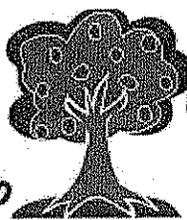


NEW BUSINESS

10-5-09

Middleborough Friends



September 29, 2009

Board of Selectmen
10 Nickerson Avenue
Middleborough, MA 02346

Re: Town Hall Sign Request

Dear Members of the Board:

The Middleborough Friends hereby request permission to place a 4' x 8' sign on the town hall lawn. The sign is freestanding and will not require any holes to be dug in the lawn. This request is for our November 7, 2009 – Second Annual Harvest Moon – Masquerade Ball which benefits the Victor Sylvia scholarship which is given out annually to a Middleborough student.

Our sign would be placed from October 7 to November 7. The sign would be moved weekly and promptly removed after the event..

Tickets for the event are \$15 per person in advance at Willy's Auto Supply or Maria's Hallmark and \$20 at the door, additional information on these and all our events can be found on our website, www.middleboroughfriends.com

Thank you for your consideration, please contact me with any question.

Sincerely,



Brian Giovanoni
Secretary
Middleborough Friends

CRANBERRY CAPITAL
OF THE WORLD



Phone: 508-946-2405

Fax: 508-946-0058

Town of Middleborough
Massachusetts

BOARD OF SELECTMEN

Patrick E. Rogers
Muriel C. Duphily
Marsha L. Brunelle
Alfred P. Rullo, Jr.
Stephen J. McKinnon

MEMORANDUM

TO: Board of Selectmen

FROM: Jackie Shanley, Confidential Secretary

DATE: October 1, 2009

RE: Vacation Day

I would like to take Friday, October 9, 2009 as a vacation day. Please note that I will not be asking to take vacation time on 10/8/09 as was submitted to the Board on my list of potential vacation days.

Thank you.

Edgeway Mobile Home Park
17 Wesley Circle
Middleborough, MA 02346

Re: Rents and Evictions

Dear Edgeway Mobile Home Park:

As you are aware, the Middleborough Board of Selectmen, acting as the Rent Control Board are the legal entity for authorizing rent increases or eviction approvals for mobile home parks within the jurisdiction of the Town of Middleborough.

The Rent Control Board would like to reiterate that there shall be no increases to existing rents or evictions to any tenants at Edgeway Mobile Home Park without the expressed written approval of the Rent Control Board.

The Board of Selectmen are presently completing Rules and Regulations that will outline pertinent issues regarding these and other issues. The Board looks forward to working with Edgewater Mobile Home Park in the immediate future. If there are any questions concerning this matter, please do not hesitate to contact our Town Manager, Charles Cristello at (508) 946 0928.

Sincerely,

For the Board of Selectmen

Patrick E. Rogers, Chairman

cc: Edgeway Mobile Home Park Tenants Association

CRANBERRY CAPITAL
OF THE WORLD



Phone: 508-946-2405

Fax: 508-946-0058

Town of Middleborough
Massachusetts

BOARD OF SELECTMEN

Patrick E. Rogers

Muriel C. Duphily

Marsha L. Brunelle

Alfred P. Rullo, Jr.

Stephen J. McKinnon

October 5, 2009

Ms. Jennifer Wierl
Auditor of Comprehensive Permit Programs
Massachusetts Housing Partnership
One Beacon Street
Boston, MA 02108

Dear Ms. Wierl:

Please accept this letter in response to a letter from Mass Housing's Manager of Comprehensive Permit Programs Gregory Watson dated September 4, 2009.

Relative to the final cost certification of the Residences at The Groves at Middleboro Village, the Town of Middleborough has no comment.

Thank you.

Very truly yours,

Patrick E. Rogers, Chairman
BOARD OF SELECTMEN

cc: Board of Selectmen
Town Manager



Massachusetts Housing Finance Agency
One Beacon Street, Boston, MA 02108

TEL: 617.854.1000 | FAX: 617.854.1091
VP: 866.758.1435 | www.masshousing.com

September 4, 2009

Patrick E. Rogers, Chairman
Middleborough Board of Selectmen
Middleborough Town Hall
10 Nickerson Avenue
Middleborough, MA 02346

Dear Chairman Rogers:

Enclosed please find MassHousing's draft cost certification report for The Groves at Middleboro Village development built pursuant to M.G.L. c. 40B ("Chapter 40B"). This report is based on our analysis of The Groves at Middleboro Village, LLC's Cost Examination Report dated December 19, 2008, and received by MassHousing on March 18, 2009. We have undertaken this analysis pursuant to our responsibilities as the Subsidizing Agency (defined under the provisions of 760 CMR 56.02) for Chapter 40B programs; specifically the New England Fund program. It is our responsibility to determine whether the Report complies with applicable accounting and reporting standards, as well as legal requirements and published guidelines for the preparation of these reports.

Prior to MassHousing issuing a final report on The Groves at Middleboro Village, we would like to offer you, as the Chief Elected Official of Middleborough, an opportunity to comment on this report, identify any issues that you might have with the content, or raise any questions that you believe should be addressed. I would appreciate it if all comments could be sent to us by October 15, 2009, so that we may consider them prior to the issuance of a final cost certification report for this development. Comments should be sent to Jennifer Wierl, Auditor of Comprehensive Permit Programs. Ms. Wierl can be reached at (617) 854-1136 should you have any questions.

Very truly yours,

Gregory Watson
Manager of Comprehensive Permit Programs

Enclosures

cc: Debbie Blais, The Groves at Middleboro Village, LLC
Anthony J. Amichetti, CPA, Amichetti, DeLuca & Co., P.C.
Bruce G. Atwood, Chairman, Middleborough Zoning Board of Appeals
Deborah Goddard, Esq., DHCD
Aaron Gornstein, CHAPA



**Report on MassHousing's Analysis
of the Cost Examination
Dated December 19, 2008 and Submitted By**

The Groves at Middleboro Village, LLC

a M.G.L. Chapter 40B Development

**The Groves at Middleboro Village
No. PE-102**

Date of Report: September 4, 2009

Executive Summary

In an Independent Accountant's Report dated December 19, 2008, Amichetti, DeLuca & Co., P.C. submitted the Schedule of Chapter 40B Maximum Allowable Profit from Sales and Total Project Costs (the "Cost Examination"), prepared on behalf of The Groves at Middleboro Village, LLC (the "Developer") for The Groves at Middleboro Village housing development located in Middleborough, Massachusetts ("The Groves at Middleboro Village"). MassHousing, acting as the Subsidizing Agency (formerly, "Project Administrator") for this development, conducted an analysis of this Cost Examination to ensure that it was in compliance with applicable accounting standards, reporting standards, legal requirements and applicable Chapter 40B guidelines.

MassHousing has completed its analysis and has prepared this report (the "Report"). In the process, we have reached two conclusions:

1. Certain adjustments, which are identified below, should be made to the information contained in the Cost Examination to be consistent with then-existing guidelines and practices.
2. Notwithstanding these adjustments, MassHousing believes that the developer has not exceeded the maximum profit allowed to be earned on this development as a limited dividend entity.

The following schedule, more fully described in Appendix A, reflects the final limited dividend calculation as adjusted for project sales and cost findings noted in this Report:

| <i>Description</i> | <i>Per Cost Examination</i> | <i>Proposed Adjustments</i> | <i>Ref.</i> | <i>Final Per MassHousing</i> |
|----------------------------|-----------------------------|-----------------------------|-------------|------------------------------|
| Total Project Sales | \$ 13,191,131 | \$ - | | \$ 13,191,131 |
| Project Costs: | | | | |
| Site Acquisition | \$ 387,819 | \$ (387,819) | A | \$ - |
| Hard Costs | 10,318,707 | | | 10,318,707 |
| Soft Costs | 2,277,190 | | | 2,277,190 |
| Total Project Costs | \$ 12,983,716 | \$ (387,819) | | \$ 12,595,897 |
| Computed Profit from Sales | \$ 207,415 | \$ 387,819 | | \$ 595,234 |
| Profit Percentage | 1.60% | | | 4.73% |
| Excess | \$ - | | | \$ - |

- A. This adjustment represents our "worst case" scenario analysis for the land acquisition value as more fully described in Section IV below.

With the exception of the proposed adjustments noted above, we conclude that the Cost examination is free of material mathematical errors; reflects sales revenue from all units; reflects the number of units in the project as agreed to in the Regulatory Agreement; reflects project costs that appear to be reasonable; reflects site acquisition costs in a manner consistent with then existing policy; and includes Notes to Schedules that appear to cover the full scope and time frame of the project.

Depending on the timing of a project, different projects will be governed by different sets of rules. The MHP Guidelines are one such set of rules. It is important to note that this project straddles the MHP Guidelines, which were published in November 2005. For those aspects of the project that occurred before the MHP Guidelines were in effect, MassHousing will not apply the MHP Guidelines retroactively. We will, however, apply the MHP Guidelines to those aspects of the project that occurred after the MHP Guidelines were in effect and that relate to matters within the developer's control.

More specifically, our criteria for applying the MHP Guidelines are that (i) a project was built when the MHP Guidelines were in effect, and (ii) the specific project cost had not yet been committed to when the MHP Guidelines took effect. In this case, we believe that all project costs were committed to by the developer before the MHP Guidelines took effect. Our conclusion is based on the fact that the closing of the first actual unit sale took place on March 1, 2005, as evidenced by a HUD-1 Settlement Statement prepared by the closing attorney.

Note to report: MassHousing received the Independent Accountants' Report ("Opinion letter") on March 18, 2009. The Opinion letter's date, however, is December 19, 2008, which is also the period end date for The Groves at Middleboro Village's project ("Project"). MassHousing is aware that the CPA performed their examination after December 19, 2008, and therefore would not have obtained sufficient appropriate evidence to support the opinion by December 19, 2008. For this reason the letter's date would seem to conflict with the American Institute of Certified Public Accountants ("AICPA") standards, which state that the Opinion letter is to be dated no earlier than the date on which the accountant has obtained sufficient appropriate evidence to support the opinion. After reviewing the Opinion Letter, the Cost Examination and supporting materials MassHousing believes that the letter was actually issued after the required evidence was obtained, and other than this one technical matter, the CPA's examination of the Schedules of Chapter 40B Maximum Allowable Profit from Sales and Total Chapter 40B Project Costs were in accordance with AICPA standards. Finally, it should be noted that it does not appear that the date on the Opinion letter would make a difference in the overall conclusion reached by the CPA.

I. Overview

The CPA states in the Cost Examination that The Groves at Middleboro Village, LLC was formed on August 18, 2004, for the purpose of construction and sale of the project known as The Groves at Middleboro Village located in Middleborough, Massachusetts, which consists of 52 units of residential housing including 13 affordable units (25%) reserved for qualifying income eligible individuals and households.

On April 3, 2003, MassHousing issued a project eligibility letter evidencing fundability of The Groves at Middleborough Village project under both the "Housing Starts" and the "New England Fund" ("NEF") programs.

At that time, neither the "Local 40B Review and Decision Guidelines" (the "MHP Guidelines") dated November 2005 nor MassHousing's own Cost Examination Guidance (August 2007) had been developed. Furthermore, DHCD had not yet promulgated its February 2008 M.G.L. Chapter 40B amended regulations at 760 CMR 56 and its associated guidance.

On May 27, 2004, the Middleborough Zoning Board of Appeals issued a Comprehensive Permit for The Groves at Middleborough Village.

On October 29, 2004, MassHousing issued a final approval letter under 760 CMR 31.09(3).

While the MHP Guidelines were not in effect at the time MassHousing issued final approval and (as discussed above) MassHousing is not applying them to this project's costs, to the extent the MHP Guidelines are reflective of preexisting industry standards they are referenced in this memorandum as potentially helpful, but non-binding, guidance.

MassHousing, the Developer and the Town executed: (i) a Regulatory Agreement recorded on December 10, 2004, and (ii) a Monitoring Services Agreement appointing the Citizen's Housing and Planning Association ("CHAPA") as monitoring agent, recorded on December 10, 2004.

Pursuant to the Regulatory Agreement and Monitoring Services Agreement, MassHousing has the responsibility to evaluate the Limited Dividend Requirement, which involves determining the Developer's compliance with the Allowable Profit limitation through approval of Total Development Costs.

II. Procedures

In connection with its responsibilities under the Regulatory Agreement and Monitoring Services Agreement, MassHousing reviewed the following:

- The Cost Examination, including Independent Accountants' Report, Schedule of Chapter 40B Maximum Allowable Profit from Sales and Total Project Costs, and Notes to Schedules¹.
- Developer's Certificate dated March 2, 2009.
- Detailed General Ledger for the period under examination.
- "Housing Starts Process and Guidelines"
- "Guidelines for Housing Programs in Which Funding is Provided Through a Non-Governmental Entity" (the "NEF Guidelines").
- The MHP Guidelines, subject to the limitation noted above.

In order to verify the contents of the Cost Examination, MassHousing obtained the "Developer's Certificate," referenced above, a copy of which is attached hereto as Appendix B. This certificate, executed under seal and under the penalties of perjury, serves an additional safeguard in verifying the data set forth in the Cost Examination.

¹ Throughout this report we use the term "Cost Examination" rather than "audit". For various technical reasons, a Chapter 40B cost examination report prepared by a CPA may not meet the requirements of the U.S. Auditing Standards established by the AICPA. We note, however, that we require the CPA's report to be the result of an "attestation examination" and that under AICPA standards (i) the objective of an attestation examination parallels that of an audit, (ii) the required level of evidence which must be accumulated for an attestation examination parallels that of an audit, (iii) the professional requirements for performing an attestation examination parallel that of an audit, and, finally, (iv) an attestation examination is the equivalent of an audit in situations where the financial statements have been prepared based on a set of specific rules (here, the requirements of our detailed 40B Cost Certification Guidance) that do not constitute accounting principles generally accepted in the United States ("GAAP").

III. Project Revenue/Sales

MassHousing reviewed documentation for all (52) unit sales.

| <u>Sales Revenue from all 52 units</u> | <u>Amount</u> |
|---|----------------------|
| Affordable Unit Sales Per Cost Examination - 13 units | \$ 2,110,000 |
| Market Unit Sales Per Cost Examination - 39 units | 11,081,131 |
| Total Sales Revenue Per Cost Examination | <u>\$ 13,191,131</u> |

Our analysis included reviewing HUD-1 Settlement Statements for all unit sales at The Groves at Middleboro Village. The average unit sales price for an affordable unit was \$162,000 while the average unit sales price for a market rate unit was approximately \$284,000.

There are certain restrictions imposed on the resale of any affordable unit under Chapter 40B. It is the responsibility of the Monitoring Agent to review and approve the subsequent sale of all affordable units.

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IV. Project Costs

A. Land

The site consists of approximately 11 acres of land located at West Grove Street, Middleborough, MA.

The land at West Grove Street was acquired for \$386,000, based on a Quitclaim Deed dated October 26, 1999. This transaction was considered to be arm's length between Marion H. West Revocable Trust of 1995 (seller) and Blais Builders, Inc. (buyer).

No "as is" appraisal was submitted to MassHousing for the above-mentioned land.

The MassHousing policy for establishing land acquisition value in effect at the time was the lesser of:

- the "as is" appraised market value of the land and improvements as estimated by the MassHousing Home Ownership Division at the time of loan commitment, and subject to confirmation by a MassHousing commissioned independent appraisal prior to loan closing; Or
- the purchase price of the land and improvements in the last arm's length transaction, if any, within three years of the time of site approval, plus (i) reasonable and verifiable costs of property improvements made subsequent to the above acquisition and/or (ii) reasonable and verifiable carrying costs related to the land and improvements, such as interest, taxes and insurance.

As indicated in the Monitoring Services Agreement, the role of MassHousing is not to calculate the precise level of developer profit on every Chapter 40B development, but rather to first determine whether the developer has exceeded the 20% profit limitation and, then further, in cases where the limitation has been exceeded, to determine the amount of the excess profit.

Therefore, while assuming a land acquisition cost of zero is not a proper measurement of land value for a Chapter 40B development, it may be used in a situation such as this to determine the initial question of whether the profit limitation would have been exceeded under certain "worst case" scenarios to avoid the expense and administrative delay that would result from ordering a new, appropriate "as is" appraisal. Accordingly, we utilized the land acquisition cost of zero in this instance, solely for the limited purpose of determining the threshold question of whether any "excess profit" could have been earned by the developer of this project, even under a scenario where the assumption is the land has no value.

As a result of our analysis and under a "worst case" scenario, zeroing out the land value will not materially impact the Cost Examination, and therefore we will not carry any value in this category.

B. Hard Costs

RS Means - For Informational Purposes Only

One issue, which MassHousing focuses on when analyzing the Cost Examinations of Chapter 40B developments, is whether construction costs are inflated in an effort to increase developer return. For this reason, MassHousing's August 2007 Cost Certification Guidance (not applicable to this development) introduces, for purposes of establishing a "safe harbor" regarding hard construction costs, RS Means data.

RS Means is recognized as an independent cost authority in the home construction business. The RS Means "Cost Data" guides provide reasonably accurate cost information to help developers, contractors and others project costs for new construction when only a general description of size and amenities are available. For purposes of our review we used, for comparison purposes only, new home construction cost data from the RS Means Residential Cost Data Guide 2008, 27th Edition ("RS Means").

The Cost Examination results were compared to the RS Means 2008 Base Residential Cost per Square Foot, and The Groves at Middleboro Village's total square footage of 83,868 was based upon information reported by the Developer. MassHousing estimates that the reported cost per square foot was \$93.90, which was approximately \$13.81 lower than the RS Means residential construction cost.

Since MassHousing guidelines allow for up to 110% of the RS Means residential construction cost per square foot as a safe harbor, the calculation below shows the reported cost per square foot as \$24.58 lower than the safe harbor cost per square foot. See calculations below.

| | | |
|--|----|-----------|
| Total Residential Construction | \$ | 7,875,323 |
| Square Footage | | 83,868 |
| Cost per Square Foot | \$ | 93.90 |
| <hr/> | | |
| <i>Calculation</i> | | |
| RS Means Residential Construction Cost | \$ | 107.71 |
| Allowable Percentage Factor | | 110% |
| Allowable Cost per Square Foot | | 118.48 |
| Actual Cost per Square Foot | | 93.90 |
| Difference - favorable | \$ | 24.58 |

As a result of our analysis, we determined that the calculated construction costs per square foot as reported in the Cost Examination did not exceed the RS Means residential construction cost and also did not exceed the 110% safe harbor cost, which would be allowed under MassHousing's August 2007 Cost Certification Guidance and the February 2008 publication of amended regulations and guidelines by the DHCD.

C. Builder's Profit, Builder's Overhead and General Requirements

Related Party – Builder's Profit

This project utilized a related party general contractor, Blais Builders, Inc. In determining reasonableness, the MHP Guidelines were not in effect for this project, however even the application of the MHP Guidelines in this instance (in order to analyze a “worst case” scenario) would not change the result in determining whether the project complied with the limited dividend requirement. MHP Guidelines allow, under its *Identities of Interest Construction Managers or General Contractors*, a builder’s profit of 6% of construction costs. Total builder’s profit for the identity of interest contractor as reported in the Cost Examination was \$549,070.

As a result of our analysis, we determined that the *Related Party – Builder's Profit* charged to the project was within the 6% limitation, as calculated below:

| | <u>Amount</u> | <u>%</u> | <u>% Allowable</u> | <u>Unfavorable % Difference</u> | <u>Unfavorable \$ Difference</u> |
|--------------------|---------------|----------|--------------------|---------------------------------|----------------------------------|
| Builder's Profit | \$ 549,070 | | | | |
| Construction Costs | \$ 9,151,174 | 6% | 6% | 0% | 0 |

Related Party – Builder's Overhead

This project utilized a related party general contractor, Blais Builders, Inc. In determining reasonableness, the MHP Guidelines were not in effect for this project, however even the application of the MHP Guidelines in this instance (in order to analyze a “worst case” scenario) would not change the result in determining whether the project complied with the limited dividend requirement. MHP Guidelines allow, under its *Identities of Interest Construction Managers or General Contractors*, a builder’s overhead of 2% of construction costs. Total builder’s overhead for the identity of interest contractor as reported in the Cost Examination was \$183,023.

As a result of our analysis, we determined that the *Related Party – Builder's Overhead* charged to the project was within the 2% limitation, as calculated below:

| | <u>Amount</u> | <u>%</u> | <u>% Allowable</u> | <u>Unfavorable % Difference</u> | <u>Unfavorable \$ Difference</u> |
|--------------------|---------------|----------|--------------------|---------------------------------|----------------------------------|
| Builder's Overhead | \$ 183,023 | | | | |
| Construction Costs | \$ 9,151,174 | 2% | 2% | 0% | 0 |

Related Party – General Requirements

This project utilized a related party general contractor, Blais Builders, Inc. In determining reasonableness, the MHP Guidelines were not in effect for this project, however even the application of the MHP Guidelines in this instance (in order to analyze a “worst case” scenario) would not change the result in determining whether the project complied with the limited dividend requirement. MHP Guidelines allow, under its *Identities of Interest Construction Managers or General Contractors*, general requirements of 6% of construction costs. Total general requirements for the identity of interest contractor as reported in the Cost Examination were \$435,440.

As a result of our analysis, we determined that the *Related Party – General Requirements* charged to the project was within the 6% limitation, as calculated below:

| | <u>Amount</u> | <u>%</u> | <u>% Allowable</u> | <u>Favorable % Difference</u> | <u>Favorable \$ Difference</u> |
|----------------------|---------------|----------|------------------------|-----------------------------------|------------------------------------|
| General Requirements | \$ 435,440 | 5% | 6% | -1% | 113,630 |
| Construction Costs | \$ 9,151,174 | | | | |

D. Soft Costs

1. Commissions – Market Units

As noted above, the MHP Guidelines were not in effect at the time of this development, and the standard at that time was one of “commercial reasonableness”.

Debbie Blais Real Estate, Inc., an affiliate of The Groves at Middleboro Village, LLC, provided real estate services for the sale of the market units and is considered to be a related party broker.

The Cost Examination included brokerage commissions of \$649,143, of which \$101,495 related to the affordable units and analyzed in Part D, Component 2 below. Brokerage commissions paid on the market rate units were \$547,648 or 5% of total market sales price.

A 5% commission rate meets the “commercially reasonable” standard. Since part of the function of the MHP Guidelines was to increase public awareness of some of the quantifiable aspects of “commercial reasonableness,” it is useful to note that for related-party broker commissions the MHP Guidelines (though not applicable to this project) limit the commission on the sale of market units to 5% of the sales price.

As a result of our analysis, we determined that the commissions charged to the Project did not exceed the allowable limits set forth in the MHP Guidelines and, for the reasons detailed above, therefore determined that no further investigation was required in order to find that the amounts charged in the Cost Examination are “commercially reasonable”.

2. Commissions/Marketing/Lottery Costs – Affordable Units

As noted and discussed more fully above, the MHP Guidelines were not in effect at the time of this development, and the standard at that time was one of “commercial reasonableness”. MHP Guidelines state that the maximum allowable Commissions/Marketing/Lottery Costs - Affordable Units should be the greater of \$20,000 or 3% of the sum of the actual unit sales price.

The Cost Examination included brokerage commissions related to affordable units of \$101,495 or 4.8% of actual unit sales. While the Commissions/Marketing/Lottery Costs charged to the Project exceeded the MHP Guidelines referenced above, these guidelines were not in effect at the time.

Based upon MassHousing’s experience in reviewing commissions being paid in the industry during the given time period, and noting that the commissions paid in this case are consistent with that range, MassHousing has concluded that the Commissions/Marketing/Lottery Costs recorded in the Cost Examination are considered to be “commercially reasonable”.

MassHousing
Review of Cost Examination Report
No. PE-102

Appendix A

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| <u>Categories</u> | <u>Per Cost Examination</u> | <u>Adjustments</u> | <u>Adjusted Balance</u> |
|--|-----------------------------|---------------------|-------------------------|
| Sales | | | |
| Market | \$ 11,081,131 | | \$ 11,081,131 |
| Affordable | 2,110,000 | | 2,110,000 |
| Total Sales | <u>\$ 13,191,131</u> | <u>\$ -</u> | <u>\$ 13,191,131</u> |
| Costs | | | |
| Site Acquisition - Land | <u>\$ 387,819</u> | <u>\$ (387,819)</u> | <u>\$ -</u> |
| Hard Costs | | | |
| Residential construction | 7,875,323 | | 7,875,323 |
| Site Preparation | 1,275,851 | | 1,275,851 |
| Builder's Overhead | 183,023 | | 183,023 |
| General Conditions | 435,440 | | 435,440 |
| Builder's Profit | 549,070 | | 549,070 |
| Total Hard Costs | <u>10,318,707</u> | | <u>10,318,707</u> |
| Soft Costs | | | |
| Architectural | 203,682 | | 203,682 |
| Surveys and Permits | 137,288 | | 137,288 |
| Engineering | 114,517 | | 114,517 |
| Legal | 20,415 | | 20,415 |
| Consulting | 232,753 | | 232,753 |
| Traffic Study | 9,998 | | 9,998 |
| Accounting | 11,191 | | 11,191 |
| Advertising - Model Home | 18,672 | | 18,672 |
| Real estate taxes | 32,629 | | 32,629 |
| Insurance | 36,280 | | 36,280 |
| Stamps, Closing Costs and Recording Fees | 83,385 | | 83,385 |
| Finance Costs | 505,917 | | 505,917 |
| Licenses and Fees | 12,188 | | 12,188 |
| Utilities | 63,461 | | 63,461 |
| Office Expenses | 1,671 | | 1,671 |
| Developer's Overhead | 144,000 | | 144,000 |
| Brokerage Commissions | 649,143 | | 649,143 |
| Total Soft Costs | <u>2,277,190</u> | | <u>2,277,190</u> |
| Total Project Costs | <u>\$ 12,983,716</u> | <u>\$ (387,819)</u> | <u>\$ 12,595,897</u> |
| Profit from Sales | <u>\$ 207,415</u> | <u>\$ 387,819</u> | <u>\$ 595,234</u> |
| Profit Percentage | <u>1.60%</u> | | <u>4.73%</u> |
| Maximum allowable (20% of total project costs) | <u>\$ 2,596,743</u> | | <u>\$ 2,519,179</u> |
| Excess Profit Contributed to Municipality | <u>\$ -</u> | | <u>\$ -</u> |

Appendix B
Developer's Certificate

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DEVELOPER'S CERTIFICATE

This Certificate is provided in connection with the cost certification of The Groves At Middleboro Village, LLC (the "Developer") for a Chapter 40B development known as The Groves At Middleboro Village, LLC (the "Development"), located in Middleboro (the "Municipality"), for the purposes of assisting the Massachusetts Housing Finance Agency, as Project Administrator (the "Project Administrator") authorized by the Department of Housing and Community Development ("DHCD") under *Guidelines for Housing Programs in which Funding is Provided Through a Non-Governmental Entity* (the "Guidelines"), in determining the Developer's compliance with the limitations on profit from the Development allowable under the Guidelines and Chapter 40B.

The undersigned hereby certifies to the Project Administrator, DHCH and the Municipality, under 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 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 quality called for.
3. The Schedules of Chapter 40B Maximum Allowable Profit from Sales and Total Chapter 40B Costs present fairly, in all material respects, the Chapter 40B Maximum Allowable Profit from Sales and Total Chapter 40B Project Costs of The Grove At Middleboro Village, LLC as of December 19, 2008, in conformity with guidelines proscribed by the Department of Housing and Community Development and the Project Administrator.
4. The Schedule of Total 40B Maximum Allowable Profit 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. We have identified all accounting estimates that could be material to the Schedules of Chapter 40B Maximum Allowable Profit from Sales and Total Chapter 40B Costs and we believe the estimates are reasonable.
7. We have made available all necessary financial records and related data to the CPA who is conducting an examination of the Schedules of Chapter 40B Maximum Allowable Profit from Sales and Total Chapter 40B Costs for the project.

8. There are no materials transactions related to this project that have not been properly recorded in the accounting records underlying the Schedules of Chapter 40B Maximum Allowable Profit from Sales and Total Chapter 40B Costs.
9. Except as noted on Exhibit A attached hereto, none of the amounts listed on 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) spouse of the developer 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 "significant other" cohabiting with an employee of the developer. The Project Administrator reserves the right to determine whether the related party test should apply in any other case where it appears reasonable under the circumstances.
10. Except as set forth on Exhibit A attached hereto, there were no:
 - a. Sales of units to a Related Party, as defined in section #9 above.
 - b. Purchases of materials/supplies from a Related Party
 - c. Purchases of services from a Related Party
 - d. Financing made with Related Party
11. We have reviewed the information presented in Exhibit B attached hereto, the RS Means Schedule, and 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 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.
17. We have no knowledge of any fraud or suspected fraud affecting the entity 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. 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. We have complied with all aspects of the final amended version of the executed Regulatory Agreement for this project and all provisions outlined in Mass Housing's Guidance to Developers and Municipalities for the Preparation of Cost Certification upon Completion of 40B Project for which Mass Housing Serves as Project Administrator.
20. We will retain all records underlying the information provided in the Schedules for a period of at least four years from the date the Project Administrator has accepted the final report of its reviewing auditor, and will allow the Project Administrator and the Municipality the right to inspect such records at reasonable times during the retention period.

EXECUTED under seal this 24th day of March 2009

Developer: [Signature]

Signature: [Signature]

Title: Member