



CONDUIT LOAN PROGRAM CLOSING STANDARDS

The following describes the standards that MassHousing generally applies in closing its conduit loan program transactions. These standards may not apply to every transaction, and staff is encouraged to consult with the departments indicated below regarding the applicability and satisfaction of these standards. Waivers of otherwise applicable standards may be approved by the relevant Division Director or the General Counsel.

Capitalized terms are defined in the glossary attached as Attachment 1. Documents identified as located in the Online Developer Library are available on www.masshousing.com/closingstandards.

1. BORROWER AND BORROWER OWNERSHIP ENTITIES

(Legal)

- 1.1. **Single Purpose Entity.** Borrower must at all times be a sole-asset, single-purpose entity. Borrower's general partner, managing member, or manager, as applicable, may not have an interest in anything other than one or more MassHousing-financed developments.
- 1.2. **Organizational Documents.** Borrower shall provide executed copies of all Organizational Documents for Borrower and all Borrower Ownership Entities, as well as (i) certificates of legal existence and good standing issued by the Commonwealth of Massachusetts Secretary of State; and (ii) a certificate of tax good standing issued by the Commonwealth of Massachusetts Department of Revenue or a certification from the treasurer, chief financial officer or other party responsible for the tax filing of the entity, confirming the filing of returns and payment of taxes by such entity. Borrower's Organizational Documents shall include MassHousing's required terms and conditions related to the MassHousing Financing and shall be in form and substance acceptable to MassHousing (form riders available in the Online Developer Library).

2. LOAN DOCUMENTS

(Legal)

- 2.1. **General.** All documents, instruments, certificates and opinions required in connection with the Closing shall be in a form and substance acceptable to MassHousing.
- 2.2. **Loan Security.** Each Loan shall be evidenced by a promissory note payable to MassHousing and shall be secured by a mortgage to MassHousing, which shall constitute a valid lien upon the Development, with the priority specified by MassHousing, subject only to approved encumbrances. In short-term Transactions, MassHousing shall permit the usage of cash collateral (rather than a mortgage) as security for the Loan. Borrower shall also enter such other Loan documents and bond documents appropriate to the Transaction. Each mortgage shall include provisions required by MassHousing with respect to the containment and removal of hazardous waste and toxic substances found on the Development as may be required by applicable environmental regulations or laws, as well as obligations with respect to notice and the payment of environmental costs.
- 2.3. **Affordability.** Borrower and MassHousing shall also enter into the following recorded documents:

2.3.1. Disposition Agreement. A disposition agreement that provides for the preservation of affordability of the Development in accordance with the Enabling Act, i.e. at least 20% of the units at the Development shall be rented to persons or families earning not more than 80% of AMI at rents equal to 30% of such income limit.

2.3.2. Regulatory Agreement. A regulatory agreement, which shall include provisions relating to (i) compliance with a tenant selection plan approved by MassHousing; (ii) management of the Development after occupancy; (iii) procedures for the protection of low income tenants in the event of prepayment; and (iv) limitations on distribution of dividends in compliance with the Enabling Act and such regulations and policies as MassHousing shall make and publish from time to time. The regulatory agreement will also contain provisions to ensure that the Development will be financed, used and operated in accordance with the applicable provisions of the Internal Revenue Code, including but not limited to required affordability levels (i.e., 20% of units to be rented to individuals whose income is 50% or less of AMI or 40% of units to be rented to individuals whose income is 60% or less of AMI).

3. THIRD-PARTY SUBORDINATE DEBT

(Legal)

3.1. Subordinate Loan Conditions. MassHousing must approve any subordinate financing, including the terms and conditions thereof and the loan documents relating thereto. MassHousing's required subordinate loan conditions (available in the Online Developer Library), must be included within each subordinate mortgage and/or intercreditor agreement, as approved by MassHousing.

4. CONSTRUCTION AND REPAIR WORK

(Rental Underwriting)

4.1. Contractors. The contractor(s) selected to perform, the construction schedule for, and the amount(s) to be applied for the payment of such work shall be subject to review and approval by MassHousing.

4.2. Construction Documents. Prior to the start of any construction, rehabilitation or repairs, Borrower shall submit for review and approval by MassHousing the following: (a) lump sum construction contract, (b) architect's contract, (c) plans and specifications, (d) 100% payment, performance and lien bonds, (e) permits and approvals, (f) construction budget and schedule, and (g) projected draw schedule.

4.3. As-Builts. Promptly upon completion of the repairs and/or improvements, Borrower shall deliver to MassHousing any warranties received by Borrower in conjunction with the repairs and/or improvements.

4.4. 504/ADA.

4.4.1. Borrower shall, by the Closing Date, complete and submit MassHousing's 504/ADA Certification Checklist certifying that all applicable requirements of state and federal fair housing laws and all requirements governing access for persons with disabilities including, but not limited to, the Americans with Disabilities Act, Titles II and III, the Massachusetts Architectural Access Board Regulations and, where

applicable, Section 504 of the Rehabilitation Act of 1973, have been met or will be met with the proceeds of the MassHousing Financing and/or other sources up to the limits of the law.

4.4.2. Borrower shall execute and deliver to MassHousing a letter of understanding under which Borrower commits to create or modify up to 5% of all units to meet applicable accessibility codes to the extent required by the Massachusetts Architectural Access Board Regulations, Title II of the Americans with Disabilities Act, and Section 504 of the Rehabilitation Act of 1973. To the extent applicable, Borrower shall provide an updated Section 504/Accessibility Barriers Act Transition Plan.

4.5. Energy Efficiency. Borrower shall utilize Energy Star components (or components otherwise approved by MassHousing) for applicable scope and shall incorporate other available energy efficient and/or green and sustainable building materials into the scope of work to the maximum extent that is financially feasible.

4.6. Wage Requirements. Payment of State Prevailing Wages is required under the Enabling Act for the construction of eleven (11) or more units. Work on the Development shall be subject to the payment of State Prevailing Wages if required under the Enabling Act, the requirements of any other financing or subsidy program for the Development or applicable law, as determined by MassHousing. In such instances when the triggering requirement is related to MassHousing's financing, MassHousing shall provide a Schedule of Prevailing Wages, as issued by the Commissioner of Labor and Industries under the authority of M.G.L. c.149, §§26, 27, 27(b), 27(c) and 27(d), with an issuance date less than 120 days prior to the Closing Date, which shall be included in the construction contract. Such schedule shall apply to all work to be completed pursuant to such construction contract; provided, however, that if a federal wage schedule is required pursuant to federal regulations, the higher of the State Prevailing Wages or the federal wages for each trade must be paid under the construction contract.

4.7. Equal Opportunity. At the Borrower's election, the Borrower and the General Contractor may enter into an Equal Opportunity/Affirmative Action Contract for Construction with MassHousing.

5. FEDERAL TAX CREDITS & TAX-EXEMPT OBLIGATIONS

(Rental Underwriting, Finance and Legal)

5.1. Bond Issuance. The Commitment is subject to MassHousing's ability to secure a favorable opinion from its bond counsel and a sufficient allocation of Tax-Exempt Volume Cap from the Commonwealth's Executive Office of Administration and Finance, and to market obligations in sufficient amounts and at feasible rates, to secure the necessary Tax-Exempt Obligations. The amount of Tax-Exempt Volume Cap allocated to fund the Tax-Exempt Obligations shall be at least the minimum amount necessary to ensure satisfaction of the 50% Test, based on calculations provided by Borrower, and to ensure that the Transaction is feasible, based on the actual interest rates at the time of the Closing and in accordance with MassHousing's underwriting. If necessary, the amount of the MassHousing Financing shall be adjusted to ensure compliance with the 50% Test. Borrower shall pay all costs of issuance for the Tax-Exempt Obligations, including, but not limited to, underwriter's takedown, underwriter's management, underwriter's counsel fees, bond

counsel fees, rating agency fees, trustee counsel fees, trustee first year fees, trustee acceptance fee and printing costs.

- 5.2. Regulatory Agreement.** Borrower and MassHousing shall enter and record a Regulatory Agreement, in form and substance acceptable to MassHousing, to ensure that the Development will be financed, used and operated in accordance with the Internal Revenue Code and the Enabling Act. See also Section 2.3.2 above.
- 5.3. Tax Certificate.** Borrower shall provide a tax certificate (and, where applicable, a supplement thereto) in form and substance satisfactory to MassHousing's bond counsel, evidencing its compliance with applicable tax requirements. The current approved form tax certificate and supplement are available upon request. The 95/5 Test and the 50% Test are exhibits to Borrower's tax certificate.
- 5.4. Allocation of Tax-Exempt Proceeds.** Upon completion of any construction and/or rehabilitation work at the Development approved by MassHousing in connection with the MassHousing Financing, Borrower shall make such adjustments in the allocation of the proceeds of the Tax-Exempt Obligations as may be required to satisfy Section 142 of the Internal Revenue Code.
- 5.5. Bond Indemnity Agreement.** MassHousing may, in its sole discretion, require that Borrower execute a bond indemnity and/or rate lock agreement to indemnify MassHousing against and guarantee Borrower's obligation for the costs of bond redemption and/or negative arbitrage. In connection therewith, Borrower shall provide a cash escrow and/or LOC (and/or, at MassHousing's discretion, a guarantee) in an aggregate amount up to four percent (4%) of the maximum principal amount of the MassHousing Financing.
- 5.6. 42(m) Letters.** Borrower shall provide evidence of DHCD's approval for the use of Federal 4% LIHTC, including evidence of receipt of any waivers deemed necessary by MassHousing in connection with the use of Tax-Exempt Obligations and/or the Federal 4% LIHTC.
- 5.7. Tax Credit Documents.** Borrower shall execute a tax credit regulatory agreement and declaration of restrictive covenants, a tax credit release and indemnification agreement and/or any other instrument(s) required by DHCD in connection with the Federal 4% LIHTC.

6. TITLE AND SURVEY

(Legal)

6.1. General Requirements

- 6.1.1. Title Insurance.** Borrower shall obtain at its expense a lender's title insurance policy for each Loan comprising the MassHousing Financing, insuring the lien of the mortgage in the amount of the Loan secured thereby, issued by a title company acceptable to MassHousing and subject only to those exceptions to title as are approved by MassHousing. Each such title insurance policy shall be in form and substance acceptable to MassHousing. More detailed instructions are available in the Online Developer Library.
- 6.1.2. Survey.** By the Closing Date, Borrower shall submit to MassHousing (i) a survey of the Property, prepared in compliance with MassHousing's Survey Requirements and sufficient to delete the standard survey exception from the lender's title insurance policy;

and (ii) a Surveyor's Report in the form required by MassHousing (available in the Online Developer Library).

- 6.1.3. As-Built Survey.** If the Transaction includes a construction phase, Borrower shall, upon completion, submit to MassHousing an "as-built" survey of the Property, subject to MassHousing's Survey Requirements, locating all buildings, structures, encroachments, easements and similar matters. An updated Surveyor's Report shall also be provided at such time.
- 6.2. Property Acquisition.** If the Development is being acquired by Borrower contemporaneously with the Closing, Borrower shall provide MassHousing with copies of all transfer documents for review and approval by MassHousing.
- 6.3. Condominium.** If the Development is, or will be converted to, a condominium, Borrower shall provide the condominium deed of trust, master deed, condominium plans and any other related documents for review and approval by MassHousing, by the Closing Date, if the Development is a condominium at such time, or the forms thereof, if the Development is to be converted to a condominium after such date, which documents (or forms) shall be in form and substance acceptable to MassHousing.
- 6.4. Commercial Leasing.** All commercial leases and related documents shall be in form and substance acceptable to MassHousing. At Closing, Borrower shall provide a current estoppel certificate for each existing commercial lease and all commercial leases must be subordinated to the MassHousing Financing.
- 6.5. Ground Lease or Master Lease.** Any ground lease or master lease structures affecting the Development must be reviewed and approved by MassHousing. If Borrower is a tenant under a ground or master lease, the landlord thereunder shall join the mortgage(s) securing the MassHousing Financing (or otherwise evidence its assent thereto in form and substance acceptable to MassHousing).

7. ENVIRONMENTAL

(Rental Underwriting)

- 7.1. Overall Environmental Compliance.** The Development shall comply with all federal, state, and local environmental laws and the regulations and rules applicable thereunder. Borrower shall be obligated to provide MassHousing with evidence of such compliance upon MassHousing's request.
- 7.2. Environmental Reports.** MassHousing shall receive satisfactory written reports from acceptable, qualified professionals indicating, on the basis of soils and ground water tests, if deemed necessary by MassHousing, and other tests and inspections, (a) that the Property is in compliance with applicable federal and state environmental statutes and regulations relating to hazardous materials, including contaminated soils, asbestos, urea formaldehyde insulation, underground storage tanks, polychlorinated biphenyls (PCBs) or other environmental hazards; and (b) that the Property has not been used as a dump site for oil, hazardous materials, hazardous wastes, asbestos, polychlorinated biphenyls or toxic substances or otherwise used in such a manner which would cause the likelihood of incurring any liability under federal or state legal requirements regarding oil, hazardous materials, hazardous wastes or other toxic substances. In

the event said reports do not indicate that the Property complies with (a) and (b) above, Borrower shall submit to MassHousing for approval, prior to the Closing, a remediation plan to be completed prior to the Closing on the MassHousing Financing (or conversion to) permanent financing. At the request of MassHousing, Borrower shall also submit to MassHousing evidence of environmental insurance, in form and substance acceptable to MassHousing.

8. ADDITIONAL MASSACHUSETTS STATUTORY REQUIREMENTS

(Legal)

- 8.1. Chapter 40T.** Borrower shall provide evidence satisfactory to MassHousing of its compliance with the provisions of MGL Chapter 40T and the regulations promulgated thereunder (760 CMR 64.00 et seq.).
- 8.2. Chapter 40B.** If the Development is regulated under Chapter 40B, the terms and conditions of the comprehensive permit shall be acceptable to MassHousing. If required by MassHousing, Borrower shall provide such legal opinions or other evidence that compliance with the terms and conditions of the comprehensive permit and tenant selection plan will not be in conflict with applicable federal and state fair housing laws.
- 8.3. MEPA.** Borrower shall provide evidence satisfactory to MassHousing of its compliance with the Massachusetts Environmental Policy Act and other state environmental laws and regulations, as described in Section 7 above.
- 8.4. MHC.** At or before closing, MassHousing shall have received concurrence from the Massachusetts Historical Commission that there will be no adverse effect on an historic property as a result of the Loan (including, as applicable, as a result of any rehabilitation to be undertaken with proceeds of the Loan).

9. PROPERTY MANAGEMENT, OPERATIONS & INSURANCE

(Rental Management, Diversity & Inclusion, Finance and Legal)

9.1. Property Management

- 9.1.1. Management Agent/Agreement.** Borrower shall utilize the services of a management agent reasonably acceptable to MassHousing. Borrower will, at or before the closing, enter into a management agreement for the Development, which shall contain the following provision: “This Management Agreement is subject to termination by MassHousing, upon ninety (90) days’ written notice Owner, if (1) the management agent fails to use its reasonable best efforts to rent the Affordable Units to Low-Income Persons and Families (as set forth in the MassHousing Regulatory Agreement and Disposition Agreement, and in accordance with the procedures set forth in the Tenant Selection Plan), or (2) the Development is not kept in a decent, safe and sanitary condition, unless (in either instance) before the expiration of such 90-day period, the Owner demonstrates that the problems identified in MassHousing’s notice have been cured. MassHousing is an intended third-party beneficiary of this provision and shall be entitled to enforce it at law or in equity.”
- 9.1.2. Equal Opportunity.** Borrower shall execute and deliver an Affirmative Fair Marketing Plan acceptable to MassHousing. At the Borrower’s election, the Borrower may enter

into an Equal Opportunity/Affirmative Action Contract for Occupancy and Minority Business Development with MassHousing.

9.1.3. Tenant Selection Plan. Borrower will ensure that its management agent, at or before Closing, enters into a Tenant Selection Plan in a form acceptable to MassHousing. Such Tenant Selection Plan will comply with MassHousing's Tenant Selection Regulations, provided that such Tenant Selection Plan shall not include the applicant conference procedure requirements set forth in the Tenant Selection Regulations (for applicants who are rejected or reclassified in a lower tenant-selection priority category).

9.1.4. DMH/DDS. Borrower shall execute and deliver to MassHousing a letter of understanding under which Borrower sets aside or continues to set aside 3% of the subsidized units for occupancy by applicants referred by the Mental Health or Developmental Services Department of the Commonwealth under the MassHousing/DMH/DDS Set-Aside Agreement.

9.1.5. Replacement Reserve. Borrower must agree during the term of the Loan not to request replacement reserve deposits to be increased beyond an amount necessary to satisfy the reasonably anticipated capital needs of the Development. MassHousing may request Borrower to provide supporting information to MassHousing to demonstrate that any such replacement reserve increases are reasonable and required to support the anticipated capital needs of the Development.

9.2. General Insurance Requirements. Borrower shall obtain and maintain insurance binders and/or certificates of insurance evidencing insurance coverage in compliance with MassHousing's Insurance Requirements, naming MassHousing as mortgagee, loss payee and/or additional insured for all periods during which MassHousing is the holder of any loan on the Development. MassHousing's current Insurance Requirements are available in the Online Developer Library. Borrower shall provide MassHousing with evidence of acceptable insurance for the Development throughout the term of the Loan.

10. CLOSING DOCUMENTS AND CONDITIONS

(Legal)

10.1. Closing Conditions

10.1.1. Certifications. As of the Loan Closing Date, Borrower shall certify:

10.1.1.1. **One-Stop.** The information contained in the One-Stop Application is true, correct and complete in all material respects;

10.1.1.2. **No Default.** If any Borrower Ownership Entity is a borrower or a Principal or Controlling Entity of a borrower to whom MassHousing has made any loan other than the Loan, there is no default under such other loan that is continuing as of the date of such certification; and

10.1.1.3. **Payables.** If the Development is fully or partially occupied on the Loan Closing Date, that there are no outstanding payables other than usual and customary expenses less than thirty (30) days past due (or, if Borrower is

unable to make such certification, that there are no outstanding payables for which funds have not been escrowed with MassHousing).

10.1.2. Other Funds. All sources of funds other than the MassHousing Financing proceeds shall be committed or secured on terms satisfactory to MassHousing.

10.1.3. Borrower's Equity. In no event shall Borrower's equity in the development be less than ten percent (10%) of the total development cost, as determined by MassHousing (unless Borrower is a non-profit corporation, in which case the Loan(s) may be equal to 100% of the Development's value, as determined by MassHousing and permitted by the Enabling Act).

10.2. Legal Opinions. Borrower shall cause the following legal opinions to be delivered to MassHousing at Closing.

10.2.1. Authority Opinion. Opinion of Borrower's counsel, supported by appropriate certificates of votes and current certificates of incumbency, legal existence and good standing, tax good standing and, if applicable, qualification to do business, as to:

10.2.1.1. The legal existence (and, as applicable, its qualification to do business within the Commonwealth of Massachusetts) of Borrower and its Principals and Controlling Entities and, if applicable, any other Borrower Ownership Entities;

10.2.1.2. The due authority of Borrower and, as applicable, its Principals and Controlling Entities and any other Borrower Ownership Entities, to enter into the loan documents to which each is a party;

10.2.1.3. The enforceability of the loan documents, bond documents and certifications executed by Borrower and, as applicable, its Principals and Controlling Entities and any other Borrower Ownership Entities and any other contracts for the Development executed by Borrower; and

10.2.1.4. Any and all pending or written threats of litigation before any court, administrative or governmental body, based on appropriate docket searches, involving Borrower, its Principals and Controlling Entities and any other Borrower Ownership Entities, the Development and/or financing for the Development; however, with the approval of MassHousing, Borrower may, in lieu of the litigation opinion as described in this subsection, provide docket searches of Borrower, its Principals and Controlling Entities, any other Borrower Ownership Entities, together with appropriate legal analysis and/or other documentation regarding any such pending or written threats of litigation, all in form acceptable to MassHousing.

10.2.2. Zoning and Land Use Opinion. MassHousing shall require either a certification from an appropriate licensed site professional or an opinion of Borrower's counsel or other counsel acceptable to MassHousing that the Development conforms to and is in compliance with all applicable local planning and zoning requirements and, if applicable, identify any permits, approvals, conditions or other requirements that remain to be

satisfied to achieve such compliance (which shall be subject to MassHousing's approval, in its sole discretion).

10.2.3. Environmental Opinion. MassHousing shall require either a certification from an appropriate licensed site professional or an opinion of Borrower's counsel or other counsel acceptable to MassHousing as to compliance with all environmental laws, rules and regulations, including the National Environmental Policy Act (if applicable), the Massachusetts Environmental Policy Act, and such other certifications or opinions of environmental compliance as may be deemed appropriate by MassHousing.

10.2.4. Additional Opinions. If MassHousing determines that the proposed ownership structure of Borrower, any Borrower Ownership Entity, and/or any aspect of the proposed Development, Federal Tax Credits and/or other financing presents unusual or atypical features, Borrower shall deliver to MassHousing a legal opinion, analysis and/or other documentation, as required by MassHousing addressing the concerns identified by MassHousing (including, by way of example but not limitation, confirmation of compliance with applicable provisions of the Internal Revenue Code and the availability of projected Federal Tax Credits in light thereof).

Attachment 1: Glossary of Defined Terms

50% Test – the analysis by a certified public accountant acceptable to MassHousing confirming that that over 50% of the aggregate basis of the Development is (or, as applicable, is projected to be) funded with proceeds of Tax-Exempt Obligations, as determined in accordance with applicable provisions of the Internal Revenue Code.

95/5 Test – the analysis by a certified public accountant acceptable to MassHousing confirming that that at least 95% of Tax-Exempt Obligation proceeds has been (or, as applicable, is projected to be) expended for qualified costs, as determined in accordance with applicable provisions of the Internal Revenue Code.

Board Vote – the vote(s) approved by MassHousing’s Board authorizing the MassHousing Financing, including any applicable Special Condition(s).

Borrower Ownership Entities –Borrower, Borrower’s general partner(s) or manager(s) and/or managing member(s) [and, to the extent applicable, direct or indirect controlling entities or principals thereof]. These terms shall be interpreted consistently with the concepts of “Controlling Entity” and “Qualified Principal” under MassHousing’s policy regarding transfers of ownership:

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.

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 Borrower; (iii) an Entity which 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).

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.

Borrower's Principals and Controlling Entities are identified in the One-Stop Application submitted to MassHousing in connection with the MassHousing Financing.

Closing – the execution and delivery of all documents evidencing and/or securing the MassHousing Financing and such other documents as are required by MassHousing, Borrower and any other Transaction parties to be executed and delivered contemporaneously therewith.

Closing Date – the date on which the Closing occurs.

General Contractor – the construction firm identified as the General Contractor in the Financing Commitment or as otherwise approved by MassHousing.

Development – the residential rental development to be financed by the MassHousing Financing.

DHCD – the Commonwealth of Massachusetts Department of Housing and Community Development.

Enabling Act – Chapter 708 of the Acts of 1966, as amended.

Federal 4% LIHTC or Federal Tax Credits – the federal low-income housing tax credits available to subsidize 30% of the low-income cost units in a qualifying low-income housing project, as more fully set forth in and authorized under the Internal Revenue Code.

Financing Commitment – the commitment letter issued by MassHousing for the MassHousing Financing, including, without limitation, any and all amendments and/or other modifications thereto.

Internal Revenue Code – the Internal Revenue Code of 1986, as amended.

Loan – a conduit loan comprising all or part of the MassHousing Financing.

LOC – an irrevocable letter of credit issued by an entity with a credit rating acceptable to MassHousing, in form and substance acceptable to MassHousing.

Management Company – the management company approved by MassHousing for the Development

MassHousing Financing – the aggregate financing to be provided by MassHousing for the Development under the Board Vote.

MassHousing's Insurance Requirements – the insurance requirements for the Development as determined by MassHousing, available in the Online Developer Library.

One-Stop Application – the application of Borrower in the form of the One-Stop Application document promulgated by MHIC or by DHCD, including any supplement(s) and/or amendment(s) thereto, as approved by MassHousing.

Organizational Documents – all organizational documents pursuant to which an entity is organized, including any and all amendments, restatements or other modifications thereto, currently in effect, and, where the context so provides, all certificates filed with the Secretary of State for the Commonwealth of Massachusetts (and, if a foreign entity, those filed with the Secretary of State for its state of organization), including any and all amendments, restatements or other modifications thereto, currently in effect

Property – the real property upon which the Development is located.

Special Conditions – the Special Condition(s), if any, incorporated as part of the Board Vote (which are also set forth in the Financing Commitment).

State Prevailing Wages – the applicable wages established by the Massachusetts Executive Office of Labor and Workforce Development, Department of Labor Standards.

Survey Requirements – MassHousing’s requirements for the ALTA survey of the Property, available in the Online Developer Library.

Tax-Exempt Obligations – tax-exempt bonds or notes issued by MassHousing subject to the provisions of Section 146 of the Internal Revenue Code.

Tax-Exempt Volume Cap – amount of tax-exempt private activity bonds that can be issued annually by MassHousing.

Transaction – the MassHousing Financing, plus any other debt and equity financing, for the acquisition, construction, rehabilitation and/or permanent financing of the Development.