accordance with the plans and specifications approved by the Company or, in the event that the same is not being so carried out, to promptly notify the Company;

ix. To the extent requested to do so by the Company, but in any event not less frequently than quarterly, preparing and distributing to the Company a critical path schedule, and periodic updates thereto as necessary to reflect any material changes, other design or construction cost estimates as required by the Company, and financial accounting reports, including monthly progress reports on the quality, progress and cost of construction and recommendations as to the drawing of funds from any loans arranged by the Company to cover the cost of design and construction of the Project;

x. Assisting the Company in obtaining and maintaining insurance coverage for the Project, the Company and its employees during the development phase which insurance shall include general public liability insurance covering claims for personal injury, or property damage, occurring in or upon the Project property or the streets, passageways, curbs and vaults adjoining the property and all insurance typical in similar construction projects. Such insurance shall be in an amount and issued by a carrier approved by the Company;

xi. During the construction and development period of the Project, complying with all applicable present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter "Laws") of all Federal, state and municipal governments, courts, departments, commissions, boards and offices, any national or local Board of Fire Underwriters or Insurance Services Offices having jurisdictions in the county in which the Project is located or any other body exercising functions similar to those of any of the foregoing, or any insurance carriers providing any insurance for the Company or the Project, which may be applicable to the Project or any part thereof. Any such compliance undertaken by the Developer on behalf of and in the name of the Company, in accordance with the provisions of this Agreement, shall be at the Company's expense. The Developer shall likewise ensure that all agreements between the Company and independent contractors comply with all such applicable laws;

xii. Assembling and retaining all contracts, agreements and other records and data as may be necessary to carry out the Developer's functions hereunder. The Developer will prepare, accumulate and furnish to the Members and the appropriate governmental authorities, as necessary, data and information sufficient to identify the market value of improvements in place as of each real property tax lien date, and will make application for appropriate exclusions from the capital costs of the Project for purposes of real property ad valorem taxes;

xiii. Using its best efforts to accomplish the timely completion of the Project in accordance with the approved Plans and Specifications and the time schedules for such completion approved by the Company; and

xiv. Performing and administering any and all other services and responsibilities of the Developer which are set forth in any other provision of this agreement, or which are requested to be performed by the Company and are within the general scope of the services described herein.

b. The Developer's services shall be performed in the name of and on behalf of the Company; provided, however, that if the performance of any duty of the Developer set forth in this Agreement is beyond the reasonable control of the Developer, the Developer shall nonetheless be obligated to (i) use its best efforts to perform such duty, and (ii) promptly notify the Company that the performance of such duty is beyond its reasonable control.

3. [Intentionally Omitted]

4. Development Fee.

a. Subject to the provisions of this Section and in consideration of the performance by the Developer of the services described herein, the Developer shall receive from the Company, as its full and complete compensation for its services in connection with the development of the Project, a fee not to exceed \$3,600,000 (the "Development Fee"), which Development Fee shall be paid by the Company as provided in this Section.

b. The Development Fee will be earned by the Developer as follows:

i. The Developer shall have been deemed to have been earned, as of the date of this Agreement, fifteen percent (15%) of the Development Fee for performing the following services:

(A) Obtaining and analyzing a third-party market study establishing sufficient market demand for the Project;

(B) Obtaining and analyzing an environmental assessment of the Project including past uses of the adjoining properties;

(C) Obtaining an updated geotechnical evaluation of the Project;

(D) Causing the Company to engage an architect to design the Project, negotiation of the architectural contract, and obtaining and reviewing complete design drawings and the Plans and Specifications; and

(E) For assisting the Company in preparing various financial reports for the Project.

ii. Subject to such limitations as may be proposed by the Company's tax credit investor (the "Investor"), the Developer shall earn fifteen percent (15%) upon the closing of the Project construction loan, forty five percent (45%) upon issuance of Certificates of Occupancy, fifteen percent (15%) upon stabilization, and ten percent (10%) upon issuance of the 8609s.

c. Except as otherwise provided herein, the Development Fee shall be paid from capital contributions of the Investor after payment of all third-party Project development costs.

d. Any portion of the Development Fee which is not paid in accordance with subsection (c) above shall be paid to the Developer over a 15-year period from available cash of the Company pursuant to the Company's Operating Agreement.

e. All payments of Development Fee shall be paid, as they are received from the Company, pro rata as follows: seventy percent (70%) to GHF and thirty percent (30%) to GHA.

5. Intentionally Omitted.

6. [Intentionally Omitted]

7. Waiver of Mechanic's Liens. The Developer agrees that no mechanic's lien or materialmen's lien or claim shall be filed or maintained by it against the Project for or on account of any work heretofore or hereafter done or materials heretofore or hereafter furnished by it under this Agreement. The Developer hereby waives and relinquishes all rights to file a mechanic's lien, claim, or notice of intention to file any lien or claim whether or not the right to file a lien or claim arises under a statute, and hereby further agrees to file all necessary and appropriate documents to evidence or record such waiver. The Developer further agrees to have any mechanic's or materialmen's liens which may be filed against the Project released or bonded to the satisfaction of the Company in accordance with the provisions of this Agreement. The Developer shall defend, indemnify, and save harmless the Company and its Partners from the claims, suits, or demands of any person, contractor, subcontractor, materialman, or supplier who shall claim any amount with respect to work performed or materials supplied to the Project beyond the total cost of construction. Concurrent with payment made to the Contractor or to any subcontractors, architects, structural or professional engineers, surveyors or any other parties entitled to file mechanic's liens in the State wherein the Project is located, waivers of liens from such parties shall first be secured by, or caused to be secured by, the Developer. Notwithstanding the foregoing, if the Developer determines that substandard or otherwise unsatisfactory work has been performed or substandard materials used by a contractor, subcontractor, materialman, or supplier, the Developer may withhold payment and permit a lien to be filed against the Project, so long as such action does not result in the Project being seized or the occurrence of a default under a mortgage lien, and bring appropriate legal action against such party, at the sole cost and expense of the Developer.

8. Notice of Default and Cure; Remedies. If the Company determines that the Developer is in default of any representation, warranty or obligation of the Developer under this Agreement, the Company shall notify the Developer of such default in writing. The Developer shall have thirty (30) days from receipt of such notice to cure such default. If such default cannot be cured within such thirty-day period, the Developer shall commence the cure within such period and shall diligently pursue such cure, thereafter, provided the cure is completed within ninety (90) days of receipt of such notice or such lesser period as is necessary to cure such default.

9. Prior Agreements. Both parties acknowledge that the Development Fee provided for herein and the method of payment may be different from the development fee heretofore agreed to by said parties and represent, one to the other, that the Development Fee provided for herein is fair compensation for all services provided and to be provided by the Developer to the Company pursuant to this Agreement or any other agreement between said parties, whether or not superseded by this Agreement.

10. Notices. All notices, consents, waivers, directions, requests or other instruments or communications provided for under this Agreement shall be in writing, signed by the party giving the same, and shall be deemed properly given if sent by express courier service, personal delivery, or by registered or certified United States mail, return receipt requested, postage prepaid and addressed to the parties at their respective addresses set forth on page 1 hereof, or to such other

addresses as the parties may from time to time designate in writing in the manner set forth above.

11. Miscellaneous.

a. This Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns. Neither the Company nor the Developer shall have the right to assign this Agreement to any person or entity without the prior written consent of the other.

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. Nothing in this Agreement shall be construed as establishing a Company or joint venture between the Company and the Developer.

d. All representations, warranties, covenants, agreements and indemnification set forth in this Agreement shall survive the completion of the Project.

e. This Agreement may not be modified, amended or revised, except by written instrument signed by each of the parties hereto.

f. This Agreement, and the application or interpretation hereof, shall be governed by and construed in accordance with the laws of the State of South Carolina.

g. The obligations and undertakings of the Developer set forth in this Agreement are made for the benefit of the Company and its members and shall not inure to the benefit of any creditor of the Company other than a member, notwithstanding any pledge or assignment by the Company of this Agreement or any rights hereunder.

h. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SIGNATURE PAGE TO DEVELOPMENT FEE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

COMPANY:

GHG VICTORIA NORTHGATE, LLC, a South
Carolina limited liability company

By: GHG VICTORIA NORTHGATE MM, LLC,
a South Carolina limited liability company
Its: Managing Member

By: GREER HOUSING GROUP, a South
Carolina nonprofit corporation
Its: Executive Member

By: Janice Fowler
Janice Fowler, President

DEVELOPERS:

HOUSING AUTHORITY OF THE CITY OF
GREER, SC

By: Janice Fowler
Janice Fowler, Executive Director

GREENVILLE HOUSING FUND

By: _____
Bryan Brown, President and CEO

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Its: Managing Member

By: GREER HOUSING GROUP, a South
Carolina nonprofit corporation
Its: Executive and Managing Member

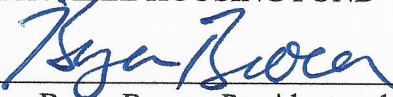
By: _____
Janice Fowler, President

DEVELOPERS:

HOUSING AUTHORITY OF THE CITY OF
GREER, SC

By: _____
Janice Fowler, Executive Director

GREENVILLE HOUSING FUND

By:  _____
Bryan Brown, President and CEO