

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the “Agreement”) is made and entered into effective as of October 22, 2024, by and between PACES PRESERVATION PARTNERS, LLC, a Georgia limited liability company (the “Developer”), and WILLOWCREEK AT WATEREE, LLC, a South Carolina limited liability company (the “Company”).

WITNESSETH:

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 real property described on Exhibit A attached hereto (the “Land”), together with all improvements, furnishings, equipment, and personal property to be located thereon generally described on Exhibit B attached hereto (altogether, the “Improvements”) (together, the Land and Improvements will be collectively referred to as the “Project”), all units of which are intended to be rented and managed in order that the Project will qualify for low-income housing tax credits provided in Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”);

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 on the terms set forth hereunder; and

WHEREAS, the Developer (or its principals) is experienced in the development of low income multi-family housing projects pursuant to Section 42 of the Code; and

WHEREAS, the parties desire to memorialize their agreement with respect to the obligations of, and the services to be performed by, the Developer.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and for 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. Appointment. The Company hereby appoints the Developer to render the Services (as defined hereunder) for the Company, and confirms and ratifies the appointment of the Developer with respect to any Services rendered for the Company to date, if any, in supervising and overseeing the development of the Project as herein contemplated.

2. Obligations of the Developer.

The Developer shall have the following obligations (the “Services”), and the authority to complete such, to the extent they have not already been performed:

(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 Improvements and the renderings, drawings and specifications for construction of Improvements;

(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 permits and approvals for, and in connection with, the development and construction of the Improvements;

(d) To be cognizant of, and advise the Company with respect to, compliance with any and all construction related obligations of the Company under any agreements with construction lenders or any governmental entities, which agreements have been executed by the Company in connection with approvals for, or financing of, the construction of the Improvements;

(e) To cooperate and coordinate with the architect, engineer, and general contractor appointed by the Company in connection with the construction of the Improvements;

(f) To otherwise use commercial best efforts to coordinate, supervise, monitor and cause the development and construction of the Improvements 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 office and accounting facilities and equipment necessary to adequately perform all functions of Developer specified herein.

The Developer may retain the services of independent consultants, provided the Company shall have no responsibility to such independent parties. Further, the Developer shall not be required to take any action which would require a contractor's license.

The Developer shall be an independent contractor for all purposes hereof.

3. Development Fee.

In consideration of the performance by the Developer of the Services, the Company shall pay to the Developer a development fee and a development overhead fee (altogether, the "Development Fee") in the amounts set forth on Exhibit C attached hereto. The Company and the Developer acknowledge that specific portions of the Development Fee shall be earned by Developer and payable by the Company as certain benchmarks are satisfied as more particularly described on Exhibit C, but in any event all of the Development Fee shall be earned by Developer upon construction completion. The Development Fee shall be paid from (i) debt and equity financing sources to the extent such payment is allowed (or not prohibited) by the documents evidencing such sources, and (ii) cash flow and capital proceeds. Upon completion of construction, the Development Fee shall bear interest at eleven percent (11%) per annum until paid in full. Any outstanding balance of the Development Fee, together with accrued interest, existing on the earlier of the dissolution of the Company or the fifteenth (15th) anniversary of construction completion shall be paid in full.

4. Termination of Duties and Responsibilities of Developer.

The Developer shall have no further duties or obligations hereunder after receipt of a 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, and reckless disregard for customary practices and intentional misconduct after at least forty-five (45) days prior notice and opportunity to cure.

5. 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.

(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 South 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.

(k) All capitalized terms herein shall have the same meaning as set forth in the Company Agreement, except as otherwise expressly set forth herein.

6. 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 on Exhibit D attached hereto. 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. Otherwise, such period shall be computed from the date of delivery.

7. 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.

8. Responsibilities of the Company.

In order for the Developer to perform the Services, 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

DEVELOPER:

PACES PRESERVATION PARTNERS, LLC, a Georgia limited liability company

By: 
Renée Sandell, Vice President

COMPANY:

WILLOWCREEK AT WATEREE, LLC, a South Carolina limited liability company

By: **Paces Willowcreek, LLC**, a South Carolina limited liability company, its Managing Member

By: 
Renée Sandell, Vice President

EXHIBIT A

Legal Description

Roof Street, North Tract

All that certain piece, parcel or lot of land with improvements thereon, situate, lying and being in the State of South Carolina, County of Richland, near the City of Columbia, and being shown and delineated as parcels A, A-1, A-2 & A-3 on a plat prepared for L. W. Smith, Jr. Trust and J. B. Smith Estate By B.P. Barber & Associates, Inc., dated October 30, 1989, said property having the following metes and bounds to wit:

Beginning at a point on the eastern right-of-way of Roof Street (S-40-1060) being approximately 28' south of the projected centerline intersection of Nancy Avenue, and proceeding along the right-of-way of Roof Street (S-40-1060) in a direction of N 12°08'12" W for a distance of 720.58 Feet to a point; thence turning and proceeding along Trenholm Acres Subdivision the following courses and distances: N 72°51'51" E for a distance of 746.26 Feet to an iron; thence N 72°35'51" E for a distance of 224.00 Feet to an iron; thence N 73°17'48" E for a distance of 117.43 Feet to a point and then N 73°17'48" E for a distance of 103.17 Feet to an iron; thence turning and proceeding in a direction of S 02°28'17" E for a distance of 303.67 Feet to a point; thence S 02°23'13" E for a distance of 399.33 Feet to a point; thence turning and proceeding along Parcel "B-1B" in a direction of S 87°28'08" W for a distance of 49.44 Feet to a point; thence proceeding along Parcel "B-1A" in a direction of S 87°28'08" W for a distance of 100.00 Feet to a point; thence proceeding along Parcel "B-1" the following courses and distances: S 87°28'08" W for a distance of 294.00 Feet to a point; thence S 84°09'23" W for a distance of 209.75 Feet to a point; thence S 61°00'05" W for a distance of 202.53 Feet to a point; thence S 21°20'06" W for a distance of 202.65 Feet to a point and then S 77°51'48" W for a distance of 116.47 Feet to a point, this being the point of beginning. This parcel contains 19.391 Acres but when easements denominated on the above referenced plat as A-1, A-2 and A-3 are excluded; the acreage is 15.894 acres.

EXHIBIT B

Willowcreek at Wateree is to be composed of 112 apartment homes, contained in eight residential buildings on a single site, located at Roof Street, Columbia, Richland County, South Carolina 29223.

EXHIBIT C

Development Fee

The Development Fee referenced in Section 3 of the Agreement shall be in the amount of \$3,360,000 or, if different, the maximum amount permitted by the South Carolina State Housing and Finance Development Authority. The Development Fee shall be deemed to be earned in accordance with the following:

It is acknowledged that a total of twenty percent (20%) of the Development Fee referenced in Section 3 of the Development Agreement has been earned as of the date hereof.

Another twenty percent (20%) of which to be earned at the issuance of building permits, another ten percent (10%) of which to be earned upon construction loan closing, and the remaining fifty percent (50%) earned throughout completion of construction.

EXHIBIT D

Notices

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 below:

If to the Developer, to:

Paces Preservation Partners, LLC
2730 Cumberland Blvd. SE
Smyrna, GA 30080
Attention: President

If to the Company, to:

Willowcreek at Wateree, LLC
2730 Cumberland Blvd. SE
Smyrna, GA 30080
Attention: President

With a copy to:

Soho Realty Development, LLC
1408 North Westshore Blvd
Suite 804
Tampa FL 33607
Attention: Manager

With a copy to:

Nelson Mullins Riley & Scarborough LLP
390 North Orange Avenue, Suite 1400
Orlando, Florida 32801
Attention: David F. Leon, Esq.