

DOBBINS HILL APARTMENTS LIMITED PARTNERSHIP
DEVELOPMENT AGREEMENT

This Agreement, is made and entered into this 9th day of January, 1995, by and between DOBBINS HILL APARTMENTS LIMITED PARTNERSHIP, a North Carolina Limited Partnership (the "Owner"); and CROSLAND PROPERTIES, a division of the Crosland Group, Inc., a North Carolina corporation ("Crosland"), and Orange Community Housing Corporation ("OCHC"), a North Carolina non-profit corporation. Crosland and OCHC are sometimes singularly referred to herein as the "Developer" and collectively referred to herein as the "Developers."

BACKGROUND STATEMENT

Owner intends to develop, construct, operate and maintain Dobbins Hill Apartments, a fifty-five (55) unit apartment complex (the "Project") located at 1749 Dobbins Drive in Chapel Hill, North Carolina, to be owned by it. Owner has requested and the Developers have agreed to provide Owner with certain services relating to the development, planning, design, financing, construction and operating management of the Project. The parties desire to document this request and agreement herein.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

I. Development Services. The Developers agree to provide Owner with Development Services and services related to the planning, design, financing, construction and operating management of the Project. Except as otherwise provided, the Developers agree to provide and allocate specific Development Services as follows:

A. Duties of Crosland. Crosland will:

1. Establish an outline design program for the Project to guide the work of the architect, engineer and site designers.

2. Negotiate and review on behalf of the Owner, and for the Owner's benefit, agreements with:

- a. lenders or lending institutions to provide sufficient loans to make the Project feasible;
- b. The North Carolina Housing Finance Agency ("NCHFA") to obtain a tax credit allocation to provide sufficient equity to make the Project feasible;
- c. architects, designers, engineers, planners, surveyors, soil boring firms, market research firms, consultants and other professional service providers;
- d. governmental authorities and private companies, as the case may be, for utilities and other services;