

**Exhibit C: Proposed Business Terms
Co-Developer for Raleigh Housing Authority**

Business Term	Developer Proposed
Role of RHA and/or Affiliate	
<p>In consideration of contribution of resources including funding, land, and staff effort, RHA anticipates a return on its investment. The form of this return can include a share of developer fees and cash flow, or by other mechanisms proposed by the Developer and acceptable to RHA.</p> <p>The Developer should propose their expected fee structure including any Deferred Developer Fee amount.</p>	
Capacity Building	
<p>RHA’s non-profit affiliate expects to be Co-Developer on this project. The Developer must provide a description regarding how RHA, its affiliate and/or its staff can participate in and/or develop experience with LIHTCs.</p> <p>The role should include assisting RHA’s affiliate in developing experience necessary to be able to apply for tax credits as a Principal applicant in the future. RHA’s intent is that an RHA’s affiliate participates as the managing member and that RHA’s affiliate and the Co-Developer execute a joint venture arrangement. The Co-Developer shall mentor and provide training to RHA’s affiliate regarding management, tax credit and regulatory compliance, including all applicable requirements through leasing.</p> <p>RHA understands that any role it plays in development is subject to the approval of equity investors and lenders.</p>	

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Development Guaranty	
<p>The Developer and each of its principals shall provide an unlimited guaranty of completion and performance from a financially responsible entity satisfactory to RHA’s affiliate to ensure that the development is completed. The guaranty shall cover development costs in excess of contingencies agreed to by RHA’s affiliate. Further details of the guaranty will be negotiated and included in the Master Development Agreement. RHA’s affiliate will not participate in or provide independent guaranties.</p> <p>Developer should confirm that these terms will be acceptable.</p>	
Ownership	
<p>Serve as a Special Member in the Owner Entity and remain in the project for a period of time.</p> <p>Developer should confirm that these terms will be acceptable and specify the number of years they expect to remain in the ownership entity.</p> <p>RHA’s affiliate understands that these terms will require the approval of the investor member.</p>	
<p>Transfer ownership interest in the Owner Entity to RHA’s non-profit affiliate immediately upon the completion of the compliance period required by NCHFA specified above after the project placed in service date.</p> <p>Developer should confirm that these terms will be acceptable.</p> <p>RHA’s affiliate understands that these terms will require the approval of the investor member lenders, and NCHFA.</p>	

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<p>Provide the percentage of ownership the Respondent anticipates.</p>	
Fees and Cost Limitations	
<p>The Developer must state its position and reasoning for each of the following development cost areas:</p>	
<p>Developer proposed development fee, stated as a percentage of total development costs as defined by the NCHFA and timing for payment of the development fee.</p> <p>If developer fees are deferred, is the Developer willing to defer on the same basis as the developer fee split?</p>	
<p>Provide a detailed listing of anticipated consultant expenses to be paid from Developer Fee and those that will be a project expense.</p>	

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Right of First Refusal and/or Purchase Option	
<p>For properties that utilize Low Income Housing Tax Credits, RHA's affiliate expects to be the Managing Member and 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 RHA's affiliate. For other types of affordable housing not using tax credits, RHA or its affiliates expects to be the sole owner of these properties.</p> <p>Developer should confirm that these terms will be acceptable.</p> <p>RHA understands that the above arrangement is subject to the approval of equity investors and lenders.</p>	
Management of Developed Properties	
<p>RHA will act as property manager of the completed properties.</p> <p>Developer should confirm that these terms will be acceptable.</p>	

Submitted:

Signature

Date

Printed Name

Company