**LEASE GUARANTEE CRITERIA**

ZBT Housing may guarantee Chapter/Trustee Corporation leases upon the following specific terms and conditions and the General Conditions set forth below:

1. A Trustee Corporation must be in place with some level of involvement with the local chapter.

2. Chapter/Trustee Corporation must be a legal nonprofit entity in good standing within its state. A Certificate of Good Standing for the Chapter/Trustee Corporation, should be available upon request.

3. Chapter/Trustee Corporation, in connection with its guarantee application, shall submit its projected budget of operations for the entire loan period. Chapter/Trustee Corporation shall also submit executed membership contracts (and proof of deposits) for the most current school year where applicable.

4. Chapter/Trustee Corporation must provide copies of rental market assessment, lease, Student Leases or Room and Board contracts, and any other documentation deemed necessary or reasonable by the ZBT Housing. Chapter/Trustee Corporation must pay all expenses, including legal costs, incurred by ZBT Housing in connection with the guarantee.

5. Chapter/Trustee Corporation must provide copies of the most current corporation and Chapter financial statements and budget, and federal and state tax returns if applicable.

6. Chapter/Trustee Corporation must enter into an agreement with the ZBT Housing, which will enable the ZBT Housing to immediately remove the officers and directors of the Chapter/Trustee Corporation and appoint new officers and directors in the event of a default of the lease by the Chapter/Trustee Corporation that remains uncured after appropriate cure periods as agreed upon in the terms of the guarantee.

7. Chapter/Trustee Corporation is able to obtain formal notice of support from international office of Zeta Beta Tau Fraternity that it is in good standing. Included with this information should be a report from the chapter’s national point of contact and current/projected membership numbers.

8. Chapter/Trustee Corporation must provide signed Student leases or Room and Board contracts for individuals intended to move into the house for the first period it would be occupied. It must provide signed commitment letters from all other members stating their commitment to live in the property in future periods. It must also provide the form of commitment letters for future members and a schedule upon which they will be submitted to the ZBT HOUSING.

9. Chapter/Trustee Corporation must arrange for a chapter meeting in which greater than 70% of membership will be present to discuss the terms of the guarantee and the chapter’s commitment to the housing in which they will be occupying.

10. Any lease which ZBT Housing guarantees, the Chapter/Trustee Corporation named in the lease must provide that ZBT Housing is given notice of any defaults and that the lease is assignable to ZBT Housing.

11. The fee payable to the ZBT Housing for the Lease Guaranty shall be 1% of the amount guaranteed for each year, or partial year, that the guaranty is outstanding.

12. All lease guarantees will not exceed the lesser of one year’s rent or $100,000 of rental obligation. A guarantee of more than $100,000 will be considered based on additional securitized collateral form Chapter/Trustee Corporation.

13. Lease guarantees will be approved for no more than one year at a time and for more than two consecutive years.

14. Guarantees made by the ZBT Housing will be granted only in instances where the ZBT Housing is provided minority representation on the Chapter/Trustee Corporation. In the instance of especially significant guarantees, the ZBT Housing shall request majority control of Chapter/Trustee Corporation and accounting will be handled by the ZBT Housing or other third-party as approved by the ZBT Housing. This determination will be made by the ZBT Housing, in its sole discretion, each time it is considering a guarantee.

15. All Local House Corporations with guarantees made by the ZBT Housing must provide proof of federal form 990 filing on an annual basis.

16. The total of all lease guarantees by ZBT Housing cannot exceed 10% of ZBT Housing’s total assets.