

**DISPUTES UNDER THIS AGREEMENT ARE SUBJECT TO BINDING
ARBITRATION UNDER THE COMMERCIAL ARBITRATION RULES OF THE
AMERICAN ARBITRATION ASSOCIATION**

**STILLWATER RIDGE
Boiling Springs, South Carolina**

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into as of June 24, 2025, between Stillwater Ridge One, LP, a South Carolina limited partnership (the "Partnership"), Connelly Development, LLC ("Connelly Development") as Developer and Live Oak Stillwater Ridge, LLC ("Live Oak") as Accommodating Developer (with the Partnership, Connelly Development and Live Oak each a "party" and, collectively, the "parties").

WHEREAS, the Partnership is governed by its Agreement of Limited Partnership dated as of June 9, 2025, as amended (the "Partnership Agreement"); and

WHEREAS, the Partnership has been formed to develop, procure and receive financing, construct, own, maintain and operate a 192-unit multifamily apartment complex intended for rental to persons of low and moderate income, to be known as Stillwater Ridge, and to be located in Boiling Springs, South Carolina (the "Apartment Complex"); and

WHEREAS, HNM Stillwater Ridge, LLC is the general partner of the Partnership (the "General Partner"), and Stillwater Ridge Management, LLC is the manager of the General Partner (the "Manager"); and

WHEREAS, the Partnership desires to appoint the Developer and the Accommodating Developer to provide certain services for the Partnership with respect to supervising and overseeing the development of the Apartment Complex; and

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

- 1. Appointment. The Partnership hereby appoints the Developer to render services to supervise and oversee the development of the Apartment Complex, and confirms and ratifies the appointment of the Developer with respect to services rendered for the Partnership to date, in supervising and overseeing the development of the Apartment Complex as herein contemplated. The Partnership further appoints the Accommodating Developer for the specific and limited purpose of assisting in implementation and targeting of residents of the Apartment Complex, providing consulting insight to potential tenants and their needs, and generally promoting and assisting with the development of affordable housing.

2. Authority. Applicable to the Apartment Complex and its development, the Developer and the Accommodating Developer shall have the authority to perform, and shall perform the development-

related services identified in Section 1 above. Additionally, the Developer shall have the authority to perform, and shall perform, all other and additional development-related services in connection with the Apartment Complex, and including:

- (a) soliciting proposals for investment and financing related to the development of the Apartment Project;
- (b) in coordination with the General Partner through its Manager, cause applications and other submissions to be prepared and filed by the Partnership with the South Carolina State Housing and Development Authority for allocations and awards of federal and South Carolina low income housing tax credits for the Apartment Complex; and
- (c) in coordination with the General Partner through its Manager, cause all required permits, applications, filings, reports, and submissions related to the development of the Apartment Complex to be prepared and filed with the applicable government office or agency.

3. Development Fee

- (a) For the development-related services performed and to be performed under Sections 1 and 2 of this Agreement, the Partnership shall pay a fee to the Developer and the Accommodating Developer pursuant to the cost certifications as allowed by federal and state law and guidance for projects of this nature (a "Development Fee"), including overhead, as compensation for the performance of the Developer's and Accommodating Developer's development-related services under and in connection with this Agreement. Payment of the Development Fee, including overhead, shall be made by the Partnership at such times as specified or allowed in the Partnership Agreement and as follows: 80% to Connelly Development as Developer and 20% to Live Oak as Accommodating Developer.
- (b) Notwithstanding the timing of the payment of the capital contributions of any investors in the Partnership, financing for the development, or construction of the Apartment Complex for the Partnership, in any event the Partnership shall pay the entire earned and accrued amount of the Development Fee within ten (10) years from the date of this Agreement.
- (c) For those services performed identified in Sections 1 and 2 of this Agreement, twenty (20%) percent of the Development Fee shall be deemed earned as of the date of this Agreement.

4. Withholding of Fee Payments. If (a) the Developer shall not have substantially complied with any material provision of this Agreement, or, or (b) foreclosure proceedings shall have been commenced against the Apartment Complex, then the Developer shall be in default of this Agreement, and the Partnership shall withhold payment of any installment of the Development Fee. All amounts so withheld by the Partnership under this Section 4 shall be promptly released to the Developer only after

the Developer has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Partnership.

5. No Construction Warranties. **The Developer and the Accommodating Developer expressly provide no warranties related to the construction of the Apartment Complex.**

6. Successors and Assigns. This Agreement shall be binding on the parties hereto, their heirs, successors and assigns; however, this Agreement may not be assigned by any party hereto without the consent of the General Partner through its Manager, nor may it be terminated without the consent of the General Partner through its Manager.

7. Termination. If the Developer ceases to perform services required under this Agreement, or are removed by the General Partner, this Agreement shall terminate effective on such date (an "Early Termination") unless the Partnership otherwise elects in writing. If an Early Termination occurs prior to the date on which all of the buildings and improvements for the Apartment Complex have been placed-in-service, then the Developer shall not be entitled to any further payment of the Development Fee as of the Early Termination, and the Developer shall forfeit any further Development Fee. If an Early Termination occurs on or after the date on which all of the buildings and improvements for the Apartment Complex have been placed-in-service, the Developer shall be entitled to exercise any remedies available to it at law or in equity, including any remedies in connection with any lien, pledge or right of offset available to them with respect to the repayment of Development Fees. If an Early Termination occurs, the Developer shall remain liable for all damages, liabilities and claims ("Claims") arising under or in connection with this Agreement which are based on acts or omissions prior to the date of such termination, including Claims which do not become manifest until after the date of such termination. The Developer shall have no right to terminate this Agreement without the consent of the Partnership, which consent may be withheld in the Partnership's sole discretion.

8. No Lien Filings. The Developer and the Accommodating Developer each hereby represent, warrant and covenant that each of them shall not file a mechanic's lien, materialman's lien or other lien against the Apartment Complex or any other assets of the Partnership related to any unpaid Development Fee, and the Developer and Accommodating Developer hereby waive and release any right either of them may have or may hereafter acquire to file such lien against the Apartment Complex or any other assets of the Partnership. The Developer, but not the Accommodating Developer, shall indemnify and hold harmless the Partnership and for and from any losses, damages, and/or liabilities, to or as a result of a breach of this provision.

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

10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart. This Agreement may be exchanged by the parties through electronic means, including facsimile or email,

and which shall constitute an original thereof.

11. No Continuing Waiver. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

12. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of South Carolina.

13. Arbitration of Disputes. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

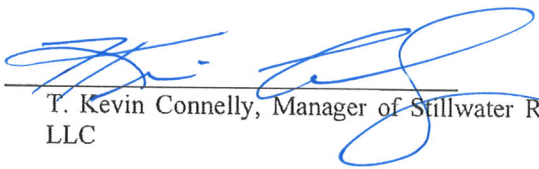
[signature page follows]

IN WITNESS WHEREOF, the parties have caused this Development Agreement to be duly executed as of the date first written above.

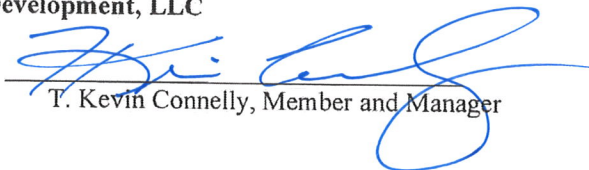
Stillwater Ridge One, LP

By: HNM Stillwater Ridge, LLC, General Partner

By: Stillwater Ridge Management, LLC, Manager of HNM Stillwater Ridge, LLC

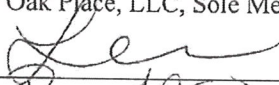
By: 
T. Kevin Connelly, Manager of Stillwater Ridge Management, LLC

Connelly Development, LLC

By: 
T. Kevin Connelly, Member and Manager

Live Oak Stillwater Ridge, LLC

By: Live Oak Place, LLC, Sole Member

By: 
Its: 