

CLOSING DUE DILIGENCE CHECKLIST

Section 1 Property Information

- Rent Roll and Lease information as outlined in the attached Addendum A. **Please have this item expedited in order for us to review as early in the process as possible.** In addition, please provide an e-mail address to which we can send CCRC's Rent Roll form that must be completed. When the Rent Roll form has been completed, please e-mail it to jay.johnson@e-ccrc.org
- Prior to closing, a rent roll for the current month, and any additional months will be required to determine annual gross income
- Current year budget for the subject property. Please provide this data in a file format **compatible with Microsoft Excel.**
- Year-to-date **and monthly** operating statements for most recent six (6) months. If available, please include year-to-date and month-to-date budget information as well. Please provide this data in a file format **compatible with Microsoft Excel.**
- Current Utility Allowance Schedule from the Housing Authority with jurisdiction over the project. Please indicate which allowances are being used by the project and the total allowance amount per unit type.
- Form of tenant lease **(including TCAC regulatory reporting requirements)**
- Placed in Service date
- Date on which leasing began
- Date on which tenants began to take occupancy
- Property tax exemption for the project, or evidence of filing for exemption
- Copy of most recent property tax bill. Please indicate whether the property is expected to be assessed with any direct or special assessments.
- Indicate whether the property may have PILOT or other similar fees assessed.
- Copies of any contracts, leases and licenses that the Borrower has entered into on behalf of the subject property. **Please indicate which of the following is not applicable to the project.**
 - Three (3) consecutive months of invoices for each of the following services:
 - o Water
 - o Gas
 - o Electric
 - o Sewer
 - o Laundry
 - o Trash/waste disposal
 - o Telephone - including property telephones, pagers, cell phones and Internet access as applicable
 - o Landscape (3 months' invoices or contract)
 - o Security (3 months' invoices or contract)
 - o Elevator (3 months' invoices or contract)
 - o Fire Alarm (3 months' invoices or contract)
 - o Pest Control (3 months' invoices or contract)
 - o Maintenance Contract
 - o Hazard Insurance invoice or other documentation must clearly show annual (not prorated) premium
 - o Flood Insurance (if applicable)
 - o Earthquake Insurance (if applicable)
 - o Social Services costs
- Final executed and dated Cost Certification (if available) or Final Sources and Uses of funds

- Executed Architect's Certificate of Completion
- Final Certificates of Occupancy

Section 2 Financial Information

- Bank statements for the most recent (3) month period for all bank accounts for Borrower and each General Partner
- Audited year-end financial statements for each General Partner for the most recent two (2) year period, to include the balance sheet, income statement, statement of changes, and all other notes and schedules that are needed to fully reflect the financial condition of the Borrower and each General Partner. If audited financial statements are not customarily prepared, the Chief Executive will need to certify and date the statements.
- Year to Date Financials for Borrower (if available) and each General Partner
- Federal tax returns for the most recent two (2) year period for Borrower (if applicable) and each General Partner

Section 3 Borrower's Organizational Documents

- A copy of the fully executed and dated Partnership Agreement of Borrower, together with Amendments or Modifications thereto; Contribution/Funding Agreement with Investor Limited Partner (if separate agreement)
- LP-1 and LP-2 (if any) filed with the Secretary of State
- Amendments, if any, to the Articles of Incorporation and By-Laws for corporations or Articles of Organization and Operating Agreement for LLC's
- Copies of the Board Resolution authorizing the borrowing of funds for the permanent loan for corporate Borrowers and each corporate General Partner
- Copy of fully executed and dated Certificate of Good Standing (not more than 14 days old) from the Secretary of State for Borrower and each General Partner
- Certificate of Good Standing (not more than 14 days old) from the Franchise Tax Board for each corporate General Partner

Section 4 Title Information

- Current preliminary title report (not more than 60 days old)
- Copies of all underlying exception documents
- Plat Map with plotted easements
- ALTA Lender's Supplement in regard to the property address
- Certified As-Built Survey (ALTA) showing the location of all improvements, easements, and utilities, with a legal description conforming to the title policy. The survey must be dated not more than one month prior to Closing, **must be certified to California Community Reinvestment Corporation, or its Successors and Assigns** (see attached certification language required) and must attest to the existence or non-existence of a Flood Hazard area on the property. **PLEASE ALSO PROVIDE A COPY OF THE SURVEY TO THE TITLE OFFICER.**
- Notice of Completion of construction work, validly filed with the County Recorder's office
- Purchase Option and Right of First Refusal, if any.

Section 5 Tax Credit Information

- Copy of executed Regulatory Agreement with the California Tax Credit Allocation Committee ("TCAC"), if available
- TCAC Carryover Allocation Letter (if applicable)
- TCAC Final Reservation Letter or IRS Form 8609 (if available)

- Certification from Investor Limited Partner (form located at www.e-ccrc.org) detailing:
 - o Total Capital Contributions from Tax Credit Investor (to date and future) amount at Permanent Loan Closing
 - o Pay-in schedule (indicate which payments have been made to date) and pay-in amount of permanent loan closing

Section 6 Subordinate Loan Information

- Executed loan documents in connection with each subordinate debt loan to Borrower for the property. Please provide the following for each loan:
 - Promissory Note
 - Loan Agreement (if any)
 - Deed of Trust
 - Regulatory Agreement (if any)
- Copies of any agreements and amendments regarding this transaction between the Borrower and government agency including restrictive covenants, and any written commitments from the local housing authority regarding the set aside of Section 8 certificates, including assignments of each document. **This also pertains to any agreements and/or covenants which: 1) are as of yet unrecorded that are not intended to be unsubordinated; and 2) run with the land but will be subordinated.**

Section 7 Property Management Information

- Name, telephone number and e-mail address for property management company contact
- Copy of fully executed and dated Management Agreement

Section 8 Other Information

- Opinion of Counsel Letter from Borrower's counsel will be required at closing.
- Hazard Insurance Policy in accordance with CCRC's insurance requirements
Please Note: Any insurance policy that will expire within 30 days of Closing must be renewed for the term prior to Closing.
- A third party review of the Appraisal Report is required and will be ordered by CCRC at Borrower's expense. The cost of the Appraisal Review will be approximately \$1,000.00.
- A third party review of the Phase I Report is required and (will be ordered by CCRC at Borrower's expense.) The cost of the Phase I review is approximately \$600.00.
- **ANY OTHER CREDIT APPROVAL CONDITIONS STIPULATED IN THE COMMITMENT LETTER AND/OR LOAN DOCUMENTS.**