

**DEVELOPMENT AGREEMENT
(CAMELIA RIDGE)**

This Development Fee Agreement (the “Agreement”) is made to be effective as of May 12, 2024, by and between KCG CAMELIA RIDGE, LP, a South Carolina limited partnership (“Partnership”), and KCG DEVELOPMENT, LLC, a Florida limited liability company (“Developer”).

WITNESSETH:

WHEREAS, Partnership has been formed for the purpose of acquiring certain real property located in Darlington County, South Carolina, and for the purpose of constructing, owning, maintaining and operating thereon a family rental housing development to be known as Camelia Ridge Apartments (the “**Apartment Complex**”), intended for occupancy in such a manner that the Apartment Complex will qualify for the low-income housing tax credits provided under Section 42 of the Internal Revenue Code of 1986, as amended (the “**Code**”), and

WHEREAS, Partnership has engaged Developer to provide services in connection with the development for the Apartment Complex on behalf of Partnership.

AGREEMENT:

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, the parties hereby agree as follows:

1. Development Services. Developer has performed certain services relating to the development and construction of the Apartment Complex, and Partnership hereby accepts and ratifies those services previously provided, and appoints Developer to continue to provide such services related to the development and construction of the Apartment Complex all as herein contemplated, and Developer accepts such appointment. Subject to such guidelines and limitations as Partnership may from time to time impose, Developer shall have the authority and the obligation to:

- A. Conduct all meetings with the contractors and architects on behalf of Partnership, to develop working plans and specifications of the modifications to be made to the Apartment Complex;
- B. Establish a construction schedule for the Apartment Complex;
- C. Assist Partnership in dealing with neighborhood groups, local organizations, adjacent property owners, and other parties interested in the development of the Apartment Complex, organizing meetings with such parties, if requested, and preparing information on the Apartment Complex for such parties;
- D. Select a contractor and negotiate and arrange for the execution of an acceptable contractor contract with Partnership for the construction of the Apartment Complex;
- E. Select subcontractors and suppliers;

- F. Select, in the name and on behalf of Partnership, agreements for engineering, testing, or consulting services for the Apartment Complex, and any agreements for the construction of any improvements or tenant improvements to be constructed, or installed by Partnership or the furnishing of any supplies, materials, machinery, or equipment therefor, or any amendments thereof;
- G. Meet with, negotiate, and interact with all appropriate governmental officials who have jurisdiction over the construction and development of the Apartment Complex;
- H. Apply for and maintain in full force and effect any and all governmental permits and approvals required for the lawful construction of the Apartment Complex;
- I. Take all necessary acts for the Apartment Complex to comply with all local ordinances or laws with respect to the construction of the Apartment Complex, including but not limited to zoning laws and building codes;
- J. Take all necessary acts for the Apartment Complex to comply with all terms and conditions applicable to Partnership or the Apartment Complex contained in any governmental permit or approval required or obtained for the lawful construction of the Apartment Complex, or in any insurance policy affecting or covering the Apartment Complex, or in any surety bond obtained in connection with the Apartment Complex;
- K. Prepare, or cause to be prepared, such environmental and neighborhood impact studies or reports, engineering surveys, hazardous substance reports, preliminary plans and specifications, as may be required in connection with the construction of the Apartment Complex;
- L. Perform, or cause to be performed, an analysis of the market and demographic environment to determine the feasibility of the Apartment Complex;
- M. Develop and refine the development budget;
- N. Work with the construction professionals to develop and finalize the project plans and specifications, including all the necessary drawings and information necessary for initiation of the design review process;
- O. Assist Partnership in obtaining and maintaining insurance coverage for the Apartment Complex and Partnership during the development phase of the Apartment Complex, as required by the Amended and Restated Limited Partnership of Partnership (the “**Partnership Agreement**”);
- P. Submit any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency, or cost of construction of the Apartment Complex;
- Q. Only to the extent requested to do so by Partnership, but not more than once a month, prepare and distribute to Partnership periodic updates thereto as necessary to reflect any material changes, other design or development cost estimates as required by Partnership, 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 Partnership to cover the cost of construction of the Apartment Complex;

R. Furnish such consultation and services relating to the construction and development of the Apartment Complex as may be reasonably requested from time to time by Partnership;

S. At Partnership's expense, file on behalf of and as the attorney-in-fact for Partnership, any notices of completion required or permitted to be filed upon the completion of construction of any improvement(s) and take 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 Apartment Complex; and

T. Maintain such books of account and other records as may be required and approved by Partnership, including, but not limited to, records relating to the costs for which construction financing advances have been requested and/or received. Developer shall keep vouchers, statements, receipted bills and invoices, or all other records, in the form approved by Partnership, covering all collections, if any, disbursements, and other data in connection with the Apartment Complex prior to final completion of construction. All accounts and records relating to the Apartment Complex, including all correspondence, shall be surrendered to Partnership within 30 days of Partnership's request, and at Partnership's expense. All books and records prepared or maintained by Developer shall be kept and maintained at all times at 9311 North Meridian Street, Suite 100, Indianapolis, Indiana 46260 or such other address as may be identified by Developer to Partnership in a written notice, and shall be available for and subject to audit, inspection, and copying by the management agent for the Apartment Complex, Partnership, or any representative or auditor therefor or supervisory or regulatory authority, during regular business hours, by appointment.

2. Development Fee.

A. For services performed and to be performed under this Agreement, Partnership shall pay the Developer development fees equal to \$3,450,000, but subject to adjustment based on final cost certification, an 8609 application, and approval by the South Carolina Housing Authority, if required (all such amounts, the "**Development Fee**"). The source of funds to pay the Development Fee shall derive out of (1) installments of the Investor Limited Partner Contributions, which shall be considered nonproject assets (the "Cash Fee Portion"), (2) from Cash Flow, (3) from proceeds of the Mortgage Loan, or (4) from Sale or Refinancing Transaction Proceeds, and sources of payment of Development Fee from (2), (3), or (4), are the "Noncash Fee Portion". The Cash Fee Portion is projected to be paid as follows:

i. \$532,011 to be paid from the Investor Limited Partner Contribution described in Section 3.4(A) of the Partnership Agreement and the State Housing Limited Partner Contribution described in Section 3.3B(i).

ii. \$532,011 to be paid from the Investor Limited Partner Contribution described in Section 3.4(B) of the Partnership Agreement and the State Housing Limited Partner Contribution described in Section 3.3B(ii).

iii. \$620,680 to be paid from the Investor Limited Partner Contribution

described in Section 3.4(C) of the Partnership Agreement and the State Housing Limited Partner Contribution described in Section 3.3B(iii).

iv. \$88,669 to be paid from the Investor Limited Partner Contribution described in Section 3.4(D) of the Partnership Agreement and the State Housing Limited Partner Contribution described in Section 3.3B(iv). The Noncash Fee Portion of Development Fee shall be paid by the Partnership to the Developer in accordance with the Development Fee priority of payment under Sections 9.2(A) or 9.2(B) of the Partnership Agreement, as applicable, and will accrue interest at the applicable federal tax rate.

B. The Development Fee shall be earned as set forth on Exhibit A, but in all events shall be earned in its entirety as of the date the Apartment Complex is placed in service for purposes of Section 42 of the Code.

C. If Partnership fails to pay the Development Fee when due, the Developer shall notify Partnership in writing of such default, in which event Partnership shall have thirty (30) days from receipt of the notice to cure the default. The Development Fee due under this Section 2 shall be the only amount payable to the Developer for services performed pursuant to this Agreement. The Developer shall not be entitled to any reimbursement for costs and expenses, including, without limitation, salaries, compensation and fringe benefits of employees of the Developer or for overhead of the Developer.

3. Management Power Reserved to Partnership. Except as herein expressly set forth, this Agreement shall not constitute a general delegation by Partnership of its management responsibilities to Developer, all of which responsibilities shall continue to be those of Partnership's general partner, or such parties to whom Partnership's general partner may otherwise delegate such responsibilities, it being understood that (a) Developer is acting as an agent of Partnership only for the performance of the specific services herein contracted for, and (b) Developer, having initiated the Apartment Complex, is in a position to follow through economically and efficiently with developmental and monitoring services. Developer specifically understands and agrees that this Agreement shall not be deemed to grant or imply that Developer is authorized to sign, contract, deal, or otherwise act in the name of or on behalf of Partnership except as is expressly authorized herein or otherwise by Partnership. All amounts due and payable hereunder shall be paid in accordance with Section 2, herein.

4. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto waive any provision of law now or hereinafter in effect which renders any provision hereof prohibited or unenforceable in any respect.

5. Applicable Law. This Agreement, and the application or interpretation hereof, shall be governed by the laws of the State of South Carolina applicable to agreements made and to be performed entirely therein.

6. Indemnification. The Developer hereby agrees to indemnify, defend, protect and hold harmless Partnership and each of its constituent partners from and against any loss, cost, liability,

action, cause of action, suit, penalty, fine, damage or expense, including, without limitation, attorneys' fees and court costs, incurred by the indemnified party by reason of the gross negligence, fraud, breach of fiduciary duty or willful misconduct by the indemnifying party related to the provision of development services under this Agreement.

7. Binding Agreement. This Agreement shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors and assigns. No modification or amendment to this Agreement shall be valid without the written consent of Partnership's Administrative Limited Partner. This Agreement may not be modified, amended, revised or varied in any way whatsoever except by the express terms of a writing duly executed by Partnership's Administrative Limited Partner.

8. Headings. All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

9. Terminology. All personal pronouns used in this Agreement, whether used in the masculine, feminine and neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

10. Reliance. No person other than the parties to this Agreement may directly or indirectly rely upon or enforce the provisions of this Agreement, whether as a third party beneficiary or otherwise.

11. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties or any third party to create the relationship of partners or joint venturers between the Developer and Partnership.

12. Defined Terms. All capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Partnership Agreement.

13. Variations Between Agreements. To the extent there are inconsistencies between this Agreement and the Partnership Agreement, the Partnership Agreement shall control.

SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned have executed this Development Fee Agreement to be effective as of the date first written above.

PARTNERSHIP

KCG Camelia Ridge, LP
A South Carolina Limited Partnership

BY: Langston Hughes Camelia Ridge, LLC
ITS: General Partner

BY: Langston Hughes Affordable Housing, Inc.
ITS: Sole Member

David Sewall Searles, Jr.

By: box SIGN 46P86XXY-1R8RW2XL
Name: David Searles

DEVELOPER

KCG Camelia Ridge LP, LLC
ITS: Special Limited Partner

BY: KCG Holdings, LLC
ITS: Sole Member

BY: KCG Companies, LLC
ITS: Sole Member

BY: RJP Real Estate Holdings, Inc.
ITS: Managing Member


By: 
Name: Robert J. Pasquesi

EXHIBIT A

FEE SCHEDULE

Total Developer Fee: \$3,450,000

Earned in accordance with the following schedule:

16.40%% upon closing of construction loan -	\$532,011.00
16.40%% upon completion	\$532,011.00
19.12%% upon stabilization	\$620,680.00
2.73% upon receipt of 8609's	\$88,669.00
	<u>51%</u>

Deferred Developer Fee	\$1,676,629
	<u>49%</u>

<u>Total:</u>	\$3,450,000.00
	<u>100%</u>

