

Cover Sheet re: Agreement to Purchase Unimproved Real Estate dated effective January 9, 2025

The purchase price for the property as set forth in the Application is \$1,750,000, calculated as follows: \$2,100,000 initial purchase price, reduced by \$350,000 per Section 2.1 of the Purchase Agreement for soil remediation.

AGREEMENT TO PURCHASE UNIMPROVED REAL ESTATE

This Agreement to Purchase Unimproved Real Estate (“**Agreement**”) is made effective as of the final date upon which a party to the negotiation places the final required signature and/or initials (the “**Effective Date**”), by and between **MERCY HOUSING SOUTH EAST, INC.**, a North Carolina nonprofit corporation, with a mailing address of 260 Peachtree Street, Suite 1800, Atlanta, Georgia 30303 (“**Purchaser**”) and **JSCI BURKE PROPERTY LLC**, a South Carolina limited liability corporation or its assigns, with a mailing address of 1639 EARLS BRIDGE RD EASLEY, South Carolina 29640 (“**Seller**”) is made as of the last date indicated by the signatures of Purchaser and Seller below (“**Agreement Date**”).

ARTICLE 1. PROPERTY

On the terms set forth herein, Purchaser agrees to purchase from Seller, and Seller agrees to sell to Purchaser, that approximate 11.67 acres of land located at 579 Old Greenville Highway, Clemson, SC 29631. (Tax Map IDs: 4054-11-65-6587, 4054-11-65-7410, 4054-11-65-8807, 4054-11-75-1713, 4054-11-75-2837, 4054-11-75-1929, 4054-11-66-9099) which parcels are depicted on the drawing attached hereto as **Exhibit A** and made a part hereof by this reference, together with all improvements thereon and appurtenances thereto (the “**Property**”). Purchaser may obtain an ALTA/ACSM Survey of the Property, from which the description of the Property to be contained in the deed shall be taken. Purchaser intends to develop and operate multi-family housing and ancillary facilities (including without limitation recreational areas and parking lots) on the Property (the “**Project**”), which it intends to finance in part with an award from the South Carolina State Housing Finance and Development Authority (the “**Authority**”) of Low-Income Housing Tax Credits (“**Tax Credits**”) pursuant to the Authority’s 2024 Qualified Allocation Plan (“**QAP**”).

ARTICLE 2. PURCHASE PRICE AND EARNEST MONEY

- 2.1 Purchase Price. Purchaser shall pay Seller the sum of TWO MILLION ONE HUNDRED THOUSAND AND 00/100 DOLLARS (\$2,100,000.00) (the “**Purchase Price**”) The Purchase Price is contingent on, but necessarily limited to the following: Satisfactory appraisal of Property, findings of suitable soils conditions that support the development of multifamily residential structures, and the successful rezoning classification of the Property to RM 3.5 or RM 4 zoning to allow for multi-family development according to the terms and conditions set forth herein. In the event that the soil conditions are determined to be unsuitable for building then the Purchase Price may be reduced to account for the cost to remediate the site as outlined in **Exhibit B** attached hereto and made a part hereof.
- 2.2 Earnest Money. All earnest money deposits shall be held in an escrow account of Toates Law Firm (the “**Escrow Agent**”) and disbursed in accordance with the terms and conditions of this Agreement. The Initial Earnest Money, Second Earnest Money, Final Earnest Money, and any Extension Earnest Money made pursuant to Article 4 (collectively “**Earnest Money**”) shall be fully applicable to the Purchase Price.
 - 2.2.1 Initial Earnest Money. Within five (5) business days after the Agreement Date, Purchaser shall deposit with Escrow Agent an earnest money deposit in the amount of

SEVEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$7,500.00) (the “**Initial Earnest Money**”). The Initial Earnest Money shall remain fully refundable to Purchaser until ten (10) ~~business~~ days after the Authority publishes the pre-application scores, which is expected to occur on or about February 28, 2025 (“**Pre-App Scores Date**”).

2.2.2 Second Earnest Money. Within ten (10) ~~business~~ days after the due date for the application for Tax Credits, as set by the Authority, which is expected to occur on May 23, 2025 (the “**LIHTC Application Date**”), Purchaser shall deposit with Escrow Agent an earnest money deposit in the amount of TEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$10,000.00) (the “**Second Earnest Money**”). The Second Earnest Money shall be “non-refundable” to Purchaser.

2.2.3 Final Earnest Money. Within ten (10) ~~business~~ days after the date on which Purchaser receives an award of Tax Credits from the Authority (“**LIHTC Award Date**”), which is expected to occur in or around September 2025, Purchaser shall deposit with Escrow Agent an earnest money deposit in the amount FORTY-TWO THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$42,500) (the “**Final Earnest Money**”). The Final Earnest Money shall be non-refundable to Purchaser.

ARTICLE 3. CONDITIONS PRECEDENT

3.1 Due Diligence. Seller shall allow Purchaser one due diligence period that shall begin five (5) business days after the Agreement Date and extend through ten (10) days after the South Carolina State Housing Finance & Development Authority (“**SC Housing**”) publishes the scores for the Low Income Housing Tax Credit (LIHTC) preliminary applications, which is expected to occur on or about **February 28, 2025 (“Pre-App Scores Date”)** in which to complete due diligence requirements as set out in the purchase agreement and otherwise determine in its sole discretion the suitability of the Property for its purposes.

If at any time prior to the expiration of the Due Diligence Period Purchaser determines, in its sole discretion, the Property is unsuitable or undesirable for any reason or no reason at all, Purchaser shall be entitled to negotiate the purchase price with the Seller or terminate this Agreement and neither party shall have any further rights or obligations thereunder. Upon such termination any earnest monies that have not yet become non-refundable pursuant to Sections 2.2.1 or 2.2.2 shall be returned to Purchaser. Purchaser shall have this Due Diligence Period to conduct the following analysis of the Property to its satisfaction in its sole discretion:

3.1.1 Purchaser’s receipt, review and approval of: (a) utility will-serve letters confirming that all necessary utilities are available in sufficient capacity to service the Project; (b) an engineering report indicating that the soil condition, quality, density and bearing capacity are suitable for the Project; and (c) a zoning letter or report confirming the zoning for the Property will allow Purchaser to develop and operate the Project, and that either (i) no conditional use permit, variance or any other land use permit or approval is necessary for the Project or (ii) any conditional use permit, variance or other land use permits or approvals necessary for the Project have been obtained;

- 3.1.2 Purchaser's determination, that any associated impact fees, utility hook-up or tap-in fees, or any other associated development and/or construction related fees imposed by any applicable governmental authority are acceptable to Purchaser.
- 3.1.3 Purchaser's receipt, review and approval of: (a) a standard ALTA commitment for title insurance from a title insurer approved by Purchaser; (b) an environmental report; (c) an ALTA boundary survey; and (d) a flood plain certification and a wetland delineation report indicating that the presence of perennial and/or intermittent streams (and their associated buffers), wetlands and/or floodplains will not impede the development or operation of the Project;
- 3.1.4 Purchaser's receipt of all necessary and customary permits from any and all applicable governmental authorities in order for Purchaser to develop and operate the Project, including those for all necessary utilities, access, building construction, site construction and off-site improvements (such as road widening easements and permits from applicable departments of transportation); and
- 3.1.5 Purchaser's receipt of all necessary approvals related to any and all construction and permanent financing, equity investment and secondary financing for the development and operation of the Project.

In the event any condition precedent in this Article 3.1 is not satisfied by the date specified in this Article 3.1, Purchaser shall have the right to terminate the Agreement upon notice to Seller and receive a refund of any refundable Earnest Money, and neither party shall have any further rights or obligations under the Agreement whatsoever.

- 3.2 Award of Tax Credits. If Purchaser's project does not receive an award of Tax Credits, Purchaser may terminate this Agreement by providing written notice to Seller within 10 days after the Award Date, which is expected to occur on or about **September 2025** (the "**Award Date**") and neither party shall have any further rights or obligations hereunder. Upon such termination, the Initial Earnest Money and Second Earnest Money shall be released to Seller and thereafter neither party shall have any further rights or obligations hereunder. If Purchaser does receive an award of Tax Credits, the Final Earnest Money will be deposited as described in Section 2.2.3.
- 3.3 HOME Funds. Notwithstanding any provision of this Agreement, if U.S. Department of Housing and Urban Development (HUD) funds are used, including, but not limited to HOME funds, the parties agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of an environmental review and receipt of a release of funds notice from the U.S. Department of HUD under 24 CFR Part 58. The parties further agree that the provision of any federal funds to the project is conditioned on the determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review. If no HUD funds are utilized in regard to this property, this provision shall be considered null and void.

ARTICLE 4. CLOSING

Unless extended in accordance herewith, Closing shall occur on or before the date that is six (6) months after the Award Date (the “**Closing Date**”), subsequent to the satisfaction or waiver in writing of all of the conditions precedent set forth in Article 3, above, at the office of Purchaser’s attorney or such other venue mutually agreed upon by Purchaser and Seller; provided, however, that Purchaser shall have the right to schedule a closing any time. On or before two weeks prior to the Closing Date, Purchaser may extend the Closing Date for sixty (60) days per extension by giving Seller written notice of such extension prior to the Closing Date and depositing \$5,000 per extension, non-refundable additional earnest money (“**Extension Earnest Money**”) with Escrow Agent, which such deposit, ~~plus interest,~~ shall be credited to the Purchase Price at closing.

Seller shall deliver at closing: (a) limited warranty deed conveying the Property to Purchaser (or its designee) subject to those exceptions approved by Purchaser; (b) all easements necessary for the development and operation of the Project; (c) lien affidavit acceptable to the title insurer; and (d) such other customary documents, instruments, certifications and confirmations as may be reasonably required to fully effect and consummate the transactions contemplated hereby. In addition, in the event required by Purchaser in order to obtain survey coverage in regard to the title policy for the Property, Seller shall deliver a quit claim deed for the legal description of the Property contained on the ALTA survey described in Article 3, above. Purchaser shall deliver at closing: (a) the remaining balance of the Purchase Price as provided by this Agreement; and (b) such other documents, instruments, certifications and confirmations as may be reasonably required to fully effect and consummate the transaction contemplated hereby. At all times until closing, Seller shall maintain the legal title to the Property free and clear of any and all defects, liens, and encumbrances of every kind and nature (other than deeds of trust that will be released at closing). Purchaser and Seller shall prorate all taxes, income, expenses and costs (if any) related to the Property as of the date of closing. Seller shall pay for the preparation of the deed to the Property, and the South Carolina Real Estate Transfer Tax applicable to the transfer of the Property (if any). Purchaser shall be responsible for the title insurance premium, and the cost of recording the general warranty deed and any other instruments to be recorded under the terms of this Agreement with respect to the Property. Except as may otherwise be stated herein, each party shall bear its own expense or expenses, including its own attorney fees. Purchaser shall be responsible for any rollback taxes, if any are assessed.

ARTICLE 5. DEFAULTS AND REMEDIES

In the event the sale of the Property is not closed pursuant to this Agreement due to a default hereunder by Seller or failure of performance hereunder by Seller, then Purchaser shall give Seller written notice specifying Seller’s default or failure of performance, and Seller shall have ten (10) business days to cure the default or failure of performance. In the event that Seller fails to cure Seller’s default or failure of performance within the ten (10) day period, then the Earnest Money shall be immediately refunded and returned to Purchaser, and, in addition, Purchaser may enforce and exercise its rights and remedies available at law or in equity, including without limitation an action for specific performance of this Agreement. In the event the sale of the Property is not closed pursuant to this Agreement due to a default hereunder by Purchaser or failure of performance by Purchaser, then Seller shall give Purchaser written notice specifying Purchaser’s default or failure of

performance, and Purchaser shall have ten (10) business days to cure the default or failure of performance. In the event that Purchaser fails to cure Purchaser's default or failure of performance within the ten (10) day period, then the Earnest Money shall be immediately forfeited by Purchaser, and retained by Seller as and for liquidated damages, ~~and as Seller's sole and exclusive remedy; and thence the parties shall have no further rights, duties or obligations hereunder.~~ In addition, Seller reserves the right to enforce and exercise any and all remedies available at law or in equity.

ARTICLE 6. REPRESENTATIONS AND WARRANTIES.

6.1. Representations and Warranties by Seller. Seller represents and warrants to Buyer as of the Effective Date and the Closing Date as follows:

- 6.1.1 Proceedings. There is no action, litigation, investigation, condemnation or proceeding of any kind pending or, to Seller's knowledge, threatened against Seller or any portion of the Property.
- 6.1.2 No Conflict or Lien. Neither the execution or delivery of this Agreement nor the consummation of the transaction as contemplated herein will conflict with or result in a breach of any contract, license or undertaking to which Seller is a party or by which any of its property is bound, or constitute a default thereunder or, except as contemplated herein, result in the creation of any lien or encumbrance upon the Property.
- 6.1.3 No Condemnation. Seller has not received any notice of any pending or threatened condemnation or similar proceeding or pending public improvements to or adjoining the Property which to Seller's knowledge will in any manner affect the Property.
- 6.1.4 Status. Seller is a limited liability company, duly incorporated, validly existing and in good standing under the laws of the State of South Carolina, is duly qualified to transact business in the State of South Carolina and has the requisite power and authority to carry on its business as now conducted.
- 6.1.5 Due Authorization. This Agreement has been duly authorized, executed, and delivered by Seller, is the legal, valid and binding obligation of Seller and does not violate any provision of Seller's organizational documents or any agreement or judicial order to which Seller is a party or to which Seller or the Property, or any portion thereof, are subject. The consents of no other Seller Parties are required as a condition to the Closing.
- 6.1.6 FIRPTA. Seller is not a "foreign person", as such term is defined in Internal Revenue Code Section 1445.
- 6.1.7 Wells. To Seller's actual knowledge, there are currently no wells located on the Property.
- 6.1.8 Unpaid Labor and Materials. Seller is not indebted for labor or material (or will not be, as of the Closing Date) that might give rise to the filing of notice of mechanic's lien against the Property.

- 6.1.9 Unrecorded Agreements. To Seller's knowledge, there are no unrecorded agreements, undertakings or restrictions which affect the Property, including without limitation, any leases or possessory rights of others regarding the Property.
- 6.1.10 Environmental Laws. Except as disclosed in any environmental reports included within the Seller's Documents, Seller has not generated, treated, stored, transferred from, released or disposed of, or otherwise placed, deposited hazardous substances in violation of any applicable federal, state or local environmental laws ("Hazardous Substances") in or located on the Property, and Seller has not undertaken any activity on the Property that would cause or contribute to the Property becoming a treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, any applicable laws relating to the protection of the environment. To Seller's actual knowledge, except as disclosed in any environmental reports included within the Seller's Documents, no Hazardous Substances have been released in or on the Property in violation of any Regulations relating to the protection of the environment. Except as disclosed in any environmental reports included within the Seller's Documents, the Property is not now, and never has been, listed on any list of sites contaminated with Hazardous Substances, nor used as landfill, dump, disposal or storage site for Hazardous Substances.
- 6.1.11 Use of Property. To Seller's knowledge, no methamphetamine production has occurred on the Property.
- 6.2. Representations and Warranties by Buyer. Buyer represents and warrants to Seller as of the Effective Date and the Closing Date:
- 6.2.1 Status. Buyer is duly organized, validly existing and in good standing under the laws of the State of North Carolina.
- 6.2.2 Due Authorization. This Agreement has been duly authorized, executed, and delivered by Buyer, is the legal, valid and binding obligation of Buyer and does not violate any provision of Buyer's organizational documents or any agreement or judicial order to which Buyer is a party or to which Seller or the Property, or any portion thereof, are subject.

ARTICLE 7. MISCELLANEOUS

- 7.1 Documents. Within five (5) days of the Effective Date, Seller shall deliver to Purchaser true, correct and complete copies of any title policies, commitments, surveys, plans and specifications, environmental reports or any other documents related to the Property, or any part thereof, which are in Seller's possession, or which are readily available to Seller. Seller shall also provide Purchaser with any documentation or disclosure relating to any (i) pending litigation, (ii) violations of any law, regulation, order or requirements issued by any governmental agency or authority against, and (iii) insurance loss runs (or other evidence of insurance claims) for the last five years, relating to the Property, and.
- 7.2 Access. Seller will allow Purchaser and its agents continuing access at reasonable times to the

Property, for the purpose of conducting inspections. Following any such investigations or inspections contemplated by this Agreement, Purchaser shall, at Purchaser's expense, promptly restore the Property to its condition prior to such inspection or investigation, and Purchaser shall defend, indemnify and hold harmless each Seller from all costs or expense of every type and description (including reasonable attorney's fees) arising out of any personal injury or property damage caused by any agent, servant, employee or contractor of Purchaser during any such investigation or inspection.

- 7.3 Notices. Any notice, request, demand, instruction or other document to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be delivered personally or sent by United States registered or certified mail, return receipt requested, postage prepaid, or by overnight express courier, postage prepaid and addressed to the parties at their respective addresses set forth above, and the same shall be effective upon receipt if delivered personally or three (3) business days after deposit in the mails if mailed. A party may change its address for receipt of notices by service of a notice of such change in accordance herewith.
- 7.4 Assignment. Purchaser may assign all of Purchaser's right, title and interest in and to this Contract to an affiliate of Purchaser after written notice to Seller, but without obtaining Seller's prior written consent provided, however, Purchaser shall not be released from, and shall remain liable for, the Purchaser obligations, including payment obligations hereunder. This Contract shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties.
- 7.5 Attorney's Fees. In the event either party hereto brings against any other party an action at law or other proceeding permitted under the terms of this Agreement in order to enforce or interpret any of the terms, covenants or conditions hereof or any instrument executed pursuant to this Agreement or by reason of any breach or default hereunder or thereunder, the party prevailing in any such action or proceeding shall be paid all costs, including reasonable attorneys' fees. Any such action or proceeding, by either party, shall be commenced in Oconee County, South Carolina.
- 7.6 Binding Agreement. This Agreement shall be binding on and shall inure to the benefit of the parties named herein and to their respective personal representatives, successors and permitted assigns. This Agreement shall be construed and interpreted according to the laws of the State of South Carolina. This Agreement constitutes the entire undertaking between the parties hereto, and supersedes any and all prior agreements, arrangements and understanding between the parties. This Agreement may be amended only by a written agreement executed by all of the parties hereto.
- ~~7.7 Memorandum of Agreement. Seller hereby authorizes Purchaser to memorialize this Agreement or any portion thereof in the register of deeds where the Property is located and agrees to promptly execute any documentation reasonably required by Purchaser to effectuate the same.~~
- 7.8 Brokerage. Reedy Property Group is acting as the agent for Seller in this transaction. There are no other Brokers involved and Purchaser is a customer. All brokerage fees and/or commission

associated with the purchase and sale of this Property shall be paid by the Seller.

- 7.9 Section 1031 Exchange. Seller and/or Purchaser may consummate this transaction as a part of a so-called like kind exchange (an "Exchange") pursuant to §1031 of the Internal Revenue Code of 1986, as amended (the "Code"), and each agrees to reasonably cooperate with the other to so consummate this transaction provided that: (i) the Closing shall not be delayed or affected by an Exchange nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to the obligations under this Agreement of the party conducting an Exchange; (ii) the party conducting an Exchange shall effect the Exchange through a qualified intermediary and the other party shall not be required to take an assignment of the purchase agreement for the exchange property or be required to acquire or hold title to any real property for purpose of consummating such Exchange; (iii) the party conducting an Exchange shall pay any additional costs that would not otherwise have been incurred by the parties had such party not consummated this transaction through the Exchange. Neither party shall by this agreement of acquiescence to an Exchange (1) have its rights under this Agreement affected in any manner, or (2) be responsible for compliance with or be deemed to have warranted to the party conducting an Exchange that such Exchange in fact complies with §1031 of the Code.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Agreement Date.

Seller:

JSCI Burke Property LLC

Signed by:
By: Sam Cox
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Name: Sam Cox

Title: owner

Date: 1/7/2025

Purchaser:

MERCY HOUSING SOUTH EAST, Inc.
a North Carolina nonprofit corporation

By: James Alexander

Name: James Alexander

Title: President

Date: 1/9/25

EXHIBIT A



Exhibit B
Unsuitable Soils

Cost of Site Work (per acre)	Reduction in Total Purchase Price
0-\$500K	None
\$500K-\$750K	\$350,000
\$750K-\$1,000,000	\$500,000
\$1,000,000+	\$650,000