

## DEVELOPMENT SERVICES AGREEMENT

**THIS DEVELOPMENT SERVICES AGREEMENT** (this “Agreement”) is made effective as of June 26, 2025, by and between 82 CANAL STREET LOFTS DEVELOPER, LLC, a South Carolina limited liability company (the “Developer”), and 82 CANAL STREET LOFTS, LLC, a South Carolina limited liability company (the “Company”).

### W I T N E S S E T H:

WHEREAS, the Company has been formed for the purposes, *inter alia*, of acquiring, financing, owning, constructing, developing, maintaining, improving, operating, leasing and selling or otherwise disposing of certain real property together with all improvements, furnishings, equipment and personal property to be located thereon (together, the land and improvements are known as 82 Canal Street Lofts in Graniteville, South Carolina, and will be collectively referred to as the “Project”), which Project is intended to be rented and managed in order that it will qualify for the low-income housing tax credit provided in Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”) as well as any other state credits or incentives; and

WHEREAS, in order to effectuate the purposes for which it has been formed, the Company has engaged the services of the Developer with respect to overseeing the development of the Project for the Company.

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

**Section 1. Obligations of the Developer.** The Developer shall have the following duties:

(a) to assist, advise and consult on the selection of and provide coordination and supervision of the architect and engineer in connection with the preparation of and any changes to the site plan for the Project and the renderings, drawings and specifications for construction of Improvements (the “Plans and Specifications”);

(b) to be cognizant of and advise the Company with respect to any and all rules or regulations, city ordinances, including health and fire safety regulations, or any other requirements of law or governmental authorities applicable to the development and construction of the Improvements and to coordinate the services of professionals in connection therewith;

(c) to assist, coordinate and supervise the obtaining of all necessary building permits and approvals for and in connection with the development and construction of the Project;

(d) to consult, advise and assist in preparing a development and construction budget and pro forma cash flow projections and coordinating professionals in connection therewith;

(e) to cooperate and coordinate with the construction contractors appointed by the Company;

(f) to otherwise use commercially reasonable best efforts to coordinate, supervise and cause the development and construction of the Project on a timely basis and within the contemplated budget;

(g) to record the progress on all of the foregoing, and, as requested, submit written progress reports to the Company; and

(h) to maintain or cause to be maintained at its sole cost and expense all off-site office and accounting facilities and equipment necessary to adequately perform all functions of Developer specified herein.

Certain of the duties listed above may have been performed prior to the date of this Agreement, however, all such duties were performed in contemplation of this Agreement and in order to affect the development of the Project for the benefit of the Company. To the extent such duties have been performed prior to the date of this Agreement, such duties are hereby ratified and confirmed by the Company.

The Developer may retain the services of independent consultants, provided the Company shall have no responsibility to such independent parties.

**Section 2. Development Fee.** In consideration of the performance by the Developer of the development services described herein, the Company shall pay to the Developer a development fee (the "Development Fee") in the amount set forth on Exhibit A attached hereto. The Company and the Developer acknowledge that specific portions of the Development fee shall be earned by Developer as certain benchmarks are satisfied as more particularly described on Exhibit A, but in any event all of the Development Fee shall be earned upon the receipt by the Company of the final certificate of occupancy for the last building in the Project. All amounts due and payable hereunder shall be paid subject to the requirements of the Company's lenders and equity investors in accordance with the schedule reasonably determined by the Company and the Developer from time-to-time. Developer shall not be compensated for, and no portion of the Development Fee shall apply to, services in connection with the development of nonresidential improvements, the organization or syndication of the Company, the acquisition of land or existing buildings included in the Project, obtaining an allocation of federal and/or state low-income housing tax credits or securing Project financing other than construction financing, it being the understanding between the parties hereto that all such listed activities and services are the exclusive responsibility of the Company, the managing member of the Company and/or consultants or others engaged by the Company.

**Section 3. Termination of Duties and Responsibilities of Developer.** The Developer shall have no further duties or obligations hereunder after receipt of a final certificate of occupancy for the last building in the Project and completion of all punch list items. The Developer's duties,

responsibilities and rights hereunder shall not be terminated by the Company except for “cause” as finally determined by a court of competent jurisdiction. For purposes hereof, “cause” shall mean fraud, dishonesty, reckless disregard for customary practices and intentional misconduct after at least thirty (30) days prior notice and opportunity to cure.

#### **Section 4. Miscellaneous.**

(a) This Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by any of the parties hereto without the written consent of the other party, except that the Developer may assign its rights but not its duties under this Agreement.

(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) This Agreement and the rights and obligations of the parties hereto shall be governed and construed and enforced in accordance with the laws of the State of North Carolina.

(d) This Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations or warranties, express or implied, other than those set forth herein.

(e) This Agreement shall not be amended or modified in any respect without the prior written consent of each party hereto.

(f) No party hereto shall file or attempt to file this Agreement of record.

(g) This Agreement and the obligations of the Developer hereunder are solely for the benefit of the Company and its members and no benefits to third parties are intended.

(h) In the event any provision hereof is deemed to be unenforceable or against public policy, then such provision shall be deemed omitted from this Agreement and to the extent possible such provision shall be replaced with an enforceable provision which corresponds with the spirit of the omitted provision, and no other provision of this Agreement shall be affected by such omission or unenforceability.

(i) The parties agree that the prevailing party in any action or dispute involving litigation concerning the subject matter hereof, shall be entitled to attorneys’ fees and court costs.

(j) 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.

**Section 5. Notice.** Any notice required to be given hereunder shall be in writing and mailed by certified mail, postage prepaid, or hand delivered with receipt of service simultaneously to all parties at the addresses set forth in writing by each party and delivered to the Company. Each party shall have the right to change its address for the receipt of notices, upon the giving of proper notice to all other parties hereto. Whenever a period of time is to be computed from the date of receipt of an item of certified mail, such period shall be computed from the fifth day following the date of mailing if delivery of the certified mail item is refused by the party to whom it was directed.

**Section 6. 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.

**Section 7. Responsibilities of the Company.** In order for the Developer to perform duties described herein, the Company shall:

- (a) provide full information regarding its requirements for the Project;
- (b) designate a representative who shall be fully acquainted with the scope of the work and has authority to render decisions promptly and furnish information expeditiously; and
- (c) if the Company becomes aware of any fault or defect in the Project or nonconformance with any contract or other documents, it shall give prompt written notice thereof to the Developer.

**Section 8. Independent Contractor.** The parties hereto do not intend to create a partnership or any similar association for any purpose. The Developer shall be an independent contractor for all purposes.

**Section 9. Reimbursement.** The Company hereby unconditionally promises to reimburse the Developer for any and all costs incurred by the Developer on behalf of the Company in the development of the Project, whether incurred prior to or subsequent to the date of this Agreement. The Company agrees to cause such reimbursement in conjunction with the closing and funding of any construction loan or tax credit equity financing for the Project. The Company and the 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.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties have executed this Development Services Agreement on the date and year first above written.

DEVELOPER:

82 CANAL STREET LOFTS DEVELOPER, LLC,  
a South Carolina limited liability company

By: Jim Sari  
J.D. Sari, Manager

COMPANY:

82 CANAL STREET LOFTS, LLC,  
a South Carolina limited liability company

By Its Manager:

82 CANAL STREET LOFTS MANAGER, LLC,  
a South Carolina corporation

By: Jim Sari  
J.D. Sari, Manager

**EXHIBIT A**  
**EARN OUT SCHEDULE**

Total Development Fee \_\_\_\_\_

The Development Fee shall be earned in accordance with the following schedule:

10% (ten percent) upon completion of the initial development and construction budget;

10% (ten percent) upon completion of initial site plan and unit floor plans;

20% (twenty percent) upon closing of construction loan;

5% (five percent) upon recording of notice to proceed;

5% (five percent) upon buildings being dried-in;

10% (ten percent) upon 50% (fifty percent) completion;

40% (forty percent) upon receipt of final certificate of occupancy.

100% (one hundred percent)