

## DEVELOPER'S CERTIFICATE

This Certificate is provided in connection with the cost certification of \_\_\_\_\_ (the "Developer") for a Chapter 40B development known as \_\_\_\_\_ (the "Development"), located in \_\_\_\_\_ (the "Municipality"), for purposes of assisting the Massachusetts Housing Finance Agency, as Subsidizing Agency as defined under the provisions of 760 CMR 56.02 (the "Subsidizing Agency") for the Development, in determining the Developer's compliance with the limitations on profit from the Development pursuant to the provisions of the Commonwealth of Massachusetts comprehensive permit process (M.G.L. Chapter 40B, 760 CMR 56, and the Massachusetts Department of Housing and Community Development's Comprehensive Permit Guidelines (collectively, the "Comprehensive Permit Rules")).

The undersigned hereby certifies to the Subsidizing Agency, DHCD and the Municipality, under pains and penalties of perjury, as follows:

1. As of the date of this Certificate, the Developer has a legal existence and is in good standing with the Commonwealth of Massachusetts.
2. Construction of the Development has been completed in good and workmanlike manner, in accordance with the plans and specifications approved pursuant to the Comprehensive Permit, and all materials and fixtures required by the plans and specifications have been furnished and installed and are of the best quality called for.
3. The information contained in the Schedules of Chapter 40B Maximum Allowable Profit from Sales and Total Chapter 40B Costs (collectively, the "Schedules") is accurate and complete. The Schedules are fairly presented in conformity with the Comprehensive Permit Rules and instructions provided by the Subsidizing Agency.
4. The Schedule of Chapter 40B Maximum Allowable Profit from Sales reflects revenue from the sales of all of the units in the Development.
5. All project costs shown in detail on the Schedule of Total Chapter 40B Costs and in total on the Schedule of Chapter 40B Maximum Allowable Profit from Sales have been paid as of the date of these schedules other than items listed as accruals or estimates.
6. I/We have identified all accounting estimates that could be material to the information in the Schedules and I/we believe the estimates are reasonable.
7. I/We have made available all necessary financial records and related data to the CPA who is conducting an examination of the Schedules.
8. There are no material transactions related to the Development that have not been properly recorded in the accounting records underlying the information in the Schedules.
9. Except as noted on Exhibit A attached hereto, none of the amounts listed on the Schedule of Total Chapter 40B Costs were paid to a Related Party. A "Related Party" is (i) any person that, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the Developer; (ii) any person that is an officer of, member in, or trustee of, or serves in a similar capacity with respect to the Developer or of which the Developer is an officer, member, or trustee, or with respect to which the Developer serves in a similar capacity; (iii) any person that, directly or indirectly, is the beneficial owner of, or controls, 10% or more of any class of equity securities of, or

otherwise has a substantial beneficial interest (10% or more) in, the Developer, or of which the Developer is directly or indirectly the owner of 10% or more of any class of equity securities, or in which the Developer has a substantial beneficial interest (10% or more); (iv) any spouse or “significant other” cohabiting with the Developer; (v) any parent, grandparent, sibling, child or grandchild (natural, step, half or in-law) of the Developer; (vi) any employee of the Developer and (vii) any spouse, parent, grandparent, sibling, child or grandchild (natural, step, half or in-law) of an employee of the Developer or any “significant other” of an employee of the Developer.

10. Except as set forth on Exhibit A attached hereto, there are no:
  - a. Payments for purchase of land from a Related Party, as defined in section #9 above.
  - b. Sales of units to a Related Party.
  - c. Contracts or subcontracts with a Related Party.
  - d. Purchases of materials and/or supplies from a Related Party.
  - e. Purchases of services from a Related Party.
  - f. Financing provided by a Related Party, or
  - g. Any other transactions with a Related Party in connection with the Development.
11. I/We have reviewed the information presented in Exhibit B attached hereto, the RS Means Schedule, and I/we believe that the schedule is an appropriate representation of the Development.
12. There are no developer overhead costs included in other line items on the Schedules.
13. There are no costs in the Schedules that are included more than once.
14. There are no costs listed in the Schedules that do not relate directly to the Development (except for permitted overhead expenses not duplicated in any other line item).
15. The costs shown on the Schedules are net of all kickbacks, rebates, adjustments, discounts, promotional or advertising recoupment or similar reimbursement made or to be made to the Developer or any Related Party.
16. There have been no communications from regulatory agencies concerning noncompliance with zoning or environmental laws or noncompliance with, or deficiencies in, financial reporting practices related to the Development.
17. I/We have no knowledge of any fraud or suspected fraud affecting the Developer or the Development involving—
  - a. Management,
  - b. Subcontractors,
  - c. Employees who have significant roles in internal control, or
  - d. Others where the fraud could have a material effect on the Schedules.

18. I/We have no knowledge of any allegations of fraud or suspected fraud affecting the Developer or the Development received in communications from employees, former employees, subcontractors, regulators, or others.
19. I/We have complied with all aspects of the final amended version of the executed Regulatory Agreement for this project and all provisions outlined in MassHousing's Guidance to Developers and Municipalities for the Preparation of Cost Certification Upon Completion of 40B Project for which MassHousing Serves as Subsidizing Agency.
20. I/We will retain all records underlying the information provided in the Schedules for a period of at least four years from the date the Subsidizing Agency has accepted the final report, and will allow the Subsidizing Agency and the Municipality the right to inspect such records at reasonable times during the retention period.

EXECUTED under seal, under the pains and penalties of perjury, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Developer:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**Disclosure of Related Party Transactions**

Payments for Purchase of Land from a Related Party:

| Name of Payee | Item(s) Purchased and Nature of Relationship to Developer | Amount Paid |
|---------------|---|-------------|
| _____         | _____   | _____       |
| _____         | _____   | _____       |
| _____         | _____   | _____       |

Sales of Units to a Related Party:

| Name of Party to Whom Unit Sold | Identification of Unit Sold and Nature of Relationship to Developer | Amount Paid |
|---------------------------------|---|-------------|
| _____                           | _____   | _____       |
| _____                           | _____   | _____       |
| _____                           | _____   | _____       |

List of Contractors and Subcontractors that are a Related Party:

| Name of Contractor/Sub-Contractor | Work Performed and Nature of Relationship to Developer | Amount Paid |
|-----------------------------------|--|-------------|
| _____                             | _____  | _____       |
| _____                             | _____  | _____       |
| _____                             | _____  | _____       |

Purchases of Materials and/or Supplies from a Related Party

| Name of Payee | Item(s) Purchased and Nature of Relationship to Developer | Amount Paid |
|---------------|---|-------------|
| _____         | _____   | _____       |
| _____         | _____   | _____       |
| _____         | _____   | _____       |

Purchases of Services from a Related Party

| Name of Payee | Work Performed and Nature of Relationship to Developer | Amount Paid |
|---------------|--|-------------|
| _____         | _____  | _____       |
| _____         | _____  | _____       |
| _____         | _____  | _____       |

Financing provided by a Related Party

| Name of Source of Financing | Type of Financing and Nature of Relationship to Developer | Financing Amount and Terms |
|-----------------------------|---|----------------------------|
| _____                       | _____   | _____                      |
| _____                       | _____   | _____                      |
| _____                       | _____   | _____                      |

If there are any other transactions with a Related Party, please describe them below:

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## EXHIBIT B

### Identification of Appropriate RS Means Construction Data [schedules to be provided for Affordable and Market Rate Units]

Market Rate Units # of Market Rate Units: \_\_\_\_\_

Avg square footage of Market Rate Units: \_\_\_\_\_

**Type of Siding:**

- Wood
- Brick
- Stucco

**Type of Housing:**

- Single Family detached
- Duplex
- Triplex
- Garden-style condominium
- Townhouse condominium
- Other: \_\_\_\_\_

**Location of Unit:**

- End-Unit  
# of units: \_\_\_\_\_
- Interior Unit  
# of units: \_\_\_\_\_
- N/A

**Garage:**

- No garage
- Yes
  - 1-car garage  
# of units: \_\_\_\_\_
  - 2-car garage  
# of units: \_\_\_\_\_
  - Other: \_\_\_\_\_

Is garage attached or detached? \_\_\_\_\_

**Basement:**

- Yes
  - No
- Is basement unfinished or finished? \_\_\_\_\_

**Bathrooms**

- Full baths  
# of units: \_\_\_\_\_
- Half baths  
# of units: \_\_\_\_\_

**Windows and Skylights:**

- Fixed Picture Windows  
Size: \_\_\_\_\_  
# of units: \_\_\_\_\_
- Bay/Bow Windows  
Size: \_\_\_\_\_  
# of units: \_\_\_\_\_
- Palladian Windows  
Size: \_\_\_\_\_  
# of units: \_\_\_\_\_
- Skylights  
Size: \_\_\_\_\_  
# of units: \_\_\_\_\_

**Fireplace**

- No
- Yes: Type
  - Economy (prefab metal)  
# of units: \_\_\_\_\_
  - Average (masonry)  
# of units: \_\_\_\_\_
  - Custom (masonry)  
# of units: \_\_\_\_\_

- Luxury (masonry)

**Porch/Deck**

- No
- Yes: Type
  - Economy  
# of units: \_\_\_\_\_
  - Average  
# of units: \_\_\_\_\_
  - Custom  
# of units: \_\_\_\_\_
  - Luxury  
# of units: \_\_\_\_\_

**Finished Attic**

- No
- Yes: Type
  - Economy  
# of units: \_\_\_\_\_
  - Average  
# of units: \_\_\_\_\_
  - Custom  
# of units: \_\_\_\_\_
  - Luxury  
# of units: \_\_\_\_\_

**Central Air Conditioning**

- in all units
- in \_\_\_\_\_ # of units

**Cabinets**

- Economy  
# of units: \_\_\_\_\_
- Average  
# of units: \_\_\_\_\_
- Custom  
# of units: \_\_\_\_\_
- Luxury  
# of units: \_\_\_\_\_

**Countertops**

- Economy  
# of units: \_\_\_\_\_
- Average  
# of units: \_\_\_\_\_
- Custom  
# of units: \_\_\_\_\_
- Luxury  
# of units: \_\_\_\_\_

**Flooring**

- Hardwood  
# of units: \_\_\_\_\_  
amt sq foot per unit: \_\_\_\_\_
- Tile  
# of units: \_\_\_\_\_  
amt sq foot per unit: \_\_\_\_\_
- Carpet  
# of units: \_\_\_\_\_  
amt sq foot per unit: \_\_\_\_\_
- Linoleum  
# of units: \_\_\_\_\_  
amt sq foot per unit: \_\_\_\_\_

**Affordable Units**

# of Affordable Units: \_\_\_\_\_

Avg square footage of Affordable Units: \_\_\_\_\_

**Type of Siding:**

- Wood
- Brick
- Stucco

**Type of Housing:**

- Single Family detached
- Duplex
- Triplex
- Garden-style condominium
- Townhouse condominium
- Other: \_\_\_\_\_

**Location of Unit:**

- End-Unit  
# of units: \_\_\_\_\_
- Interior Unit  
# of units: \_\_\_\_\_
- N/A

**Garage:**

- No garage
- Yes
  - 1-car garage  
# of units w/garages: \_\_\_\_\_
  - 2-car garage  
# of units w/garages: \_\_\_\_\_
  - Other: \_\_\_\_\_

Is garage attached or detached? \_\_\_\_\_

**Basement:**

- Yes
  - No
- Is basement unfinished or finished? \_\_\_\_\_

**Bathrooms**

- Full baths  
# of units: \_\_\_\_\_
- Half baths  
# of units: \_\_\_\_\_

**Windows and Skylights:**

- Fixed Picture Windows  
Size: \_\_\_\_\_  
# of units: \_\_\_\_\_
- Bay/Bow Windows  
Size: \_\_\_\_\_  
# of units: \_\_\_\_\_
- Palladian Windows  
Size: \_\_\_\_\_  
# of units: \_\_\_\_\_
- Skylights  
Size: \_\_\_\_\_  
# of units: \_\_\_\_\_

**Fireplace**

- No
- Yes: Type
  - Economy (prefab metal)  
# of units: \_\_\_\_\_
  - Average (masonry)  
# of units: \_\_\_\_\_
  - Custom (masonry)  
# of units: \_\_\_\_\_
  - Luxury (masonry)  
# of units: \_\_\_\_\_

**Porch/Deck**

- No
- Yes: Type
  - Economy  
# of units: \_\_\_\_\_
  - Average  
# of units: \_\_\_\_\_
  - Custom  
# of units: \_\_\_\_\_
  - Luxury  
# of units: \_\_\_\_\_

**Finished Attic**

- No
- Yes: Type
  - Economy  
# of units: \_\_\_\_\_
  - Average  
# of units: \_\_\_\_\_
  - Custom  
# of units: \_\_\_\_\_
  - Luxury  
# of units: \_\_\_\_\_

**Central Air Conditioning**

- in all units
- in \_\_\_\_\_ # of units

**Cabinets**

- Economy  
# of units: \_\_\_\_\_
- Average  
# of units: \_\_\_\_\_
- Custom  
# of units: \_\_\_\_\_
- Luxury  
# of units: \_\_\_\_\_

**Countertops**

- Economy  
# of units: \_\_\_\_\_
- Average  
# of units: \_\_\_\_\_
- Custom  
# of units: \_\_\_\_\_
- Luxury  
# of units: \_\_\_\_\_

**Flooring**

- Hardwood  
# of units: \_\_\_\_\_  
amt sq foot per unit: \_\_\_\_\_
- Tile  
# of units: \_\_\_\_\_  
amt sq foot per unit: \_\_\_\_\_
- Carpet  
# of units: \_\_\_\_\_  
amt sq foot per unit: \_\_\_\_\_
- Linoleum  
# of units: \_\_\_\_\_  
amt sq foot per unit: \_\_\_\_\_

## EXHIBIT C

### Form of Release

[authorizing Developer's CPA to share work papers with Subsidizing Agency and Municipality]

**{Date}**

**{Name}, CPA**  
**{Developer's CPA/Firm}**  
**{Address}**  
**{City}, {State} {Zip}**

Dear **{Name}**:

We have completed **{Project Name}**, a Chapter 40B project, and have submitted to the Massachusetts Housing Finance Agency ("MassHousing"), the Subsidizing Agency for Chapter 40B projects, the cost certification report for the project, which included a Schedule of Chapter 40B Maximum Allowable Profit from Sales and a Schedule of Total Chapter 40B Costs. You have examined these schedules according to the Instructions to Developers and Independent Certified Public Accountants provided by MassHousing and have issued an Independent Accountant's Report on these schedules, with a date of **{Date}**. We recognize that these schedules and the notes thereto contain information that is highly summarized.

We understand that MassHousing, in the fulfillment of its responsibilities as Subsidizing Agency for 40B projects, including gaining a fuller understanding of the detailed information behind the summarized data on the schedules, may wish to ask you for clarification of items reported on those schedules or notes thereto either through verbal discussions or through a review of the workpapers you gathered and generated during your examination.

We hereby authorize you to respond fully and without limitation to MassHousing's requests.

Very truly yours,

{Name of Developer}