

**DEVELOPMENT AGREEMENT
916 MLK JR. BOULEVARD & ASSOCIATED PROPERTIES
PUBLIC IMPROVEMENTS AND INFRASTRUCTURE**

THIS DEVELOPMENT AGREEMENT (“Agreement”) is entered into as of the 28th day of February 2025, (“Effective Date”) by and among CHSA Development, Inc. a Georgia non-profit corporation (“CHSA Development”), and MAYOR AND ALDERMEN OF THE CITY OF SAVANNAH, a municipal corporation existing under the laws of the State of Georgia (“City”).

W I T N E S S E T H:

WHEREAS, CHSA Development holds a long-term ground lease interest in certain real property including four (4) vacant lots including one with frontage at 916 Martin Luther King, Jr. Boulevard, two lots on West Waldburg Street, and one lot on West Bolton Street with property identification numbers (PINs) of 20052 04011, 20052 04012, 20052 04014, and 20052 04004 located in the West Victorian neighborhood, Savannah, Georgia, (the “Project Site”), on which it anticipates developing and constructing 16 apartments for persons experiencing, exiting, and/or at risk of becoming homeless due to rising housing costs and office space to serve building and neighborhood residents (the “Project”);

WHEREAS, the City has determined that it is in the best interest of the citizens of Savannah to support the development of the Project by constructing public improvements and infrastructure which shall serve the public and the Project (hereinafter the “Public Improvements”), and in connection with the construction of the Public Improvements has or is committing public funds in the maximum amount of \$500,000.00 (the “City Funds”) as adopted in the City’s annual budget and identified as PD0921.

WHEREAS, the City and CHSA Development wish to enter into this Agreement to articulate and memorialize their obligations to one another with respect to the construction of the Public Improvements to serve the Project.

NOW THEREFORE, in consideration of the agreements set forth herein below, and other good and valuable considerations the receipt and sufficiency of which are hereby acknowledged, the City and CHSA Development (collectively, the “Parties”; separately, a “Party”) agree as follows:

1. **Incorporation of the Recitals.** The foregoing recitals of this Agreement are incorporated herein as if fully set out below.

2. **The Project.** The Project shall consist of the new construction of 16 units of multifamily housing which will be financed in large part through the Savannah Affordable Housing Fund.

3. **City Agreements.** The City hereby agrees to the following:

(a) The City hereby commits City Funds, as adopted in the City’s annual budget and identified as PD0921, in an amount not to exceed \$500,000.00 for the construction and installation of public improvements and infrastructure required to serve the Project Site subject to the limitations set forth in Section 3(e) below. Such public improvements and infrastructure shall be constructed substantially in accordance with design and construction plans prepared by GM Shay Architects and its consulting engineers (the “Plans”). Both CHSA Development and the City must approve the Plans. The scope of work evidenced by the Plans shall include (i) water, sanitary sewer, and storm sewer improvements, (ii) lane improvements, (iii) sidewalk improvements, (iv) parking improvements, (v) lighting and streetscape improvements within public rights-of-way as shown on the Plans. Such scope of work is collectively referred to as the “City Public Infrastructure Scope of Work”. CHSA Development shall enter into a construction contract with a qualified General Contractor (the “Public Infrastructure Site Contractor”) of

CHSA Development's choosing, that is acceptable to the City, to construct the City Public Infrastructure Scope of Work. The City shall pay the costs for the City Public Infrastructure Scope of Work out of the City Funds, pursuant to draw requests submitted by CHSA Development to the City for the City's review and approval. CHSA Development shall submit draw requests no more often than once per month. The City shall have ten (10) days to review properly submitted draw requests. If the City has a question about a draw request, or disagrees with any costs set forth in a draw request, it shall so notify CHSA Development within said 10 days and CHSA Development shall resubmit a revised draw request in response to the City's questions or comments. If the City fails to respond to a properly submitted draw request within 10 days, the City shall be deemed to have approved the draw request. The City shall have an additional 20 days following its approval of a draw request to remit payment of all costs set forth therein. Such payments may be made directly to the Public Infrastructure Site Contractor, or to CHSA Development for further payment to the Public Infrastructure Site Contractor.

(b) In recognition of the imposed placed-in-service requirement for the Project no later than twelve (12) months following commencement of construction of the Project, the resulting necessity to complete construction and installation of the public improvements and infrastructure before then, and the possible severe consequences for failing to meet the placed-in-service requirement with respect to the Project, the City agrees that it will cooperate with CHSA Development, and perform all of its obligations hereunder, in a timely and commercially reasonable manner. In furtherance thereof, the City and CHSA Development hereby agree to stage the construction of the City Public Infrastructure Scope of Work in consideration of, and in conjunction with, CHSA Development's construction schedule for the Project, with a goal of maximizing efficiency and coordination between construction activities relative to the City Public Infrastructure Scope of Work and CHSA Development's scope of work for the construction of the Project. Accordingly, the City and CHSA Development hereby agree to commence and complete all public improvements relative to the Project once all necessary permits and approvals have been attained.

(c) The City accepts that CHSA Development has contracted with GM Shay Architects to oversee preparation of the Plans subject to CHSA Development's and the City's right to approve such Plans as set forth in Section 3(a) above.

(d) The City accepts that CHSA Development has contracted with GM Shay Architects to provide, at no cost to the City, construction management and oversight in connection with the construction of the City Public Infrastructure Scope of Work, in a manner deemed necessary and reasonable by the City, in its sole discretion.

(e) Notwithstanding anything herein to the contrary, the City's obligations set forth in this Section 3 are limited to the availability of the City Funds in the maximum amount of \$500,000.00. The City shall expressly have no obligation to fund or construct any public improvements or infrastructure required for the Project in an amount above the available City Funds in the maximum amount of said \$500,000.00. The City agrees to provide immediate notice to CHSA Development in the event the City Funds are anticipated to be less than necessary to cover the costs of the City Public Infrastructure Scope of Work. The City will not create a special assessment district for the purpose of assessing CHSA Development for the public improvements constructed pursuant to this Agreement.

4. CHSA Development Agreements. CHSA Development hereby agrees as follows:

(a) CHSA Development, or an affiliate of CHSA Development, shall serve as a developer in connection with the construction of the on-site improvements comprising the Project. CHSA Development shall oversee the development of the Project to ensure that it is constructed in a good and workmanlike manner with timely diligence and in accordance with all governmental regulations applicable to the Project. CHSA Development shall meet all requirements detailed in Section 01310 of the City's

Disadvantaged Business Enterprise Program pertaining to non-discrimination, equal employment opportunity, subcontracts, and opportunities for project area residents, including the established 20% Disadvantaged Business Enterprise (DBE) goal and 10% Local DBE goal.

(b) In the event that the available City Funds are not adequate to pay for the entire cost of the construction and installation of the City Public Infrastructure Scope of Work in accordance with the Plans. Whether such determination is made before or after the commencement of construction of the City Public Infrastructure Scope of Work, CHSA Development and the City shall through mutual consultation and collaboration attempt to redesign the Plans so that any remaining portion of the City Public Infrastructure Scope of Work can be completed at a cost no greater than the remaining City Funds. In no event shall CHSA Development be required to contribute funds for the completion of the construction and installation of the City Public Infrastructure Scope of Work, except that CHSA Development hereby agrees that if additional funds are required to complete the Plans, after good faith attempts by the City and CHSA Development to reduce the cost through redesigning and/or value engineering, CHSA Development shall pay all costs to complete the construction of the Plans. Notwithstanding anything herein to the contrary, the City agrees that it shall spend no more than \$500,000.00 of the City Funds on the work to complete the Plans.

5. **Force Majeure.** The Parties shall use reasonable diligence to perform the work described herein but shall not be liable to each other, or their successors or assigns, for damages, costs, attorneys' fees, reasonably and actually incurred (including costs or attorney's fees on appeal) for breach of contract, or otherwise, for failure, suspension, diminution, or other variations of services occasioned by any cause beyond the control and without the fault of the Parties. Such causes may include but shall not be limited to, Acts of God, acts of other governmental entities, strikes, lockouts or unavailability of materials.

6. **Access.** CHSA Development and the City each shall have a license and temporary access easement in, over and through property under the control of another party for the purposes of ingress and egress in order to perform its work for the development and construction of the Project and the City Public Infrastructure Scope of Work. The parties agree to make best efforts to coordinate all such development and construction work in order to facilitate the timing, efficiency and cost of the Project, including all public improvements and infrastructure appurtenant thereto. Nothing in this Section 6 is intended to waive or circumvent the obligation of CHSA Development to comply with all aspects of the City's permitting process, including, but not limited to, all permitting obligations related to entering upon or working in public right of ways owned by the City.

7. **Agency.** CHSA Development, and the City, and their agents, contractors, or subcontractors, shall perform all activities that are outlined in this Agreement as independent entities and not as agents of each other.

8. **Controlling Laws; Jurisdiction; Venue.**

(a) This Agreement and provisions contained herein shall be construed, controlled, and interpreted according to the laws of the State of Georgia and all duly adopted ordinances, regulations, and policies of the City now in effect and those hereinafter adopted.

(b) The location for settlement of any and all claims, controversies, or disputes, and any litigation arising out of or relating to any part of this Agreement, or any breach hereof, shall be Chatham County, Georgia. The Parties consent and agree that venue of any civil action arising from or related to this Agreement shall exclusively lie in the State and Superior Courts of Chatham County, Georgia and the United States District Court for the Southern District of Georgia, Savannah Division, and the Parties hereby consent to the jurisdiction of those courts over them.

9. **Miscellaneous.**

(a) **Entire Agreement.** There are no other agreements or understandings, either oral or written, between the Parties affecting this Agreement or the subject matter covered by this Agreement, except as otherwise specifically provided for or referred to herein. This Agreement cancels and supersedes all previous agreements between the Parties relating to the subject matter covered by this Agreement. No change or addition to, or deletion of, any portion of this Agreement shall be valid or binding upon the Parties hereto unless the same is approved in writing by the Parties.

(b) **Amendments.** This Agreement may be amended at any time by mutual agreement of the Parties, provided that before any amendment shall be operative or valid it shall have been reduced to writing and signed by each of the Parties.

(c) **City Manager Approval:** City and CHSA acknowledge and agree that the parties may need to execute one or more amendments to this Amendment which shall provide greater detail with respect to the rights, duties and obligations of each party. The approval of this Agreement by City will authorize the City Manager to execute amendments to this Amendment that are in furtherance of the terms and conditions contained herein.

(d) **No Assignment.** This Agreement is a contract for specialized services and is personal to the Parties, and shall not be assignable in whole or in part by a Party without the prior written consent of the other Parties. Any attempted assignment without prior written consent shall be void and of no force or effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns.

(e) **Strict Performance.** No failure by a Party to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement or to exercise a right or remedy shall constitute a waiver. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, condition, agreement and term of this Agreement shall continue in full force and effect with respect to any other existing or subsequent breach.

(f) **No Third-Party Rights.** The benefit of this Agreement is intended to inure only to the Parties and Lender and nothing in this Agreement shall be construed as creating or giving rise to any rights in any third parties or deemed to confer any third-party beneficiary status on anyone who is not a Party hereto, other than Lender.

(g) **Waiver.** No waiver or breach of any provision of this Agreement shall be construed to be a waiver of any breach of any other provisions of this Agreement or any succeeding breach of the same provision. No delay in acting with regard to any breach of any provision of the Agreement shall be construed as a waiver of such breach.

(h) **Captions and References; Interpretation.** The captions and paragraph headings in this Agreement are for ease of reference only and are not intended to limit, describe, supplement or be part of this Agreement. Any reference in this Agreement to "Section", "subsection", "Exhibit" or "Schedule" shall refer to the corresponding Section, subsection, Exhibit, or Schedule of this Agreement, unless otherwise expressly indicated. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns shall include the plural and vice versa.

Whenever the word "including" is used, it shall have the same meaning as "including but not limited to" and "including without limitation." Any reference in this Agreement to "herein" or "hereof" shall refer to this Agreement as a whole rather than being limited to the particular section or subsection in

which such term is used.

(i) Severability. In the event that any court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, such provision shall be deemed an independent provision and such determination shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect and which shall be construed as to be valid and enforceable under applicable law.

(j) Letter of Assurance. Upon the request of CHSA Development or Lender of CHSA Development for the Project, the City hereby agrees to furnish a letter to CHSA Development or Lender stating that (i) this Agreement is in full force and effect (or, if not, the reason that this Agreement is no longer in full force and effect), (ii) there are no defaults under this Agreement (or, if not, the nature of the default(s)), (iii) all amounts due and payable hereunder have been paid in full (or, if not, the outstanding balances due and payable hereunder), and (iv) the amount of projected available City Funds. The City shall use its best efforts to furnish said letter within ten (10) days after request therefor.

(k) Notices. Any notice required or allowed to be delivered hereunder shall be in writing and be deemed to be delivered when (i) hand delivered to the person hereinafter designated, (ii) upon receipt as evidenced by delivery receipt if sent by a national overnight delivery service (iii) sent by electronic mail or facsimile to the addresses or numbers below if a confirmed receipt, date and time is provided (iv) upon receipt of such notice when deposited in the United States Mail, postage, prepaid, certified mail, return receipt requested, addressed to a party at the address set forth opposite the party's name below, or at such other address as the applicable party shall have specified, from time to time, by written notice to the other party delivered in accordance with:

If to CHSA
Development

CHSA Development, Inc.
Attn: Anita Smith-Dixon
PO Box 1027
Savannah, Georgia 31402
Phone: (912) 651-2169
Email: asmithdixon@savannahga.gov

with a copy to:

Weiner, Shearouse, Weitz, Greenberg & Shawe, LLP
Attn: Stuart R. Halpern, Esq.
14 East State Street
Savannah, Georgia 31401
Phone: (912) 233-2251
Facsimile: (912) 235-5464
Email: shalpern@wswgs.com

If to the City: City of Savannah City Manager
Attn: Joseph A. Melder
P.O. Box 1027
Savannah, Georgia 31402
Phone: (912) 651-6415
Email: jmelder@savannahga.gov

with a copy to: City of Savannah City Attorney
Attn: Bates Lovett, esq
Post Office Box 1027
Savannah, Georgia 31402
Phone: (912) 525-3131
Email: blovett@savannahga.gov

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[EXECUTION ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the Parties has executed and delivered this Agreement under seal as of the date first above written by and through its duly authorized officer or representative.

CHSA Development, Inc.,
a Georgia limited liability company

By:

Marsha Buford, President

[EXECUTION CONTINUED ON THE FOLLOWING PAGE]

MAYOR AND ALDERMEN OF THE CITY OF
SAVANNAH

By:

Joseph A. Melder, City Manager

List of Exhibits:

Exhibit A: Legal Description of Project Site

EXHIBIT A

Legal Description of the Project Site