DALLAS COUNTY HOUSING FINANCE CORPORATION 2025

Policy for Participating in Multi-Family Rental Residential Developments

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Effective [__________]

I. PURPOSE AND SCOPE

A. Dallas County Housing Finance Corporation 2025 (the "Corporation") is a public instrumentality and non-profit corporation organized pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended ("the Act"). The Corporation is authorized to exercise all rights, powers, privileges, and functions granted under the Act for the purpose of providing financing, refinancing, and partnership participation for multifamily residential developments. In connection with such participation, developments may be eligible for a One Hundred percent (100%) ad valorem property tax exemption as permitted under applicable law, subject to statutory exceptions. The primary goal of the Corporation is providing decent, safe and sanitary housing for residents of Dallas County by utilizing available development models, including but not limited to, 9% or 4% Low-Income Housing Tax Credits ("LIHTC"), Essential Function Bonds ("EFB"), and workforce transactions ("Workforce"), to expand affordable and workforce housing.

Such exemption shall not apply to ad valorem taxes owed to emergency services districts created under Chapter 775 of the Texas Health and Safety Code or to conversion or reclamation districts created under Section 52, Article III or Section 59, Article XVI of the Texas Constitution that provide water, sewer, or drainage services to a Development.

B. This policy is intended to provide a general framework for the consideration of proposed multifamily residential developments (each, a "Development") for which any person or entity (an "Applicant") requests the Corporation's participation in any capacity"". The Corporation's participation may include but is not limited to:

1. The issuance of tax-exempt or taxable bonds (including LIHTC and Workforce transactions);
2. Serving as a General Partner, Managing Member, or other role;
3. The acquisition of fee simple or leasehold title to land or improvements and acting as general lessor pursuant to a long-term ground lease; or
4. Any other form of financial assistance, ownership, or administrative support authorized under the Act.

C. This policy applies to new construction development, the acquisition and/or rehabilitation of existing developments, and amendments to existing bond issues that result in a "reissuance" or "refunding" under state and federal law. The policy further applies to cases where the Corporation is asked to purchase, lease, or hold title to a development to provide an operating subsidy in the form of a tax exemption.

D. The Board of Directors of the Corporation (the "Board") have adopted this policy to outline the general expectations, priorities, and procedures applicable to the Corporation's participating in the financing of residential developments. The Board maintains absolute discretion to allocate public resources to Developments that in its discretion are determined to maximize public benefit. This policy provides a transparent framework, but the Board may, in its sole discretion, waive specific provisions upon a majority vote. Nothing herein creates a right to financing or obligates the Corporation to participate in any development. Neither does it prohibit financing or participating by the Corporation in any development.

II. PRIORITY HOUSING NEEDS

A. The Corporation may from time to time identify specific geographic and demographic priorities to guide its evaluation of any Development. While the Corporation may consider any Development that demonstrates a significant public benefit to Dallas County, it may grant priority to Developments that align with the following strategic categories:

1. **Strategic Location and Community Impact:** The Corporation may consider relevant geographic factors when evaluating a proposal; including but not limited to:

    a. **Revitalization Zones:** Developments located within any county/municipally designated revitalization zones.

    b. **High-Opportunity Areas:** Developments located in census tracts with a poverty rate below Twenty Percent (20%), or areas with documented "missing middle" housing needs.

    c. **Transit and Amenities:** The Development site is located within a one-mile radius to public transportation, grocery stores, healthcare facilities, and employment centers.

    d. **Job Creation and Workforce Development**: Developments demonstrating measurable potential for job creation or workforce support, either through direct employment opportunities associated with the Development, the creation of services that support the surrounding community, or by providing housing in areas with employment centers in order to improve workforce access to nearby jobs.

2. **Target Housing Needs and Equitable Access:** The Corporation seeks to address a broad spectrum of housing challenges and encourages developments that serve the County's most vulnerable residents as well as support mixed-income housing for socioeconomic vibrancy. The Corporation may consider the following when evaluating a proposal:

    a. **Workforce Housing**. Developments that serve households earning between Sixty Percent (60%) and One-Hundred Forty Percent (140%) of the Area Median Income ("AMI").

    b. **LIHTC Partnerships.** Developments that expand affordable housing through tax credit-funded Developments that provide long-term affordability for families.

c. **Special Needs and Senior Housing.** Developments dedicated to seniors (55+), veterans, or individuals with disabilities.

d. **At Risk Preservation.** Developments that involve acquisition and rehabilitation of existing multifamily assets to prevent the loss of naturally occurring affordable housing.

e. **Equitable Access for Underserved Populations**: Developments that provide housing for populations who do not have comparable housing options through conventional financial channels. This includes a focus on serving historically underserved demographic groups, persons who were previously incarcerated, and persons from minority populations.

3. **Resident Services and Community Benefit:** Regardless of location or housing type, all Developments should provide high-quality resident services to promote the long-term success of the community. The Corporation may consider the following when evaluating the proposal:

a. **Financial Commitment to Resident Services:** Preference may be given to proposals that demonstrate a robust commitment to social and educational services. The Board encourages an annual investment of at least Two Hundred Dollars ($200) per unit, for so long as the Corporation has an interest in the Development, to promote long-term stability and resident success.

b. **Tailored Services and Programming:** Services tailored to the tenant population, like transportation services to the nearest grocery stores, or health services provided on site or via on-request transportation.

4. **Property Management Standards**. The Corporation establishes the following suitability and operational standards applicable to all property management entities, leasing agents, and third-party service providers involved in any leasing and day-to-day operations of the Development. These standards are intended to ensure that Developments supported by the Corporation advance housing stability, equitable access, and the Corporations public benefit mission while remaining compliant with applicable law. For the purposes of this section, any individual seeking to lease or reside within a Development is referred to as "Prospective Tenant."

a. **Management Team**. For the purpose of this section, "Management Team" collectively refers to the Applicant, Developer, Special Limited Partner, Property Management Company, and any third-party agent or contractor engaged to oversee leasing, tenant screening, resident services, offsite operations, or any day-to-day operation The Applicant is responsible for ensuring that all such entities adhere to the standards set forth herein.

b. **Legal Compliance**. Management Team shall operate in full compliance with all applicable federal, state and local laws governing tenant selection, leasing, and occupancy, including but not limited to the Federal Fair Housing Act, the Texas Fair

Housing Act, the Americans with Disabilities Act, and the protections afforded under the Violence Against Women Act.

c. **Property Management Company Approval and Removal**. The Corporation shall approve the initial selection of the property management company and any subsequent property managers throughout the period of the Corporation's participation. The Corporation may require removal and replacement of the property management company for any reason, including but not limited to, failure to maintain compliance with affordability requirements or regulatory agreements, violation of fair housing obligations or the Tenant Protection Addendum, or any other circumstance the Corporation determines threatens the Development's affordability, financial performance, or public benefit. The Corporation shall not be responsible for costs related to removal or replacement.

d. **Tenant Selection Process**. Management Team shall maintain and implement transparent, written tenant selection policies governing eligibility, suitability, and denial criteria. Tenant selection policies must be designed to promote housing stability and advance the Corporation's public benefit objectives, including equitable access to housing for veterans, households utilizing rental assistance or vouchers, and individuals with prior criminal justice involvement, as more particularly discussed below. The Corporation reserves the right to review such policies to confirm alignment with its public purpose and standards applicable to Developments utilizing tax-exempt financing within Dallas County. Such policies must be readily accessible to the public, including by posting in the property's leasing office, on the property's website, or by providing copies upon request.

1. **Individualized Assessment and Uniform Screening Criteria**. The Management Team shall apply all tenant screening criteria uniformly and consistently to all Prospective Tenants. Except as expressly permitted herein, automatic denials are prohibited.

2. **Prohibited Discriminatory Practices and Barriers to Entry**. Management Team may not deny residency or engage in discriminatory practices based on the following criteria:

    a. **Criminal History**. Management Team shall not use a history of incarceration or criminal conviction as an automatic basis for denial of housing. Management Team must consider Prospective Tenants with prior criminal justice involvement, provided that the offense was not a conviction for burglary, any aggravated offenses, or a crime against persons. Denial based on criminal history may occur only where the Management Team determines, based on reliable and objective evidence, that the Prospective Tenant poses a demonstrable risk to resident safety or property, and such determination shall not be based on convictions for crimes other than (i) burglary, (ii) any aggravated offenses or crimes against persons. Further, Prospective Tenants that are denied an opportunity to lease at the Development because of a history of incarceration or criminal conviction shall be provided an opportunity to appeal such denial.

b. **Source of Income:** Management Team shall not discriminate based on a Prospective Tenant's current or prospective source of income. All forms of government-funded housing assistance, including Housing Choice Vouchers and Tenant Protection Vouchers, must be accepted as valid.

c. **Work History**. Management Team shall not deny a Prospective Tenant solely for a lack of traditional W-2 employment. Prospective Tenant must be given the opportunity to demonstrate income stability through alternative lawful sources, including self-employment, contract or gig work, pensions, disability benefits, child support, workforce training stipends, or rental assistance.

d. **Credit History:** Management Team shall not deny residency solely based on credit history. Prospective Tenant must be given the opportunity to demonstrate a record of consistent and timely rent payments over the preceding twelve (12) months.

e. **Veterans.** Management Team shall not discriminate based on veteran status. Management Team is encouraged to adopt veteran preferences or other measures designed to support individuals who have served in the armed forces.

f. **Eviction History.** Management Team shall not deny residency based on prior eviction proceedings if:
   1. The proceeding resulted in a dismissal, nonsuit, or judgement for the Prospective Tenant;
   2. The records have been sealed or made confidential by a court of law; or
   3. The judgement against the Prospective Tenant was issued more than three (3) years proper to the date of Prospective Tenant.

3. **Appeals to the Corporation**. A Prospective Tenant denied residency at the Development based on screening criteria, including but not limited to criminal history, credit history, eviction history, or any other basis permitted under this Policy, shall have the right to appeal such denial to the Corporation, pursuant to the procedures set forth in Exhibit B.

4. This Section is intended to ensure that tenant screening practices reflect the Corporation's commitment to fairness, housing stability, and equitable access to opportunity. Failure to adhere to these requirements may be addressed through appropriate corrective measures.

e. **Corporation Access and Inspection Rights.** The Corporation and its representatives shall have the right, upon reasonable notice during normal business hours, or at any time in the event of an emergency or suspected material noncompliance, to access the Development and any records, files, documents, or information relating to the Development, its operations, management, or compliance, as the Corporation deems reasonably necessary to monitor and enforce compliance with this Policy, applicable law, regulatory requirements, and any agreements affecting the Development. The Management Team shall fully cooperate and shall not obstruct, delay, or interfere with such access. Failure to provide timely access may result in corrective action, including required policy revisions, additional oversight, or removal of the property management company.

5. **Other Priority Objectives.** In evaluating a proposed Development, the Corporation may consider whether participation by the Corporation is desirable to achieve the certain objectives that align with the purposes of the Corporation. The Corporation may consider the following non-exclusive criteria when evaluating a proposal:

   a. **Regulatory Necessity.** Applicant demonstrates that the requested financing or Corporation participation is desirable to enable the Development to operate in compliance with applicable federal requirements or the Corporation's programs.

   b. **Enhances Public Benefit**. Applicant demonstrates that the inclusion of tax-exempt financing, tax credits, or operating subsidies is likely to cause a measurable increase in the total number of affordable units or is likely to provide a benefit to the social services provided to persons residing in the Development.

   Provision of Affordable Units. Applicant demonstrates that the Corporation's involvement enhances the development of affordable units or the affordability of existing units that are at risk of being lost.

III. APPLICATION PROCEDURES AND REVIEW PROCESS

A. The Corporation may accept submissions on an ongoing basis throughout the year. Any person or entity desiring that the Corporation participate in a Development (the "Applicant") shall submit the applicable application prescribed by the Corporation for the same Development proposal

The Corporation accepts two types of applications for partnership participation: (1) the Low-Income Housing Tax Credit Financed Development Application ("LIHTC Application") for developments utilizing Low-Income Housing Tax Credits and tax-exempt bonds, and (2) the Workforce Housing Partnership Application ("Workforce Application") for developments seeking ad valorem tax exemption without LIHTC. For purposes of this Policy, the term "Application" means either the LIHTC Application or the Workforce Application, together with all required documentation, exhibits, certifications, questionnaires, supporting documentation, self-score forms, and applicable fees. Each Application is a standalone submission with its own required materials, fees, and procedures. An Applicant may not submit a single Application for both types of participation.

An Application may not be deemed complete, nor shall it be eligible for review, until the Corporation has received all materials required for the applicable Application, including all required documentation, exhibits, certifications, questionnaires, supporting documentation, self-score forms, and applicable fees.

To ensure adequate staff review and Board consideration, a complete Application must be submitted sufficiently in advance of the Board meeting at which the Applicant seeks preliminary approval or other Board action. Upon receipt of a complete Application, the Corporation will initiate its internal review process, including evaluation by Corporation staff and the Corporation's professional advisors prior to Board consideration.

The Corporation reserves the right to delay Board consideration of any Application that contains errors, omissions, or the need for additional information or clarification requested by the Corporation or its professional advisors. Unless otherwise approved by the Corporation, all requests for clarification or supplemental information must be submitted no later than five (5) business days prior to the posting of the Corporation's meeting agenda.

If an Application is incomplete, the Corporation may hold the Application in pending status and establish a reasonable deadline for the Applicant to submit the requested information or materials. If Applicant fails to satisfy the Corporation's request within the prescribed deadline, then staff or professional advisors of Corporation may return the Application to the Applicant, remove it from consideration, or take such other action as the Corporation determines appropriate.

B. **General Application Requirements**. Every Applicant shall submit the following materials and information with its Application before the Corporation will consider the request complete.

1. **Application Package**: Each Applicant must submit a complete Application for Participation and a complete Development Participation Questionnaire. A separate Application package is required for each Development, which must consist of one (1) contiguous rental Developments located on a single site.

2. **Application Fee**: Each Application must be accompanied by a nonrefundable application fee of Twenty-Five Thousand Dollars ($25,000), payable to the Corporation. The application fee covers the Corporation's initial intake, administrative processing, and preliminary review costs.

3. **Separate Applications**: A separate Application must be submitted for each Development, even if the Applicant or development team is the same across multiple Developments.

4. **Submission Format and Delivery**: All Application materials must be typewritten or completed electronically. The Corporation requires at least one (1) hard copy of the complete Application for official record-keeping and Board review.

   The Applicant must deliver or mail the completed Application packet and all required fees, to the following:

   Dallas Housing Finance Corporation 2025
   500 Elm St., Ste 7600

Dallas, TX 75202
planning.development@dallascounty.org

In addition to the hard-copy submission to the Corporation, the Applicant must submit the completed Application to the Corporation's Interim General Manager and Assistant General Manager:

Jonathan Bazan – jonathon.bazan@dallascounty.org
Luis Tamayo – luis.tamayo@dallascounty.org

In addition to the hard-copy submission to the Corporation, the Applicant must submit the completed Application to the Corporation's Financial Advisor:

CSG Advisors
315 Montgomery Street
San Francisco, CA 94104
Nicole Graham - ngraham@csgadvisors.com

In addition to the hard-copy submission to the Corporation, the Applicant must submit the completed Application to the Corporation's Legal Counsel:

Mattye Jones
Coats Rose, P.C.
16000 North Dallas Parkway, Suite 350
Dallas, Texas 75248

Mattye Jones – mjones@coatsrose.com
Paige Mebane – pmebane@coatsrose.com

Unless otherwise agreed to by the Corporation, the materials specified in III.B. above must be provided to the Corporation's Financial Advisor and General Counsel at least four (4) weeks prior to the date of any meeting at which the Application may be considered.

Applications that are incomplete, submitted without the required Application fee or not delivered in the required format may be deemed administratively deficient and may not be accepted for review. The Corporation reserves the right to reject any Application that does not strictly comply with the requirements or to return such Application without consideration. An administratively rejected Application may be resubmitted only as a new Application and shall receive a new submission date, subject to availability under the Corporation's Application pipeline and any applicable deadlines.

C. **Application-Specific Requirements**. In addition to the general Application requirements set forth in this Policy, each Applicant shall comply with the requirements applicable to the type of Application submitted. Each Application is evaluated independently based on the participation type for which it is submitted.

If an Applicant wishes to change from one Application type to another after submission, the Applicant must withdraw the original Application and submit a new Application. The

Board may, in its discretion, determine whether the Applicant is required to submit a new Application Fee for the new Application.

If, during its review, the Corporation determines that a Development would be more appropriately considered under a different Application type, the Corporation may notify the Applicant and allow the Applicant to convert the pending Application to the applicable Application. The Corporation may establish a deadline for submission of any additional forms, exhibits, certifications, supporting documentation, self-score forms, and other materials required for the applicable Application. The Board may, in its discretion, determine whether an additional Application Fee is required for such conversion.

1. **LIHTC Application Requirements**. The following requirements apply to Developments seeking financing through LIHTC and, if applicable, tax-exempt bonds. Applicants shall comply with all applicable requirements of the Internal Revenue Code, the Texas Department of Housing and Community Affairs ("TDHCA") and the Texas Bond Review Board ("BRB"), and all other applicable federal, state, and local laws governing the financing, development, and operation of the Development.

    a. **Affordability and Target Housing Needs**: All Developments shall comply with all applicable federal and state affordability requirements, including any minimum set-aside requirements imposed under Section 42 of the Internal Revenue Code.

    At least ninety percent (90%) of all residential units in the Development shall be restricted for occupancy by Eligible Persons. For purposes of this requirement, "Eligible Persons" means households whose annual household income does not exceed one hundred forty percent (140%) of the Area Median Income ("AMI") for the Dallas-Fort Worth-Arlington Metropolitan Statistical Area, as adjusted for household size.

    b. **Public Benefit Analysis.** All Applicants under the LIHTC Application must submit a completed Public Benefit Analysis as part of the Application. The Public Benefit Analysis shall be completed in accordance with the methodology, instructions, scoring criteria, and points allocation set forth in the attached exhibit to the LIHTC Application. The requirements that govern the preparation, certification, documentation, and review of the Public Benefit Analysis are set forth in Section III.D.1 of this Policy.

    c. **Financing Readiness and Regulatory Compliance**: Applicants shall demonstrate that the Development is financially feasible and capable of proceeding in accordance with all applicable TDHCA, BRB, and Internal Revenue Code requirements.

        1. **Application Readiness**. By submitting an Application, the Applicant represents that the Development is ready to proceed through the applicable tax credit allocation and , if the Corporation is serving as bond issuer, bond issuance within the timelines established by the Corporation.

2. **Inducement Timeline**. For Developments in which the Corporation will issue and following the approval of an Inducement Resolution by the Board, Applicant must submit its BRB reservation application within ninety (90) days and shall submit its TDHCA tax credit application within thirty (30) days, unless otherwise authorized by the Corporation.

3. **50 Percent Test**. For Developments utilizing tax-exempt bond financing, the Applicant shall demonstrate the Development's ability to satisfy the fifty percent (50%) test required under Section 42 of the Internal Revenue Code, including financing at least fifty percent (50%) of the Development's aggregate basis with tax-exempt bonds.

4. **Financial Feasibility Review**. The Corporation may evaluate the proposed bond structure, debt-service coverage, sources and uses of funds, the Development Participation Questionnaire, and all supporting financial information to determine whether the Development demonstrates sufficient financial feasibility and readiness to proceed.

5. **Failure to Proceed**. If the Applicant fails to satisfy the deadlines established in this Section, fails to demonstrate financial readiness, or otherwise fails to proceed in accordance with the approved financing schedule, the Corporation may require the Applicant to withdraw and resubmit the Application or assign the Development a new submission date, thereby placing the Development at the end of the current Application queue.

d. **Construction and Environmental Requirements:** Construction shall comply with all applicable local building codes, the most recent International Building Code, and applicable energy and water conservation standards.

e. **Closing Requirements and TEFRA**: For Developments in which the Corporation will serve as issuer of tax-exempt bonds, the following public hearing requirements shall apply prior to the adoption of a Final Bond Resolution:

1. **TEFRA Hearing**. To the extent the Development is financed with tax-exempt bonds issued by the Corporation, the Development shall be subject to a public hearing in accordance with the Tax Equity and Fiscal Responsibility Act ("TEFRA"). Bond counsel shall be responsible for the publication of the notice and the preparation of the report to the County Judge. The Corporation may not grant final approval or adopt a Final Bond Resolution until the TEFRA requirements are satisfied and the results of the public hearing have been reviewed by the Board.

2. **State Law Public Hearing**. In accordance with the Act, as amended by House Bill 21 ("HB21"), the Corporation may not issue bonds to finance a residential development unless the local government in which the Development is located has conducted a public hearing on the proposed financing. This requirement applies only to bond issuances by the

Corporation and is separate from, and in addition to, the applicable TEFRA requirements.

f. **Corporation Protection and Non-Removal Rights:** The Corporation shall not guarantee the repayment of Development debt or the performance of any operating obligations. All transaction documents shall include provisions reasonably acceptable to the Corporation protecting it from construction, operating, financing, environmental, and other Development-related risks.

To ensure the long-term preservation of the approved public benefit, the Corporation shall not be subject to removal rights by any Development partner, lender, or third party for the duration of the approved term. The only exception is in the event that the Development loses its tax-exempt status. All governing documents shall expressly acknowledge these rights.

g. **Ongoing Operational and Compliance Fees.** To support the long-term monitoring and preservation of the public benefit, each Development will be subject to an annual Asset Oversight and Compliance Fee equal to the greater of Forty-Five Dollars ($45) per residential unit or Two Thousand Five Hundred Dollars ($2,500), unless otherwise approved by the Board

Additionally, all Developments receiving ad valorem tax exemption through the Corporation shall be subject to annual reporting and audit by TDHCA, commencing June 1 of the tax year following acquisition or construction completion, as required by the Texas Local Government Code. LIHTC Developments shall be exempt from this requirement during the period in which LIHTC compliance monitoring is active; however, upon expiration of the LIHTC compliance period, the Development shall become subject to such requirements.

h. **Supplemental LIHTC Application Fees**: In addition to the Application Fee, Applicants shall pay the following fees applicable to the LIHTC Application, based on the Corporation's role and the Development's financing structure:

1. **Bond Financing Fees**. For Developments seeking an allocation of tax-exempt bond volume cap or bond financing through the Corporation, additional fees and requirements are set forth in **Exhibit A**.

2. **Developer Fee Participation**. The Corporation or its affiliate shall receive a share of the total development fee, as negotiated and reflected in the partnership agreement or company agreement. The Corporation's share of the development fee will be paid pro rata and pari passu with any share paid to the developer. This participation reflects the Corporation's essential role in providing the tax-exempt platform and the assumption of general partner or managing member responsibilities.

3. **Cash Flow and Residual Splits.** The Corporation or its affiliate shall receive a share of the net cash flow during the operational period and a share of the sales or refinancing proceeds upon exit.

2. **Workforce Housing Application Requirements.** The following requirements apply to all Developments submitted under the Workforce Housing Application. This Application is designed for Developments that do not utilize Low-Income Housing Tax Credits but seek a partnership with the Corporation to obtain a property tax exemption and advance workforce housing objectives. Transactions under this Application will be structured through a Housing Finance Corporation ownership or control structure, which may include Corporation ownership, a long-term ground lease, a managing member or general partner arrangement, or another structure that provides the Corporation with sufficient ownership interest or control to support the Development's public purpose and eligibility for ad valorem tax exemption under applicable law.

   a. **Affordability and Public Benefit**. Applicants shall demonstrate that the proposed Development provides a measurable public benefit through reduced housing costs and increased workforce housing opportunities. The primary justification for the Corporation's participation is the delivery of tangible rent savings to the public, which must be demonstrated in the certified Public Benefit Analysis required under Section III.D.1 and supported by the Rent Pass Through analysis required in subsection (a)(5).

      1. **Statutory Minimum Affordability**. In addition to the Corporation's requirements set forth herein, all non-LIHTC Developments must comply with the affordability requirements of the Act, as amended by HB21. At a minimum:

         A. Ten percent (10%) of the residential units must be reserved for households earning less than sixty percent (60%) of AMI, and at least forty percent (40%) of the residential units must be reserved for households earning less than eighty percent (80%) of AMI; or

         B. Ten percent (10%) of the residential units must be reserved for households earning less than fifty percent (50%) of AMI, and at least forty percent (40%) of the residential units must be reserved for households earning less than one hundred percent (100%) of AMI.

      2. **Corporation Affordability Requirements**. Unless otherwise approved by the Board, at least fifty percent (50%) of the total units will be reserved for households earning no more than eighty percent (80%) of the AMI. Additionally, unless otherwise approved by the Board, at least ninety percent (90%) of the residential units shall be restricted for occupancy by Eligible Persons.

      3. **Public Benefit Analysis**. All Applicants under the Workforce Application must submit a completed Public Benefit Analysis as part of the Application. The Public Benefit Analysis shall be completed in accordance with the methodology, instructions, scoring criteria, and

points allocation set forth in the attached exhibit to the Workforce Application. The requirements that govern the preparation, certification, documentation, and review of the Public Benefit Analysis are set forth in Section III.D.1 of this Policy.

4. **Equal Quality and Proportional Affordability**. All income-restricted units must have the same finishes, equipment, and amenity and service access as non-restricted units. Income-restricted units must be proportional across bedroom sizes for the Development.

5. **Rent Cap.** The monthly rent charged for income-restricted units shall not exceed thirty percent (30%) of the income earned by a resident in the respective AMI band, adjusted for household size.

6. **Rent Pass-Through Analysis**. Applicants must submit a Rent Pass-Through analysis demonstrating that proposed rents for restricted units are significantly lower than comparable Class “A” market-rate units in the same submarket. The units should be demonstrate rent savings relative to the Class A market-rate units within the same submarket. The Rent Pass-Through analysis shall be prepared by an independent third party or the Corporation’s Financial Advisor and shall include: (i) a description of the comparable properties selected; (ii) the methodology used to establish market rents; (iii) the proposed restricted rents for each unit type; and (iv) the calculated discount percentage for each unit type. The Rent Pass-Through analysis shall be submitted as supporting documentation for the Public Benefit Analysis required under Section III.D.1.

7. **Public Benefit Narrative**. Additionally, Applicants must provide a narrative explaining how the Development serves persons in the local workforce in proximity to major employment centers or transit corridors.

b. **Construction Threshold and Environmental Requirements**. Construction shall comply with all applicable local building codes, the most recent International Building Code, and applicable energy and water conservation standards. Where applicable, the Corporation may require compliance with additional durability, accessibility, or energy-efficiency standards to ensure the long-term viability of the public investment. The Corporation reserves the right to require third-party inspections or certifications as part of its due diligence and underwriting review.

c. **Corporation Protections and Non-Removal Rights:** The Corporation shall not guarantee the repayment of Development debt or the performance of any operating obligations. All transaction documents shall include provisions reasonably acceptable to the Corporation protecting it from construction, operating, financing, environmental, and other Development-related risks.

To ensure the long-term preservation of the approved public benefit, the Corporation shall not be subject to removal rights by any Development partner, lender, or third party for the duration of the approved term. The only exception is in the event that the Development loses its tax-exempt status. All governing documents shall expressly acknowledge these rights.

d. **Administrative Process and Regulatory Requirements**. Prior to Board approval of the Development for ad valorem tax exemption, the Corporation shall obtain an independent underwriting report, which may be prepared by the Corporation's Financial Advisor or another independent third party retained by the Corporation, which enables the Board to make a good faith determination that the Development provides public benefit. The cost of such report shall by borne by the Applicant.

e. **Closing Requirements and Preliminary Action.** Final closing is contingent upon the confirmation of all governmental approvals and the execution of the ground lease or other control document, which serves as the mechanism for the ad valorem tax exemption.

f. **Ongoing Operational and Compliance Fees.** To ensure the long-term preservation of the public benefit and to cover the costs of ongoing monitoring, each Development shall pay an annual Asset Oversight and Compliance Fee equal to the greater of Forty-Five Dollars ($45) per residential unit or Two Thousand Five Hundred Dollars ($2,500), unless otherwise approved by the Board.

   All Developments receiving ad valorem tax exemption through the Corporation shall be subject to annual reporting and audit by the Texas Department of Housing and Community Affairs, commencing June 1 of the tax year following acquisition or construction completion, as required by the Texas Local Government Code.

g. **Supplemental Workforce Application Fees**: In addition to the Application Fee, Applicants shall pay the following fees applicable to the Workforce Housing Application:

   1. **Underwriting and Market Study Costs**. Applicants are responsible for all costs associated with independent third-party underwriting, financial feasibility analysis, and market studies commissioned by the Corporation to validate rent pass-through claims and workforce affordability targets. Such costs shall be paid directly by the Applicant and are nonrefundable, regardless of whether the transaction proceeds to closing.

   2. **Upfront Fee**. In consideration of the One Hundred Percent (100%) ad valorem tax exemption provided by the Corporation's participation, the Corporation shall receive a percentage of the total development cost (for new construction) or the purchase price of the property (for acquisition), payable at closing.

   3. **Cash Flow and Residual Splits.** The Corporation or its affiliate shall receive a share of the net cash flow during the operational period and a share of the sales or refinancing proceeds upon exit.

D. **Preliminary Board Action and Terms of Engagement.** To ensure a mutual understanding of the business and legal framework, the Corporation may require a preliminary term sheet for every Development. This ensures that the Applicant is fully committed to the Corporation's core business terms before significant legal and professional costs are incurred.

1. **Public Benefit Analysis and Scoring**. For Applications requiring a Public Benefit Analysis, every Applicant must submit a completed Public Benefit Analysis as a condition of preliminary Board consideration. For purposes of this Policy, **"Public Benefit Analysis"** shall mean the self-score that is completed by the Applicant using the scoring criteria, categories, and point allocations set forth in the applicable Application. The specific scoring methodology shall be established by the Corporation for that Application and may be updated from time to time without amendment to this Policy. The Applicant must certify that all information contained in the Public Benefit Analysis is true, accurate, and complete to the best of the Applicant's knowledge, and that the Applicant has calculated all scores and benefits in accordance with the prescribed methodology for the applicable Application. The Corporation shall utilize the Public Benefit Analysis, together with all other due diligence findings, in formulating recommendations to the Board.

   a. All claimed benefits must be supported by documentation appropriate to the category claimed, which may include, without limitation: maps, site plans, or location studies for proximity, transit, and amenity claims; third-party market studies for rent pass-through and comparability claims; and written agreements or letters of intent. The Corporation may request additional documentation, third party studies, or independent underwriting to validate the analysis, and the Corporation reserves the right to reject unsupported scoring claims or assumptions.

2. **Memorandum of Understanding**. Following the initial review by the Corporation, every Development must enter a Memorandum of Understanding ("MOU"), establishing the framework for continued negotiations and due diligence. Upon execution of the MOU, the Applicant shall pay a deposit of Twenty-Five Thousand Dollars ($25,000), which shall be credited against the Corporation's administrative costs, professional fees, and other expenses incurred in connection with the Development. The MOU shall be executed by prior to, or concurrently with, the Board's preliminary approval, or, if applicable, adoption of an Inducement Resolution.

3. **Underwriting and Market Study Standards.** The Corporation may retain independent third-party professionals to evaluate underwriting assumptions, market conditions, financial feasibility, and public benefit as provided in Section V. The Applicant shall be responsible for all associated costs. The Board may withhold final approval if it determines that the proposed Development does not provide sufficient public benefit (as measured by the Public Benefit Analysis, and the Public Benefit Percentage calculation that is set forth in Section V.E) or that Corporation participation is unnecessary to achieve the proposed affordability objectives.

4. **Preliminary Nature of Board Action.** Official action by the Board regarding any partnership should not be construed as a final approval of the partnership structure or a

guarantee of tax exemption. The Corporation has no obligation to provide preliminary approval and reserves the right to terminate participation at any time, with or without cause. Neither the Applicant nor any third party shall have any claim against the Corporation because of a decision not to move forward with a partnership.

IV. FEES AND COST RECOVERY

A. All Applicants are responsible for the payment of fees associated with the Corporation's review, participation, and ongoing oversight of a Development. All fees are intended to cover costs incurred by the Corporation and are not contingent upon Development approval or financial closing, unless expressly stated otherwise. All fees are non-refundable, unless otherwise determined by the Board in its sole discretion.

The Corporation reserves the right to adjust fees periodically to reflect changes in third-party costs, regulatory requirements, or administrative burden. Payment of required fees does not guarantee approval of an Application or continued participation by the Corporation.

Failure to pay any required fee shall constitute grounds for the Corporation to deem an Application incomplete, suspend further processing, or terminate its participation in a proposed Development.

1. **Application Fee**. A nonrefundable fee of Twenty-Five Thousand Dollars ($25,000) is due at the time of Application submission. This fee is intended to offset the Corporation's internal administrative costs, including intake and preliminary staff review. An Application will not be considered complete until the Application Fee has been received.

2. **MOU Execution Deposit.** Upon execution of the MOU, the Applicant shall pay a deposit of Twenty-Five Thousand Dollars ($25,000), which shall be credited against the Corporation's administrative costs, professional fees, and other expenses incurred in connection with the Development.

3. **Partnership Management Fee**. If the Corporation or its affiliate serves as General Partner, Managing Member, or in a comparable control capacity, it shall be entitled to receive a Partnership Management Fee of not less than Ten Thousand Dollars ($10,000) per year, increasing by three percent (3%) annually.

4. **Ground Lease Fee**. The Corporation or its affiliate may receive an annual lease fee in an amount equal to a percentage of the property tax exemption applicable to the Development.

5. **General Contractor Fee.** If the Corporation or its affiliate serves as General Contractor in connection with the Development, including to secure sales tax exemption benefits, it shall receive a percent of the hard construction costs, payable at closing or split between closing and completion.

6. **Capital Event Fee**. Upon any sale or refinance of the Development, the General Partner shall be entitled to receive a percent of the gross sales price or loan amount.

7. **Compliance Monitoring Fee**. The Development shall be subject to an annual Compliance Monitoring Fee payable to the Corporation's designated compliance consultant, in an amount determined by contract and reflected in closing documents.

8. **Asset Oversight and Compliance Fee**. To support the long-term monitoring and preservation of the public benefit, each Development is subject to an annual Asset Oversight and Compliance Fee equal to the greater of Forty-Five Dollars ($45) per residential unit or Two Thousand Five Hundred Dollars ($2,500), unless otherwise approved by the Board.

9. **Professional Costs and Reimbursement**: In addition to the fees described above, all Applicants are responsible for the actual costs of professional services incurred in connection with the review, structuring and documentation, and closing of a transaction. These costs may include, but are not limited to:
    a. Bond Counsel, Issuer's Counsel, and Underwriter's Counsel;
    b. Financial Advisor services;
    c. Special tax, accounting, or real estate counsel;
    d. Environmental consultants, engineers, or inspectors; and
    e. Any other third-party professionals required by the Corporation.

Such costs are payable by the Applicant as incurred and are not contingent upon final approval or closing.

B. **LIHTC Application Fees**. Applicants submitting the LIHTC Application are responsible for the following fees, in addition to the fees set forth in Section IV.A:

1. **Bond Financing Fees**. For Developments seeking an allocation of tax-exempt bond volume cap or bond financing through the Corporation, additional fees and requirements are set forth in **Exhibit A**.

2. **Developer Fee Participation**. The Corporation or its affiliate shall receive a share of the total development fee, as negotiated and reflected in the partnership agreement or company agreement. The Corporation's share of the development fee will be paid pro rata and pari passu with any share paid to the developer. This participation reflects the Corporation's essential role in providing the tax-exempt platform and the assumption of general partner or managing member responsibilities.

3. **Ongoing Fees Post Closing**. Following closing, Developments shall be subject to an annual Asset Oversight and Compliance Fee, equal to the greater of Forty-Five ($45) per unit or Two Thousand Five Hundred Dollars ($2,500), as well as an Issuer Administration Fee, typically calculated at ten (10) basis points of the bond amount.

Fees are subject to adjustment based on transaction complexity and are intended to the Corporation's ongoing compliance monitoring, reporting obligations, and bond administration responsibilities.

C. **Workforce Application Fees**. Applicants submitting the Workforce Application are responsible for the following fees, in addition to the fees set forth in Section IV.A:

1. **Upfront Fee**. In consideration of the One Hundred Percent (100%) ad valorem tax exemption provided by the Corporation's participation, the Corporation shall receive a percentage of the total development cost (for new construction) or the purchase price of the property (for acquisition), payable at closing.

2. **Cash Flow and Residual Splits**. The Corporation or its affiliate shall receive a share of the net cash flow during the operational period and a share of the sales or refinancing proceeds upon exit.

3. **Underwriting and Market Study Costs**. Applicants are responsible for all costs associated with independent third-party underwriting, financial feasibility analysis, and market studies commissioned by the Corporation to validate rent pass-through claims and workforce affordability targets. Such costs shall be paid directly by the Applicant and are nonrefundable, regardless of whether the transaction proceeds to closing.

Fees are subject to adjustment based on transaction complexity and are intended to the Corporation's ongoing compliance monitoring, reporting obligations, and bond administration responsibilities.

D. **Fee Adjustment, Billing, and Enforcement**. The Corporation reserves the right, in its sole direction and subject to Board approval, to adjust, waive, or defer fees for Developments that demonstrably advance the Corporation's public mission or respond to extraordinary circumstances.

Failure to pay any invoiced fee or cost shall constitute grounds for suspension of review, delay of Board consideration, or termination of the Corporation's participation in the Development, without liability to the Corporation.

V. DUE DILIGENCE

A. **General**. All Applications submitted to the Corporation are subject to comprehensive due diligence, underwriting, and background review conducted by the Corporation. The purpose of this review is to evaluate the Applicant's capacity, integrity, and readiness to proceed, and to ensure the Public Benefit Percentage results in a sufficient benefit.

No Application shall proceed to final approval or closing unless the Corporation has completed its due diligence review and determined, in its sole discretion, that the Development satisfies the Corporation's financial, legal, and public benefit standards. Any adverse findings may result in additional conditions, enhanced controls, delays in Board consideration, or termination of the Corporation's participation.

The Corporation may retain independent third-party professionals to conduct underwriting reviews, market studies, financial feasibility analyses, and public benefit evaluations. For non-LIHTC Developments, an independent underwriting report is required as provided in Section III.C.2.d.

B. **Financial Capacity and Readiness-to-Proceed**. The Corporation will evaluate the Applicant's financial capacity and readiness to proceed, consistent with best practices utilized by housing finance corporations and state allocating agencies. The Corporation's review may include, without limitation:

1. **15-Year Proforma**: A detailed fifteen (15) year proforma including sources and uses, operating assumptions, debt service, and a development budget;

2. **Historical Statement**: For acquisitions or rehabilitation Developments, certified operating statements for the prior two (2) years, including in-place rents and occupancy;

3. **Current Tenant Mix and In-Place Rents**: For occupied properties, a current rent roll identifying unit types, in-place rents, and occupancy status; and

4. **Market Comparables**: A market rent comparability analysis consisting of properties of similar class, age, and condition, located within a two (2) mile radius of the Development, submitted to support and justify projected unrestricted and restricted rents.

Applications that are not sufficiently advanced or demonstrate inadequate readiness may be deferred or deprioritized at the Corporation's discretion.

C. **Development-Level and Physical Due Diligence**. All Applications must provide sufficient documentation to allow the Corporation to evaluate the physical and operational viability of the Development. The Corporation's review may include, without limitation:

1. Acceptable evidence of site control;

2. A detailed description of the Development, unit mix, affordability commitments, and proposed rents;

3. Historical operating statements for acquisition or rehabilitation Developments, where applicable;

4. A Phase I Environmental Site Assessment dated within ninety (90) days of closing;

5. Construction or rehabilitation scope, cost estimates, and timelines; and

6. Any additional third-party reports reasonably required by the Corporation, including engineering, accessibility, or environmental studies.

The Corporation reserves the right to require independent inspections, certifications, or peer reviews as part of its due diligence process.

D. **Bond, Ownership, and Issuer-Specific Due Diligence**. For Developments involving tax-exempt bonds, long-term ground leases, or ad valorem tax exemptions, the Corporation may require additional due diligence, including:

1. Review of the proposed financing structure and repayment sources;

2. Evaluation of compliance with federal tax-exemption requirements;

3. Assessment of issuer risk, reporting obligations, and long-term control mechanisms; and

4. Verification of readiness to satisfy TEFRA, bond, or governmental approval requirements.

The Corporation may elect to not issue bonds or grant final approval unless its Financial Advisor confirms that the proposed structure is financeable and consistent with the Corporation's risk standards.

E. **Public Benefit and Community Engagement.** The Corporation requires transparency regarding how the Development serves the residents of Dallas County. The Corporation may verify any claimed public benefits and, if applicable, shall evaluate the Public Benefit Analysis submitted by the Applicant pursuant to Section III.D.1. To verify that the public interest is being served, the Corporation's review may include, without limitation:

1. **Public Benefit Percentage**. To ensure that a sufficient public benefit is achieved. The calculation for the Public Benefit Percentage is Public Benefit Percentage = Rental Savings Provided by Affordability Set-Asides + Fees and Benefits to the Corporation / Estimated Abated Taxes.

   Additionally, the Corporation shall evaluate the Rent Pass-Through analysis and the Public Benefit Analysis to verify that the claimed rent discounts are supported by comparable market data and methodology acceptable to the Corporation.

2. **Rent Discount Verification.** The Applicant must provide documentation proving that all affordable units restricted to persons and families earning at or below eighty percent (80%) of the Area Median Income should demonstrate rent savings relative to the market rents of the same or similar floor plan.

3. **Social Services Plan and Budget.** The Applicant must provide a detailed plan and budget for on-site social services.

4. **Proximity to Community Assets.** The Corporation may evaluate the Development's proximity to community assets, including schools, parks, libraries, and grocery stores.

F. **Ongoing Disclosure and Material Changes**. Applicants must promptly disclose any material changes in ownership, principals, financing structure, Development scope, or control mechanisms occurring after submission of an Application. Material changes may trigger supplemental due diligence, revised business terms, additional fees, or renewed Board consideration.

G. **Cost Responsibility and No Obligation**. All costs associated with due diligence, background investigations, underwriting reviews, third-party reports, and professional services required by the Corporation shall be borne solely by the Applicant, regardless of whether the transaction proceeds to closing. Completion of due diligence does not obligate the Corporation to approve or participate in any Development, and the Corporation reserves the right to discontinue consideration at any time.

VI. SERVING AS BOND ISSUER

A. Pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, the Corporation is authorized to issue tax-exempt and taxable revenue bonds, notes, or other obligations (collectively, “Bonds”) to finance qualified residential rental developments within Dallas County. In all such transactions, the Corporation acts solely as a conduit issuer.

The Bonds are special, limited obligations of the Applicant and any guarantor. Neither the Bonds nor the financing documents shall constitute a debt, liability, or obligation of Dallas County, the State of Texas, or the Corporation. As a condition of issuance, the Applicant shall execute an indemnity agreement holding the Corporation and its advisors harmless from all claims and expenses related to the Development. The Corporation may rely upon the certifications and opinions of its retained professional team in connection with any financing.

B. **Qualified Bond Initiatives**. The Corporation may serve as Issuer for:

1. LIHTC Developments;
2. Essential Function Bonds Developments;
3. Taxable Bonds;
4. Qualified 501(c)(3) Developments; and
5. Refunding and Reissuance of existing corporate debt.

C. **Conduit Issuer Capacity and Limitations**. The Corporation acts solely as a conduit. The Bonds are payable solely from revenues, rents, reserves, or other security provided by the borrower, Development owner, or obligated party. The Corporation assumes no responsibility for payment of debt service, operating expenses, or any other Development obligation.

The Bonds do not constitute a pledge of the faith and credit or taxing power of Dallas County, the State of Texas, or the Corporation. No property or fund of the Corporation or Dallas County shall be liable for payment of the Bonds.

As a condition of issuance, the Applicant and/or its affiliates (to the extent so required in the Corporation’s sole discretion) shall execute an indemnity agreement in form acceptable to the Corporation, indemnifying and holding harmless the Corporation, its directors, officers, employees, agents, and professional advisors from and against all claims, damages, losses, liabilities, costs, and expenses arising from or relating to the financing, development, ownership, or operation of the Development, except to the extent caused by the Corporation’s gross negligence or willful misconduct.

The Corporation may rely upon certifications, representations, opinions, and advice of bond counsel, issuer’s counsel, financial advisors, underwriters, rating agencies, and other qualified professionals retained in connection with the financing

D. **Discretionary Approval**. Service as bond issuer is subject to Board approval following preliminary inducement, due diligence review, and public hearing where required. The Applicant must execute mutually acceptable trust indenture, loan agreement, regulatory agreement, and all other documents necessary to effectuate the financing and protect the Corporation’s interests. The Corporation retains sole and absolute discretion to decline participation in any proposed financing at any stage, even if preliminary approvals have been granted.

E. **Sales and Marketing of Bonds**. Applicants are responsible for selecting their financing structures and must execute a bond purchase agreement with an institutional purchaser or investment banker.

VII. OTHER INITIATIVES

A. In addition to serving as bond issuer, the Corporation may engage in other initiatives to advance affordable housing and community development within Dallas County. The Board may, from time to time, consider and approve programs, partnerships, or transactions that further the Corporation's statutory purpose and public mission. The following initiatives are illustrative and not exclusive.

1. **Land Banking and Property Acquisition**. The Corporation may acquire vacant, foreclosed, or underutilized real property using Corporation funds, grants, loans, or donations from public and private sources. Acquired properties may be held for future affordable housing development, cleared of blighted structures, maintained as vacant lots, or transferred to qualified Local Partners for redevelopment. The Corporation may require Local Partners to demonstrate financial capacity, development experience, and community support prior to transfer.

2. **Community Land Trusts**. The Corporation may acquire real property and manage such property in perpetuity for the benefit of providing affordable housing. The Corporation may assist Local Partners with planning and redevelopment, commit funds to cover predevelopment activities, and retain ownership of land while selling or leasing improvements to Local Partners or qualified low-income households through ground lease agreements. The Corporation may collect ground lease payments to cover holding costs, monitoring expenses, and program administration.

3. **Disaster Relief and Emergency Housing**. The Corporation may provide financing, acquisition assistance, or other support for housing developments located in areas subject to federal disaster declarations. Such initiatives may include rehabilitation or new construction of housing for displaced households, temporary or permanent supportive housing, and coordination with federal, state, and local emergency management agencies. Priority may be given to developments that address immediate housing shortages and long-term community recovery.

4. **501(c)(3) Partnerships and Nonprofit Collaboration**. The Corporation may enter into partnerships with qualified nonprofit organizations exempt under Section 501(c)(3) of the Internal Revenue Code to develop, own, or operate affordable housing. Such partnerships may include technical assistance, predevelopment funding, joint venture structures, or other forms of collaboration. The Corporation may give priority to nonprofit partners demonstrating established community relationships, successful development experience, and alignment with Corporation priority housing needs.

5. **Program Administration and Fee Structure**. Initiatives under this Section VII may be subject to Application fees, professional cost deposits, annual administrative fees, compliance monitoring fees, and other charges as determined by the Board. All fees are intended to recover costs incurred by the Corporation and are not contingent upon Development approval or financial closing unless expressly stated otherwise. The Corporation reserves the right to adjust fees periodically to reflect changes in third-party

costs, regulatory requirements, or administrative burden.

Discretionary Authority. The Board retains absolute discretion to approve, modify, or decline any proposed initiative under this Policy. Nothing herein creates a right to Corporation participation or obligates the Corporation to engage in any specific transaction or program. The Corporation may require such additional documentation, due diligence, or security as it deems appropriate for any initiative.

EXHIBIT A

Bond Financing Fees

(To be reviewed and approved by Bond Counsel)

For Developments seeking an allocation of tax-exempt bond volume cap or bond financing through the Corporation, the following supplemental fees and requirements apply, in addition to the fees and requirements set forth in Section IV.A:

1. **Bond Application Fee**. If the Corporation will serve as issuer of tax-exempt bonds, a nonrefundable application fee of [______________] Dollars ($[______________]) for private activity bonds is due at the time of the initial submission.

2. **BRB Submission Costs**. For Developments seeking an allocation of private activity bond volume cap from the BRB, the following separate payments must be submitted:

   a. [______________] Dollars ($[_____]), payable directly to the BRB;

   b. [______________] Dollars ($[_____]), payable to the Corporation's bond counsel for preparation of the BRB application materials; and

   c. [______________] Dollars ($[_____]), payable to the Corporation's Financial Advisor for preparation of the executive summary.

3. **Inducement Fee**. For Developments in which the Corporation will issue tax-exempt bonds, within [___] ([___]) business days following the Board's approval of an Inducement Resolution, the Applicant shall pay an Inducement Fee of[______________] Dollars ($[_____]), plus [______________] Dollars ($[_____]) for each additional property in a multi-site Development Application.

4. **Professional Fee Deposit**. Developments receiving a BRB bond reservation, upon the issuance of a certificate of reservation from the BRB, the Applicant must provide a Professional Fee Deposit of [______________] Dollars ($[_____]) to be credited against the fees of Bond Counsel and Issuer's Counsel. All costs incurred during the Application and due diligence process are the sole responsibility of the Applicant. If the accrued expenses and fees of Bond Counsel and/or Issuer's Counsel exceed the Professional Fee Deposit, the Corporation may require the Applicant to submit an additional deposit payment.

5. **Environmental Standards**. Prior to the sale or placement of any Bonds, the Applicant will be required to conduct a Phase I Environmental Site Assessment by a firm acceptable to the Corporation, dated within ninety days of closing. At closing, the Applicant shall provide environmental indemnity from a financially responsible entity in form acceptable to Bond Counsel.

6. **Public Sale or Rated Placement**. Bonds sold publicly must receive an investment grade rating equivalent to at least A- or A3 from Standard & Poor's Rating Group, Moody's Investors Service, or Fitch Ratings. Bonds meeting this standard may be sold in minimum denominations of [______________] Dollars ($[_____]).

7. **Private Placement**. If the Bonds are to be privately placed without an investment grade rating, the Corporation may, in its sole discretion, permit such placement subject to the following minimum requirements:

   a. **Eligible Purchasers**. The sale must be made to a qualified institutional buyer as defined in Rule 144A of the Securities Act of 1933 or an institutional accredited investor as defined in Rule 501(a)(1), (2), or (3) of Regulation D under such Act. The purchase cannot be an underwriting or acquisition with intent to resell any portion of the Bonds.

   b. **Minimum Denominations**. The Bonds must be issued in minimum denominations of not less than [______________] Dollars ($[_____]) and integral multiples of [_____________] Dollars ([_____]) in excess thereof.

   c. **Commitment and Identification**. At the time of final approval, the Applicant shall identify the purchaser and provide a written commitment letter from that purchaser outlining the terms and conditions of the acquisition.

   d. **Investor Letter**. Any initial or subsequent purchaser must execute an "Investor Letter" in a form approved by Bond Counsel. This letter certifies that the purchaser is a sophisticated investor, has conducted its own independent investigation of the Development's financial condition, and waives any right to receive a formal disclosure statement from the Corporation.

EXHIBIT B

Tenant Appeal Procedures