DEVELOPMENT SERVICES AGREEMENT

THIS AGREEMENT is made effective as of the \_\_ day of \_\_\_\_\_, 2026, by and between **Highland Square Preservation, L.P.**, a New York limited partnership (the “Partnership”), and **Highland Square Developer, LLC**, a New York limited liability company (the “Developer”).

RECITALS

A. The Partnership was formed for the purposes of acquiring, renovating and operating an apartment development consisting of one hundred and fifty-two (152) residential units intended for persons of low income and located in Anderson, South Carolina (the “Project”).

B. The Partnership desires that the Developer provide certain services with respect to overseeing the development of the Project for the Partnership.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Development Services Appointment and Term. The Partnership hereby appoints the Developer to render services in overseeing the development of the Project for the Partnership as herein contemplated. The term of this Agreement shall begin effective as of the date hereof and shall end on the later of December 31 of the calendar year in which the last completed building comprising the Project has been placed in service for purposes of Section 42 of the Internal Revenue Code (the “Code”) or the date all obligations have been performed and all payments have been made hereunder.
2. Development Services.
   1. The Developer shall oversee the development and rehabilitation of the Project, in its capacity as the developer thereof, and shall perform the services and carry out the responsibilities reasonably within the general scope of such development and rehabilitation and as are designated from time to time by the Partnership.
   2. The Developer’s services shall be performed in the name and on behalf of the Partnership and shall consist of the duties set forth in the following subparagraphs of this Section 2(b) and as provided elsewhere in this Agreement; provided, however, that if the performance of any duty of the Developer set forth in this Agreement is beyond the control of the Developer, the Developer shall nonetheless be obligated to (i) use commercially reasonable efforts to perform such duty, and (ii) promptly notify the Partnership that the performance of such duty is beyond its control. The Developer has performed or shall perform the following:
      1. Negotiate and cause to be executed in the name and on behalf of the Partnership agreements for testing or consulting services for the Project, and any agreements for the rehabilitation of the Project by the Partnership or the furnishing of any supplies, materials, machinery or equipment thereof, or any amendments thereof, provided that no agreement shall be executed nor binding commitment made until the terms and conditions thereof and the party with whom the agreement is to be made shall have been approved by the Partnership;
      2. Assist the Partnership in dealing with tenant groups, local organizations, and other parties interested in the rehabilitation of the Project in connection with such rehabilitation;
      3. Establish and implement appropriate administrative and financial procedures and controls for the rehabilitation of the Project, including but not limited to:
         1. coordination and administration of professionals and consultants employed in connection with the rehabilitation of the Project;
         2. administration of any construction contracts on behalf of the Partnership;
         3. participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design and construction procedures;
         4. the rendering of advice and recommendations as to the selection procedures for and selection of subcontractors and suppliers;
         5. the review and submission to the Partnership for approval of all requests for payments under any agreements providing funds for the benefit of the Partnership for the rehabilitation of the Project;
         6. the submission of any suggestions or requests for changes which could in any reasonable manner improve the efficiency or cost of the rehabilitation of the Project;
         7. applying for and maintaining in full force and effect any and all governmental permits and approvals, if any, required for the lawful rehabilitation of the Project;
         8. compliance with all terms and conditions applicable to the Partnership or the Project contained in any governmental permit or approval required or obtained for the lawful rehabilitation of the Project, or in any insurance policy affecting or covering the Project;
         9. furnishing such consultation and advice relating to the rehabilitation of the Project as may be reasonably requested from time to time by the Partnership;
         10. keeping the Partnership fully informed on a regular basis of the progress of the design and rehabilitation of the Project, including the preparation of such reports as are provided for in the Partnership’s Amended and Restated Agreement of Limited Partnership, dated as of the date hereof (the “Partnership Agreement”) or as may be requested by the Partnership; and
         11. giving or making the Partnership’s instructions, requirements, approvals and payments provided for in the agreements with, professionals and consultants retained for the Project;
      4. Inspect the progress of the course of rehabilitation of the Project, including verification of the materials and labor being furnished to the Project and on behalf of such rehabilitation so as to be fully competent to approve or disapprove requests for payment made by parties with respect to the rehabilitation of the Project, and in addition to verify that the same is being carried out substantially in accordance with the scope of work approved by the Partnership or, in the event that the same is not being so carried out, to promptly so notify the Partnership;
      5. If requested to do so by the Partnership, perform on behalf of the Partnership all obligations of the Partnership with respect to the rehabilitation of the Project contained in any loan agreement or security agreement entered into in connection with any financing for the Project, or in any lease or rental agreement relating to space in the Project, or in any agreement entered into with any governmental body or agency relating to the terms and conditions of such rehabilitation, provided that copies of such agreements have been provided by the Partnership to the Developer or the Partnership has otherwise notified the Developer in writing of such obligations;
      6. To the extent requested to do so by the Partnership, prepare and distribute to the Partnership a critical path schedule, and periodic updates thereto as necessary to reflect any material changes, but in any event not less frequently than quarterly, other construction cost estimates as required by the 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 arranged by the Partnership to cover the cost of rehabilitation of the Project;
      7. Assist the Partnership in obtaining and maintaining insurance coverage for the Project, the Partnership and its agents during the rehabilitation of the Project, in accordance with any insurance schedule approved by the Partnership, which insurance shall include general public liability insurance covering claims for personal injury, including, but not limited to, bodily injury, or property damage, occurring in or upon the Project or the streets, passageways, curbs and vaults adjoining the Project. Such insurance shall be in a liability amount approved by the Partnership;
      8. During the rehabilitation period of the Project, comply with all applicable present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter called “laws”) of all federal, state and municipal governments, courts, departments, commissions, boards and offices, any national or local Board of Fire Underwriters or Insurance Services Offices having jurisdiction in the county in which the Project is located or any other body exercising functions similar to those of any of the foregoing, or any insurance carriers providing any insurance coverage for the Partnership or the Project, which may be applicable to the Project or any part thereof. The Developer shall likewise ensure that all agreements between the Partnership and independent contractors comply with all such applicable laws;
      9. Assemble and retain all contracts, agreements and other records and data as may be necessary to carry out the Developer's functions thereunder. Without limiting the foregoing, the Developer will prepare, accumulate and furnish to the Partnership and the appropriate governmental authorities, as necessary, data and information sufficient to identify the market value of improvements in place as of each real property tax lien date, and will make application for appropriate exclusions from the capital costs of the Project for purposes of real property ad valorem taxes;
      10. Use commercially reasonable efforts to accomplish the timely completion of the rehabilitation of the Project in accordance with the approved scope of work and the time schedules for such completion approved by the Partnership;
      11. At the direction of the Partnership, implement any decisions of the Partnership made in connection with the rehabilitation of the Project or any policies and procedures relating thereto, exclusive of leasing activities; and
      12. Perform and administer any and all other services and responsibilities of the Developer which are set forth in any other provisions of this Agreement, or which are requested to be performed by the Partnership and are within the general scope of the services described herein.

The parties hereto agree that no services shall be provided to the Partnership by the Developer under this Agreement in connection with (1) acquiring any of the land upon which the Project is located; (2) securing a permanent loan commitment for the Project or negotiating or closing any permanent loan for the Project; or (3) identifying potential limited partners or syndicating any limited partner interest in Partnership.

1. Fees.
   1. For services performed and to be performed under this Agreement, the Partnership shall pay the Developer a development fee (the “Development Fee”) in an amount equal to $\_\_\_\_\_\_\_,which amount is subject to increase or decrease as permitted by the South Carolina State Housing Finance and Development Authority (the “Credit Agency”) which shall be paid pursuant to, and in accordance with, the terms of the Partnership Agreement. Any portion of the Development Fee which has not been paid by the fifteenth (15th) anniversary of the placed in service date of the Project shall be paid from the proceeds of a capital contribution from the General Partner to the Partnership in an amount equal to the unpaid portion of the Development Fee.
   2. The Development Fee shall be deemed earned as it is paid, but in all events shall be earned in its entirety as of the date the Project is placed in service for purposes of Section 42 of the Code.
   3. If the Partnership fails to pay the Development Fee when due, the Developer shall notify the Partnership in writing of such default, in which event the Partnership shall have thirty (30) days from receipt of the notice to cure the default. The Development Fee due under this Section 3 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.
   4. Notwithstanding anything else in this Agreement to the contrary, if the Developer fails to complete construction of the Project at a total depreciable cost such that the Project does not satisfy the “50% test” under Code Section 42(h)(4)(B), then the Development Fee shall be reduced on a dollar for dollar basis to the extent the payment of such Development Fee would cause less than 50% of the aggregate basis of the Project’s building and the land on which such building is located, as such terms are defined in Code Section 42(h)(4)(B) to be financed by an obligation described in Code Section 42(h)(4)(A).
2. 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.
3. Applicable Law. This Agreement, and the application or interpretation hereof, shall be governed by the laws of the State of New York.
4. Binding Agreement. This Agreement shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors and assigns. 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 the parties hereto.
5. Headings. All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.
6. 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.
7. 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.
8. 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 the Partnership.
9. Defined Terms. All capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Amended and Restated Agreement of Limited Partnership of the Partnership, dated of even date herewith (the “Partnership Agreement”).
10. Variations Between Agreements. To the extent there are inconsistencies between this Agreement and the Partnership Agreement, the Partnership Agreement shall control.

*Signature page follows.*

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be duly executed on the date first written above.

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| **PARTNERSHIP:** | Highland Square Preservation, L.P.,  a New York limited partnership  By: FFAH V Highland Square, LLC,  a South Carolina limited liability company,  its general partner  By: Foundation for Affordable Housing V, Inc.,  a California non-profit public benefit corporation,  its sole member  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: Tarun Chandran  Title: Vice President |
| **DEVELOPER:** | Highland Square Developer, LLC,  a New York limited liability company  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: David Pearson  Title: Vice President |