

## **Materials Stored Off-Site**

Projects wishing to draw OHFA resources for inventory, supplies and other materials ('collectively, the "Materials"') stored off-site (situated at a location other than that for which OHFA has a vested security interest) must be able to demonstrate the following:

1. Any lender with a superior lien position to OHFA's mortgage must subordinate their security interest in the Materials to OHFA's security interest in such Materials. If multiple lending sources are being used to purchase the materials, lien positions will be shared in equal simultaneous security interests, based on the respective percentage amount of resources used and applicable to such Materials;
2. Project must have insurance on the materials for an amount at least equal to the full replaceable value of the stored Materials;
3. The written lease for the storage facility used to store such Materials ("Leases") must be provided to OHFA and is subject to OHFA's approval.
4. Project owner must provide an unconditional assignment of the Lease (from the Lessor) to OHFA to secure OHFA's interest. This assignment may not be subordinate to any other lender's interest in the Materials;
5. Project owner must provide ongoing evidence of current rental payments for the use of said storage facility, and may not be in default at any time under the terms of the Lease.
6. Project owner must provide evidence of UCC filings to perfect OHFA's security interest/position in the Materials.