

MASSHOUSING

TRANSFER OF OWNERSHIP POLICY

Approved by the Members on August 14, 2007

I. Policy

On August 14, 2007, the Members of MassHousing (the “Board” or “Board of Directors”) implemented this Transfer of Ownership Policy by adopting the following votes:

Voted: To substitute the June 13, 2000 Vote of the Authority (and the requirement and conditions set forth therein) regarding Transfers of Ownership and Additions/Withdrawals of General Partners/Managers/Managing Members with the Transfer of Ownership Policy contained herein, as the same may be amended from time to time by the members of the Board.

Voted: a) Level One Transfers shall require the approval of the Board of Directors; b) the Director of Rental Management shall have authority to approve Level Two Transfers. Notwithstanding the foregoing, all Transfers requiring additional financing by MassHousing shall require the approval of the Board and all Transfers shall be subject to the requirements set forth in the Transfer of Ownership Policy approved herein, provided that the Director of Rental Management and the General Counsel may require additional requirements or modify or waive the requirements contained in Transfer Procedures and Requirements as deemed necessary or desirable and to the extent not inconsistent with this Vote.

Voted: The Director of Rental Management and the General Counsel, upon the request of a Borrower of a MassHousing loan, and if deemed necessary or desirable, shall have authority to modify the transfer of ownership provisions in existing loan documents to such provisions as are in conformance with the Transfer of Ownership Policies approved on this date and as may be amended.

The Transfer of Ownership Policy seeks to ensure that MassHousing’s more rigorous due diligence requirements (i.e., for Level One Transfers) apply to all instances where there is a change in the ownership of the property or a change in the entity that controls the borrower or a change in the entity that controls the day-to-day operations of the development. On the other hand, the Transfer of Ownership Policies seek to facilitate and simplify (or, in appropriate cases, eliminate) the review process for the more routine transfers typically required by equity investors involved in the syndication of tax credits and by entities and individuals who propose transfers for family and estate related reasons. These routine transfers, which do not affect the ownership or management of the development will either be exempt (if the ownership interest transferred is

below 49% and there is no change in control of management of the development and in certain other cases where review is neither necessary nor desirable) or will be subject to less stringent due diligence requirements, provided however, that in all instances, the Borrower complies with all applicable laws and with all applicable provisions of the loan documents.

[Transfer of Ownership Policy continues next page]

II. Summary of Transfer of Ownership Policy

TRANSFERS	DESCRIPTION	APPROVALS	PROCEDURE
<p>LEVEL ONE</p>	<p>a. Property Transfer</p> <p>b. Change in Control of Borrower</p> <p>c. Change in Control of a Controlling Entity (i.e.: General Partner or Managing Member)</p>	<p>Board of Directors</p>	<p>a. Submission of Application to Director of Rental Management</p> <p>b. Recommendation of Director of Rental Management to the Board</p> <p>c. Completion of Level One Transfer Requirements.</p> <p>d. Evidence of compliance with HUD 2530 Process</p> <p>e. Payment of Fee: Greater of \$10,000 or \$.50 per \$1,000 of balance of MassHousing Loan.</p> <p>f. MassHousing Approval Letter.</p>
<p>LEVEL TWO</p> <p>(Only where there is no change of Control of Borrower)</p> <p>(Only where there is no Change of Control of Controlling Entity)</p>	<p>a. Transfer of more than 49% Ownership Interest in Borrower</p> <p>b. Transfer of more than 49% Ownership Interest in a Controlling Entity</p>	<p>Director of Rental Management (after review of certifications by the General Counsel)</p>	<p>a. Submission of Application to Director of Rental Management.</p> <p>b. Submission of Level Two Certifications to General Counsel.</p> <p>c. Payment of Fee: \$5,000</p> <p>d. Evidence of compliance with HUD 2530 Process.</p> <p>e. MassHousing Approval Letter.</p>

TRANSFERS	DESCRIPTION	APPROVALS	REQUIREMENTS
EXEMPT TRANSFERS (Only where there is no Change in Control of Borrower or Intermediary)	a. Transfer of Ownership Interest in Intermediary To investment Fund b. Transfer where Ultimate Controlling Party in Transferor and Transferee is the same c. Transfer to a Qualified Principal d. Transfer to a Special Limited Partner or Special Member	None Required	None
UNREGULATED TRANSFERS	All other Transfers	None Required	None

[Transfer of Ownership Policy continues next page]

III. Transfer Procedures and Requirements

1. **Level One Transfers.** Level One Transfers are initiated by submission of the Certification and Application for Transfer of Ownership Interest attached hereto as Exhibit A (the “Application”) to the Director of Rental Management. Upon receipt of the Application, the Director of Rental Management shall determine whether the Borrower or any of the Borrower’s Controlling Entities are in default under any existing loan or other agreement with MassHousing and shall make an initial preliminary determination regarding the credit-worthiness of the transferee entity¹. If neither the Borrower nor any of its Controlling Entities are in default and if the transferee is initially deemed to be credit-worthy, then the Director of Rental Management shall present his findings at the next meeting of the Loan Committee. The Loan Committee shall either reject the application for transfer, request further information or recommend that the Transfer be brought to the Board for their review and approval at their next scheduled meeting. If the Transfer is approved by the Board, the Director of Rental Management shall within ten business days deliver to the Borrower a Conditional Letter of Approval which shall contain the requirements for a level one transfer set forth in Exhibit A-1 and such other conditions as are deemed necessary or appropriate by the Director of Rental Management and the General Counsel. Upon fulfillment of the conditions and submittal of the materials set forth in the Conditional Letter of Approval, the Director of Rental Management, General Counsel or their designee, shall within ten business days of the date when all conditions for approval have been fulfilled and all required submissions have been made, deliver to the Borrower a Final Letter of Approval stating that the Transfer has been approved by MassHousing.

2. **Level Two Transfers.** Level Two Transfers are initiated by submission of the Application to the Director of Rental Management. Upon receipt of a complete and acceptable Application, the Director of Rental Management have ten business days to determine whether the Borrower or any of the Borrower’s Controlling Entities are in default of any loan or other agreement with MassHousing. If neither the Borrower nor any of its Controlling Entities is in default under any existing loan or other agreement with MassHousing, then the Director of Rental Management shall request that the Borrower submit to the General Counsel the Certification and Requirements For Level Two Transfers attached hereto as Exhibit A-2.² The Director of Rental Management, General Counsel or their designee shall, within fifteen days of the receipt of a complete and acceptable Certification and Requirements for Level Two Transfers, deliver to the Borrower a Final Letter of Approval stating that the Transfer has been approved by MassHousing.

3. **Exempt Transfers and Unregulated Transfers.** Any Transfer that is either an Exempt Transfer or an Unregulated Transfer does not require the review or approval of MassHousing.

¹ Level One Transfer Applications must contain Exhibits 26 (if Controlling Entity is an individual), 30 and 32 of the One Stop Application prepared by the Transferee. If a new Management Agent for the Project is proposed, Exhibit 28 from the One stop must also be submitted.

² The Borrower may also submit the Certification and Requirements for Level Two Transfers simultaneously with the Application.

However, the Borrower remains responsible under law and under the Loan Documents for compliance with all approvals required under Borrower's organizational documents and for all other approvals, including without limitation, such approvals or reviews as may be required by the Secretary of Housing and Urban Development. A Transfer that is subsequently deemed by the General Counsel as one that is **not** an Exempt or an Unregulated Transfer may result in a default of Borrower's obligations under the Loan Documents and, if the facts and circumstances of the Transfer are applicable, could be considered a fraudulent act that nullifies the non-recourse provisions of the Loan Documents. The Borrower is encouraged, but not required, to seek guidance from the General Counsel as to whether a proposed Transfer is an Exempt or Unregulated Transfer and/or to provide the General Counsel with a written notification that an Exempt Transfer has occurred and a description of the Transfer.

4. **Waivers; Attorney's Opinions.** The Director of Rental Management and/or the General Counsel are authorized in individual cases to waive or modify any of the requirements for submissions or approvals of Transfers set forth herein to the extent either determines in his/her reasonable discretion that strict compliance with such requirements is neither necessary nor appropriate under the circumstances presented. Upon receipt of the Application hereunder, the Director or General Counsel may, in his or her reasonable discretion, request that the applicant furnish an attorney's opinion or a certification by an attorney who does not have an identity of interest to any party to the Transfer or such other third-party confirmation of any certifications made by an applicant in such application. In the case of an unusual and/or complicated Transfers which do not appear to be clearly covered under the Transfer of Ownership Policies, the Director of Rental Management or the General Counsel are authorized to request such documents or information or prescribe such conditions to the Transfer as are deemed necessary or desirable to protect the interests of MassHousing.

IV. Definitions

Borrower: An Entity which is the recipient of a mortgage loan from MassHousing.

Change in Control: Any Transfer which results in (i) a change in any individual or Entity having a Controlling Interest in the Borrower or in any Controlling Entity *and* (ii) the addition or substitution of an Ultimate Controlling Party.

Constituent Entity: A Controlling Entity or an Entity possessing (directly or through one or more Intermediaries) a greater than 49% Ownership Interest in the Borrower.

Controlling Entity: An Entity which has a Controlling Interest in a Borrower, either directly or through one or more Intermediaries. Without limitation of the foregoing, (i) a general partner of a Borrower which is a partnership and a manager of a Borrower which is a limited liability company shall each constitute a Controlling Entity of such a Borrower; (ii) a management agent acting under a management contract with a Borrower shall not be deemed, solely by virtue of its activities thereunder, a Controlling Entity with respect to such Borrower³; (iii) an Entity which

³ Please note that MassHousing's approval is required for change in management agent under the Regulatory Agreement

has contractual rights to direct or control business solely upon the happening of certain events shall not be deemed a Controlling Entity until such time as it elects to exercise such contingent management rights and (iv) an Entity, such as a limited partner or non-managing member, which merely has consent or approval rights with respect to certain actions undertaken or to be undertaken by a Controlling Entity shall not itself be deemed to be a Controlling Entity as a result of the possession or exercise of such rights. A limited partner of a limited partnership or non-managing member of a limited liability company will not be deemed a Controlling Entity of such limited partnership or limited liability company unless, in addition to the exercise of its consent or approval rights, it “participates in the control of the business” of such limited partnership or limited liability company as such phrase is construed for purposes of Section 19 of the Uniform Limited Partnership Act (M.G.L. Chapter 109).

Controlling Interest: An Ownership Interest, contractual right or other interest with respect to an Entity which confers upon its holder the authority or right, directly or indirectly, to manage or otherwise direct any material part of or all of the business or financial affairs and policies of the Entity and/or any material part of or all of the day-to-day or long-term operation of the Mortgaged Property.

Entity: Any general partnership, limited partnership, limited liability company or partnership, corporation, joint venture, trust, business trust, cooperative or association.

Exempt Transfer: Any of the following Transfers shall be deemed Exempt Transfers: (i) a Transfer of Ownership Interests in an Intermediary which is implemented to accommodate the investment of any institutional fund or funds in connection with the syndication or resyndication of a Mortgaged Property where (a) such syndication or re-syndication was contemplated as part of the initial financing transaction with MassHousing, provided for in the organizational documents of the Borrower submitted to MassHousing or otherwise disclosed to MassHousing in advance of the Transfer *and* (b) there is no Change in Control of such Intermediary; (ii) a Transfer from an individual or Entity to another individual or Entity where the Ultimate Controlling Party(ies) of the transferee is or are the same as the Ultimate Controlling Party(ies) of the transferor; (iii) a Transfer to a Qualified Principal or (iv) a Transfer or election by a special limited partner, special member or other participant in the Borrower as a result of which such person or Entity shall become a Controlling Entity *but only* if (x) such Transfer or election was provided for in the organizational documents of the Borrower or permitted by the MassHousing mortgage loan documents executed and delivered in connection with the Mortgaged Property and (y) the Ultimate Controlling Party of such Controlling Entity is the same as it was on the date of the initial financing or refinancing of the Mortgaged Property by MassHousing as disclosed to MassHousing at such time.

Intermediary: An Entity which has, directly or indirectly, an Ownership Interest and/or Controlling Interest in a Borrower.

Level One Transfer: A Property Transfer or a Transfer resulting in a Change in Control of either the Borrower or a Controlling Entity.

Level Two Transfer: Either (i) a Transfer (or series of Transfers occurring within any period of 36 consecutive months beginning on or after the date of the initial financing or later refinancing of the Mortgaged Property by MassHousing) of Ownership Interests which (a) results in an aggregate change (directly or through one or more Intermediaries) of more than 49% of the Ownership Interests in the Borrower (excluding from such calculation any Transfer to a Qualified Principal) and (b) does not constitute an Exempt Transfer or result in a Change in Control of the Borrower, or (ii) a Transfer (or series of Transfers) of Ownership Interests in a Controlling Entity which (a) results in an aggregate change (directly or through one or more Intermediaries) of more than 49% of the Ownership Interests in the Controlling Entity (excluding from such calculation any Transfer to a Qualified Principal) and (b) does not constitute an Exempt Transfer or a Change in Control of the Controlling Entity.

Mortgaged Property: A real estate project owned by a Borrower, including any and all Real Estate, Fixtures, Additional Appurtenances, Awards, Leases, Subsidy Contracts and Personal Property, as such terms are defined in the standard MassHousing form of Mortgage and Security Agreement.

Ownership Interest: Any right or indicia of ownership, possession or title of any kind or nature, including without limitation member interests in a limited liability company, stock in a corporation, limited and/or general partnership interests in a partnership, and/or beneficial interests in a trust.

Property Transfer: Any Transfer resulting in a change in the person or Entity holding any fee, leasehold or other direct ownership of a Mortgaged Property or any portion thereof, excepting only the following: (a) leases of portions of the Mortgaged Property to tenants in accordance with the provisions of applicable MassHousing loan documentation, (b) Transfers made in connection with a bona fide condemnation or eminent domain action, (c) the disposal in the ordinary course of business of personal property constituting a part of the Mortgaged Property that is obsolete or no longer useful, so long as the same is replaced with similar items of comparable value and utility and in which MassHousing has a first lien and mortgage and (d) the granting of easements, licenses, rights of way and other similar encumbrances which are approved in writing by MassHousing.

Qualified Principal: A natural person who, at the time of the initial financing transaction between the Borrower and MassHousing involving the Mortgaged Property, either (i) owned, directly or indirectly, at least 30% of the Ownership Interests in the Borrower or (ii) executed a written guaranty in favor of MassHousing guaranteeing the Borrower's obligations in connection with such financing.

Transfer: Any sale, lease, ground lease, conveyance, mortgage, grant, grant of security interest or other financing, bargain, encumbrance, pledge, hypothecation, assignment or transfer of any kind or nature, including without limitation any of the foregoing accomplished in installments or in more than a single transaction and including any transfers that are triggered by operation of law or by the death or incapacity of an individual. A transaction pursuant to which an individual or Entity is admitted directly to a Borrower or Intermediary without the assignment to such

individual or Entity of the interests of another individual or Entity shall be nevertheless construed as a Transfer.

Ultimate Controlling Party: Any individual or Entity which, either directly, or indirectly through one or more Intermediaries, has the *ultimate* authority or right to manage or otherwise direct the major part or all of the business or financial affairs and policies of the Borrower.

Unregulated Transfer: Any Transfer which does not constitute a Level One Transfer, Level Two Transfer or Exempt Transfer.

V. Examples of Various Classifications of Transfer

The following is a series of illustrations of various types of Transfers which may occur in the context of a fictional Borrower. The fictional Borrower is a limited partnership with the following partners:

ABC Development, Inc. = General Partner

ABC Development, Inc. is comprised of three shareholders (with voting rights proportional to their shareholding interests), as follows:

Jones = 33.0% stockholder

Smith = 16.1% stockholder

Johnson = 50.9% stockholder

DEF LLC = 99.98% Limited Partner

GHI LLC is the sole member of DEF LLC

JKL LLC is the sole (non-member) manager of DEF LLC

MNO, Inc. = 0.01% Special Limited Partner (with rights to become a general partner under certain specified circumstances, subject to MassHousing and other regulatory approvals)

Example 1: ABC Development, Inc. proposes to transfer its General Partner interest to an unrelated entity. *Because ABC Development, Inc. is a Controlling Entity of the Borrower, such Transfer involves a Change in Control of the Borrower and would constitute a Level One Transfer.*

Example 2: ABC Development, Inc. proposes to transfer its General Partner interest to a wholly-owned subsidiary of ABC Development, Inc. *Although this transaction would effect a change in an Entity have a Controlling Interest in the Borrower, it would not involve a change in an Ultimate Controlling Party and would, therefore, not constitute a Change in Control. Accordingly, this transaction would constitute an Exempt Transfer.*

Example 3: Jones proposes to transfer his stock in ABC Development, Inc. to Watson. *Such Transfer involves a transfer of less than 49% of a Controlling Entity and does not result in a Change in Control of a Controlling Entity; accordingly, such Transfer is an Unregulated Transfer as it does not constitute a Level One, Level Two or Exempt Transfer.*

Example 4: 18 months following the transfer in Example 3, Smith proposes to transfer his stock to Thomas. *Such Transfer is a Level Two Transfer as it involves the cumulative transfer of more than 49% in interest of a Controlling Entity, even though there is no Change in Control of the Controlling Entity or the Borrower.*

Example 5: GHI LLC proposes to transfer its entire interest in DEF LLC to an institutional investment fund in connection with the syndication of the Borrower with JKL LLC remaining as sole non-member manager of DEF LLC. *Such Transfer is an Exempt Transfer effected in connection with the syndication of the Borrower's Mortgaged Property as there is no change in Control of GHI LLC.*

Example 6: MNO, Inc. proposes to transfer its entire interest as Special Limited Partner to another entity. *Such Transfer, involving a small limited partner interest in the Borrower, is an Unregulated Transfer. If and when the transferee sought to enforce its right to become a General Partner, such subsequent transaction would constitute either (i) a Level One Transfer as it would then constitute a Change in Control of the Borrower or (ii) an Exempt Transfer under clause (iv) of the definition of such term but only if the conditions stated in subclauses (x) and (y) of clause (iv) shall be applicable under the facts and circumstances.*

EXHIBIT A

CERTIFICATION AND APPLICATION
FOR
TRANSFER OF OWNERSHIP INTEREST
(Level One and Level Two Transfers)

Check Applicable Category:

- Level One Transfer
 Level Two Transfer

Optional (check applicable):

- Exempt
 Unregulated Transfer
 Uncertain (Would Like Guidance)

This CERTIFICATION AND APPLICATION FOR TRANSFER (this “Application”) is made this _____ day, of _____, 20____ by _____ (the “Borrower”), a _____, having a principal place of business at _____ and being the Borrower in connection with certain financing provided by Massachusetts Housing Finance Agency (“MassHousing”) respecting the Project described below. The Borrower hereby furnishes the following information and requests that MassHousing approve the proposed Transfer described herein. For purposes of this Application, all initial capitalized terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the MassHousing Transfer of Ownership Policy attached hereto as Attachment 1 and incorporated herein by reference.

1. Project Name: _____ MHFA NO. _____

2. Project Address: _____

3. Subsidy Type (check as applicable):

- | | |
|---|---|
| <input type="checkbox"/> MassHousing Financed Development | <input type="checkbox"/> HUD Risk Sharing |
| <input type="checkbox"/> Section 8 | <input type="checkbox"/> MRVP |
| <input type="checkbox"/> SHARP/RDAL | <input type="checkbox"/> Section 236 |
| <input type="checkbox"/> 4% Tax Credits | <input type="checkbox"/> Section 202 |
| <input type="checkbox"/> 9% (DHCD Tax Credits) | <input type="checkbox"/> Rent Supplement– Section 101 |
| <input type="checkbox"/> Section 13A | <input type="checkbox"/> Other: _____ |

4. Number of units in the Development: _____

5. Other Financing Details (check as applicable):

Type:

- City Financing City _____
- HOME Funding through DHCD.
- Construction/Bridge Financing.
- Permanent Financing.
- Permanent Rental Financing Program.
- Massachusetts Housing Investment Corporation (Type: _____)
- Financing From MassDevelopment
- Other _____

Current Outstanding Indebtedness to MassHousing: \$ _____

6. Reason for Proposed Transfer:

7. In a chart similar to the one below, please provide the names of persons or entities that have an Ownership Interest or Controlling Interest in the Borrower and the names of persons or Entities who will have an Ownership Interest or Controlling Interest in the Borrower after the Transfer (Please attach chart to the completed application).

Current Ownership or Controlling Interest of Borrower	Name:	Percentage of Interest	Proposed Ownership or Controlling Interest	Name	Percentage of Interest
GP/Member:			<u>GP/Member</u>		
Controlling Entities of GP/Member:	1. _____ 2. _____	1. _____ 2. _____	Controlling Entities of GP/Member:	1. _____ 2. _____	1. _____ 2. _____
Limited Partner(s):	1. _____ 2. _____	1. _____ 2. _____	Limited Partner(s):	1. _____ 2. _____	1. _____ 2. _____
Controlling Entities of Limited Partner(s):	LP 1: 1. _____ 2. _____ LP 2: 1. _____ 2. _____	LP 1: 1. _____ 2. _____ LP 2: 1. _____ 2. _____	Controlling Entities of Limited Partner(s):	LP 1: 1. _____ 2. _____ LP 2: 1. _____ 2. _____	LP 1: 1. _____ 2. _____ LP 2: 1. _____ 2. _____

(a) Will the proposed Transfer effectuate, cause or otherwise result in a Property Transfer?

- Yes
- No

(b) Will the proposed Transfer result in a Change in Control to either the Borrower or a Controlling Entity (check one)?

- Yes
- No

(c) Does the proposed Transfer result in an aggregate change of more than 49% of the Ownership Interest of the Borrower (check one)?

- Yes
- No

(d) Does the proposed Transfer result in an aggregate change of more than 49% of the Ownership Interest of a Controlling Entity of the Borrower?

- Yes
- No

(e) Have there been any Transfers of Ownership Interests in the Borrower or in Controlling Entity of the Borrower within the past 36 months?

yes
no

If yes, please describe: _____

8. Current Project Property Manager. The current manager of the Development's day-to-day operations is _____, having a principal place of business at _____ (the "Property Manager").

Please check a or b below:

(a)

The Borrower hereby certifies to MassHousing that the proposed Transfer will have **no** effect on any Ownership Interest in or to either the Property Manager or any of the Property Manager's Controlling Entities, and that following the proposed Transfer, the Property Manager shall continue to manage the Development pursuant to the same contract, terms and conditions upon which the Property Manager managed the Development immediately prior to the proposed Transfer, without modification.

(b)

The Transfer will affect the Property Manager or a Controlling Entity of the Property Manager in the following way:

(Please provide name of proposed new Property Manager and its Controlling Entities if applicable):

The Borrower certifies that it is not in default, monetary or otherwise, with respect to any obligation it has to MassHousing in connection with the Mortgaged Property or any other project, and that the Borrower is not aware of any fact or circumstance that, upon either the passage of time and/or the giving of notice, could give rise to such a default. In addition, the Borrower certifies that it is solvent, adequately capitalized, and able to pay its debts as they become due, and that neither the Borrower nor, to the best of the Borrower's knowledge, any of its Constituent Entities, are subject to any pending proceeding under any bankruptcy or other insolvency laws or are contemplating filing for protection under any such laws.

The Borrower further certifies that it has obtained or will obtain or the consents required for the Transfer either by law or by agreement prior to obtaining the consent of MassHousing herein, including without limitation, any consents required by the United States Secretary of Housing and Urban Development. The Borrower agrees to provide such further information and documentation regarding the proposed Transfer as MassHousing or its counsel may request, including, without limitation, executed copies of any and all documents or instruments executed in connection with the proposed Transfer and such opinions of counsel as MassHousing may require. For Level One Transfers, Borrower agrees to comply with the requirements set forth in Exhibit A-1 of the Transfer of Ownership Policy, including, the payment of the following administrative fees as a condition of obtaining MassHousing's approval: the greater of \$10,000

or .50 per \$1,000 of the aggregate outstanding balance of the MassHousing loan. For Level Two Transfers, the Borrower shall in addition to signing this application, complete the certifications and provide any applicable documentation required in Exhibit A-2 of the Transfer of Ownership Policy. Borrowers seeking approval for a Level Two Transfer must include a check for \$5,000 payable to MassHousing with submission of this application.

The undersigned Borrower hereby certifies that, to the best of its knowledge and belief, the information set forth above and provided by the Borrower in the schedules to this Application is true, accurate and complete in all material respects and does not omit any fact or document which would make any information provided in this Application or in the schedules attached hereto false or misleading in any way. From and after the date of this Application and continuing until such time as MassHousing completes its review and action upon the proposed Transfer, the Borrower agrees to immediately notify MassHousing if it becomes aware that any information provided herein or in the schedules attached hereto is inaccurate, untrue or otherwise materially misleading.

Executed this _____ day of 20_____

BORROWER

[_____]

By _____

Name:

Title:

Hereunto duly authorized

ATTACHMENTS:

In the case of Level One Transfers, Exhibits 26 (if Controlling Entity is an Individual) 30, and 32 of the One Stop Application, prepared by the transferee, must be submitted together with this Application, but the Borrower does not certify as to their accuracy or completeness. If a new Management Agent for the Project is being proposed, Exhibit 28 from the One Stop Application must also be submitted.

EXHIBIT A-1

LEVEL ONE TRANSFER

CERTIFICATIONS AND REQUIREMENTS*

1. NEW PROPERTY OWNER DUE DILIGENCE

- A. Certified Application for Transfer (Exhibit A)(setting forth the category of Transfer and including an overview of the proposed transaction, the proposed new Property Owner/Borrower, and all Key Principals).
- B. One Stop Application Exhibits 26 (if Controlling Entity is an individual) 30, 32 and 28 (if applicable) and such other verifications of credit/business/management Experience as requested by Director of Rental Management.
- C. Organizational Structure/Documents (for the new Property Owner and all Constituent Entities) - requirements will vary by entity type and will include “special purpose entity” and “separateness covenants”. The MassHousing Rider (see Attachment 2) shall be made part of the New Owner’s partnership or operating agreement.
- D. Current Management Agreement and Tenant Selection Plan (MassHousing Form).
- E. W-9 Forms
- F. Certification of Property and Liability Insurance.
- G. Certificate of No Outstanding Payables
- H. Certification of No-Default and compliance with MassHousing programs and policies (certification by MassHousing’s Department of Rental Management that the Borrower or Constituent Entities are not in default of current MassHousing loans and in compliance with MassHousing programs and policies)

2. REGULATORY COMPLIANCE/LOAN DOCUMENTATION.

- A. Evidence of compliance with laws including environmental laws.

* Some of the requirements applicable to a Property Transfer may not apply to Transfers that involve a Change in Control in the Borrower or in a Controlling Entity. After review of the Application, the General Counsel or his/her designee shall provide the Borrower with an agenda containing the requirements applicable to the Transfer. The determination of the applicable requirements in Exhibit A-1 is in the General Counsel’s sole discretion

- B. Evidence of HUD Form 2530 Previous Participation and Compliance Review (if applicable) or Certification that it is not applicable.
- C. Review of MassHousing Regulatory Agreement and Mortgage by General Counsel and update of standard provisions (if necessary).
- D. Assignment of Federal Subsidy Agreements and HUD approval of Transfer (if applicable).

3. MASSHOUSING LOAN DOCUMENTS AND PROPERTY TRANSFER DOCUMENTS

- A. Update/Amendment of UCC Financing Statements.
- B. Escrow for Immediate or Long-Term Repairs/Outstanding Issues (if necessary).
- C. Review/Verification of Assignment and Assumption of MassHousing Loan Documents.

4. TITLE

- A. Loan Title Insurance Policy Endorsement.
- B. Municipal Lien Certificate.
- C. Copies of New Title Exception Documents.
- D. Copies of all Permits, Licenses and Approvals.

5. OPINIONS OF COUNSEL

- A. Legal Opinion.
 - (i) Due Formation, Legal Existence, Good Standing of Borrower and Constituent Entities and opinion that all consents for the transfer per organizational documents have been obtained.
 - (ii) No Litigation or Conflict with Other Obligations.

6. PAYMENT OF FEES

Payment by the Borrower of an administrative fee consisting of the greater of \$10,000 or \$.50 per \$1,000 of the aggregate outstanding balance of the MassHousing loan.

EXHIBIT A-2
CERTIFICATIONS AND REQUIREMENTS
FOR
LEVEL TWO TRANSFERS

The following certification (and any documents required to comply with the certifications) must be completed by the Borrower and/or Borrower's attorney.

This CERTIFICATION is made this _____ day, of _____, 20____ by _____ (the "Borrower"), a _____, having a principal place of business at _____ and being the Borrower in connection with certain financing provided by Massachusetts Housing Finance Agency ("MassHousing") respecting the development known as _____ and located at _____ (the "Development"). The Borrower hereby furnishes the following information and requests that MassHousing approve the proposed Transfer described in the Certification and Transfer of Ownership Interest submitted herein.

1. The Borrower certifies that to the best of his/her knowledge all governmental consents for the Transfer have been obtained, including without limitation, any Previous Participation Review required by the United States Secretary of Housing and Urban Development.

A. Is HUD Previous Participation Review (2530 Form) Required?

Yes
No

If Yes, please attach evidence of compliance.

2. (Check one)

The Partnership Agreement (or other organizational document) has not been modified in any way other than as necessary to effectuate the Transfer.

The Partnership Agreement (or other organizational document) has been amended in ways other than as necessary to effectuate the Transfer. Attached please find a copy of the proposed Partnership Agreement and/or any amendments thereto, entered into in connection with the Transfer (or other organizational document amended in connection with the Transfer).

3. The Partnership Agreement (or other organizational document) currently incorporates or will incorporate prior to the effective date of the Transfer the standard MassHousing Partnership (or LLC) Rider.

4. (Check one)

There have been no loans made to the Borrower or the Borrower's General Partner (or Managing Member) in connection with the Transfer.

The following loans have been made by the limited partner(s) (or members) to the Borrower or to the GP (or managing member) (attach loan documentation):

By signing this Certification, Borrower agrees and certifies that all of the above information is true and correct to the best of its knowledge.

The following certifications as set forth below shall be made to MassHousing by the Borrower **or/and** by an attorney licensed to practice law in the Commonwealth of Massachusetts. The certifications below or certifications substantially similar to those below may also be made to MassHousing in an opinion of counsel. The attorney making the certifications or providing the opinion shall not have an identity of interest to the Borrower.

1. All consents for the Transfer required under the Borrower's organizational documents were obtained prior to the Transfer.
2. Subsequent to the Transfer, the Borrower and the Borrower's General Partner or Managing Members or Member will be a legal entity validly existing and in good standing under the laws of the Commonwealth of Massachusetts or is authorized to do business in the Commonwealth of Massachusetts.
3. Subsequent to the Transfer, the General Partner (or Managing Member or Member or Officers) of the Borrower will continue to have legal and binding authority to operate the Project under the organizational documents and to execute and deliver any documents and undertake any actions or fulfill any of the terms required of the Borrower under the Loan Documents.

4. The Transfer did not result in any Changes in Control of the Borrower or any Controlling Entity.

Executed this ____ day of 20____

BORROWER

[_____]

By _____

Name:

Title:

Hereunto duly authorized

Borrower's Attorney (unless separate legal opinion is provided)

Name

Firm