| **Business Term** | **Developer Proposed** |
| --- | --- |
| Role of TMHA | |
| In consideration of contribution of resources including funding, land, and staff effort, TMHA anticipates a return on its investment. The form of this return can include a share of developer fees and cash flow, rent on the land that is ground leased, or by other mechanisms proposed by the Developer and acceptable to TMHA.  **The Developer should propose a specific role for TMHA in the ownership structures (for both the residential and non-residential components), as appropriate, as well as a proposed schedule of return.** |  |
| Capacity Building | |
| **The Developer must provide a description regarding how TMHA and/or its staff can participate in and/or develop experience managing mixed-income communities over time.**  The role should include assisting TMHA in developing experience necessary to manage mixed finance and tax credit developments. TMHA’s intent is that a TMHA affiliated LLC participates as a general partner and that TMHA and the Developer execute a co-management arrangement between TMHA (or an affiliate) and the developer to fulfill the role of property management agent. The Developer shall mentor and provide training to TMHA regarding management, tax credit and regulatory compliance, including all applicable requirements and otherwise provide reasonable guidance during initial conversion and monitor compliance throughout the 15-year compliance period.  TMHA understands that any role it plays in development and/or property management is subject to the approval of equity investors and lenders. |  |
| Fees and Cost Limitations | |
| The Developer must state its position and reasoning for each of the following development cost areas: | |
| Developer proposed development fee, stated as a percentage of total development costs as defined by by the State of New York and timing for payment of the development fee.  If developer fees are deferred, is the Developer willing to defer on the same basis as the developer fee split? |  |
| Compensation and return on investment to be paid to TMHA, including but not limited to a share of development fees, ground lease payments, property management fees, incentive fees, ownership interest, property management and/ or training, interest earnings and repayments on loans, sustainable sources for PHA operations, right to acquire general partner interest, ground lease fee or land payment, and/or residual cash flow. |  |
| The Developer must be able to fund ALL pre-development activities.  Developer should confirm that these terms will be acceptable. |  |
| Development Guaranty | |
| The Developer and each of its principals shall provide an unlimited guaranty of completion and performance from a financially responsible entity satisfactory to TMHA to ensure that the development is completed. The guaranty shall cover development costs in excess of contingencies agreed to by TMHA. Further details of the guaranty will be negotiated and included in the Master Development Agreement. TMHA will not participate in or provide independent guaranties.  **Developer should confirm that these terms will be acceptable.** |  |
| Right of First Refusal and/or Purchase Option | |
| For properties that utilize Low Income Housing Tax Credits, TMHA expects to have the Right of First Refusal for debt plus taxes as provided in Section 42 of the Internal Revenue Code, as well as an Option on terms acceptable to TMHA. For other types of affordable housing, TMHA also expects a right of First Refusal on terms acceptable to THMA. For market rate housing and non-residential property TMHA expects to have a role (e.g. special limited partner, co-developer, lender, ground lessor, etc.) that allows TMHA to receive an investment return and does not negatively impact the underlying project economics.  **Developer should confirm that these terms will be acceptable.** |  |

Submitted:

Signature Date

Printed Name Company