



<p align="center"><b>CCRC PERMANENT LOAN CLOSING REQUIREMENTS</b></p>
<p><b>A new appraisal and a third party review of the appraisal may be required prior to permanent loan conversion. Delivery of items B through F and items 1 through 11 below are critical in determining whether such new appraisal will be required.</b> If a new appraisal is required, it will be ordered by CCRC at Borrower’s expense. CCRC will provide an invoice for the costs when the appraisal is ordered.</p>
<p><b>Evidence from the construction lender that the construction loan balance and construction lender commitment have not been paid down and/or reduced to an amount lower than the \$_____ permanent loan amount referenced in the loan documents. <u>Note:</u> the promissory note, the loan purchase agreement, and the construction/perm loan agreement all prohibit the construction loan from being paid below the \$_____.</b></p>
<p>Property must meet the lease-up and debt coverage requirements as specified in the Loan/Bond Purchase Agreement or Commitment Letter, respectively.</p>
<p>Details of any Rental Concessions being offered at the Property: (1) purpose of concessions, (2) amount of concessions, (3) term of concessions, and (4) future concessions contemplated.</p>
<p>Current Year Rent Schedule(s) from each housing program (or some other form of documentation) that identifies the maximum rents allowable for each unit/AMI combination in connection with <b>each</b> restrictive covenant (other than the TCAC Regulatory Agreement) that governs the Property.</p>
<p>Current Utility Allowance Schedule and confirmation from the Housing Authority with jurisdiction over the project that this is the applicable Utility Allowance Schedule. Please indicate which allowances are being used by the project and the total allowance amount per unit type.</p>

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REQUIREMENTS**

Most recent annual operating statements or partnership audits, plus current YTD operating statements, of **THREE** comparable properties managed or owned by entities within the partnership.

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, CCRC's form of Rent Roll must be completed. When the Rent Roll form has been completed, please e-mail it to the Loan Administrator. **Note:** the Rent Roll must be in the format provided by CCRC and in Microsoft Excel.

Please provide rent roll for the current month.

**A rent roll will be required for each successive month up to the month prior to Closing.**

A description of the service amenities to be provided at the project, together with: (i) a budget for service expenses, and (ii) a copy of the fully executed and dated social service contract and any amendments thereto.

a) Copies of any contracts, leases and licenses which the Borrower has entered into on behalf of the subject property:

1. Landscape contract
2. Security contract
3. Elevator contract
4. Fire Alarm contract
5. Pest control contract
6. Maintenance Contract
7. Trash/Recycling Collection contract
8. Social Services costs

b) **Three (3)** consecutive months of general ledgers for the property.

c) Hazard Insurance: (1) Invoices (invoice or other documentation must clearly show the *annual*, not prorated premium), and (2) proof of payment (e.g. copy of cancelled check).

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Year-to-date and monthly operating statements from the date the property operations began to and including the current month that shows side-by-side year to date and month-to-date budget information, together with (1) actual cash received/rents receivable; and (2) uncollected/delinquent rents. **Please provide this data in a file format compatible with Microsoft Excel.**

**Note: Operating statements will be required for each successive month up to the month prior to Closing.**

Current year budget for the subject property prepared by the property management company. **Please provide this data in a file format compatible with Microsoft Excel.**

Street Address of the Property, please include zip code. If there will be multiple addresses, a complete list of all street addresses for the project is required.

Current project name, if other than: [list name on CA]

Contact information for the following parties:

(i) property management company contact:

Company:

Address:

Attention:

Phone:

Fax:

Email:

(ii) borrower contact for notice provisions (must be Executive Director, President or Chief Exec Officer):

Company:

Address:

Attention:

Phone:

Fax:

Email:

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(iii) company or individual handling billing statements to remit monthly principal and interest payments:

Company:  
Address:  
Attention:  
Phone:  
Fax:  
Email:

(iv) borrower's asset manager assigned to this property:

Company:  
Address:  
Attention:  
Phone:  
Fax:  
Email:

(v) contact at borrower's limited partner:

LP:  
Address:  
Attention:  
Phone:  
Fax:  
Email:

Copies of any and all amendments and exhibits to that certain Property Management Agreement dated as of \_\_\_\_\_.

Form of tenant lease.

- (1) Property tax exemption for the project, or evidence of filing for exemption (BOE 267)
- (2) BOE's Organizational Clearance Certificate (OCC) issued to the nonprofit general partner or LLC general partner; and
- (3) Supplemental Clearance Certificate (SCC) for the project.

Copy of most recent property tax bill for each parcel; please confirm that each parcel comprising subject property is included.

Placed in Service date.

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<b>CCRC PERMANENT LOAN CLOSING REQUIREMENTS</b>
i. Date on which leasing began.
ii. Date on which tenants first began moving in.
Final Certificate(s) of Occupancy.
Final executed and dated Cost Certification.
Executed Architect's Certificate of Completion.
<b>ADDITIONAL CONDITIONS OF LOAN APPROVAL AS SPECIFIED IN THE LOAN/BOND PURCHASE AGREEMENT OR COMMITMENT LETTER.</b>
[intentionally left blank]
(1) For 9% deals only, evidence of carryover allocation (if any), together with all exhibits.
(2) For 9% deals only, TCAC Final Reservation Letter, or
(3) IRS Form 8609, if available.
(4) For bond deals only, Tax Exempt Reservation Letter
Audited year-end financial statements for the two (2) most recently ended fiscal years, 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 parties listed below.
If audited financial statements are not customarily prepared, the chief executive will need to certify and date the statements, <b>AND</b> , Federal tax returns for the two (2) most recent years and bank statements for the three (3) most recent months will be required.
<ul style="list-style-type: none"> <li>a. Borrower, if available. <b>If not available, please provide letter of explanation.</b></li> <li>b. EACH General Partner</li> <li>c. Sponsor/Developer</li> </ul>
Year to Date Financials for: <ul style="list-style-type: none"> <li>d. Borrower</li> <li>e. EACH General Partner</li> <li>f. Sponsor/Developer</li> </ul>
Current preliminary title report (not more than 30 days old), together with: i) a plat map and plotted easements, (ii) copies of all underlying exception documents, and (iii) an ALTA Lender's Supplement in regard to the property address. <u>Please have this item expedited in order for us to review as early in the process as possible.</u>

**CCRC PERMANENT LOAN CLOSING  
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**CCRC WILL REQUIRE A DATE-DOWN OF THE  
PRELIMINARY TITLE REPORT PRIOR TO ORDERING  
FUNDS**

Executed loan documents with EACH Subordinate Lender:

Please provide copies of the following documents, together with any and all amendments for each loan:

1. Promissory Note,
2. Loan Agreement (if any),
3. Deed of Trust
4. Regulatory Agreement, or any restrictive covenant agreements (if any),
5. AHP Subsidy Agreement with the Federal Home Loan Bank (“FHLB”) (if applicable), together with the FHLB’s Project Evaluation Form, and
6. Any other pertinent documents.

In addition, please provide the above loan documents for any **new** loan received since construction loan close.

Contact information for each subordinate lender:

Lender:

Address:

Attention:

Phone:

Fax:

Email:

Copy of executed Regulatory Agreement with the California Tax Credit Allocation Committee (“TCAC”), if available. **Note:** if this hasn’t recorded yet, please advise status of when you anticipate recording. CCRC will need to obtain a subordination agreement if the agreement records prior to closing.

Copies of the following, and any additional agreements and amendments thereto, regarding this transaction between the borrower and government agency (i.e., DDA’s, OPA’s,) 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: i) are as of yet unrecorded that are not intended to be unsubordinated; and ii) run with the land but will be subordinated.

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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 30 days prior to Closing, must be certified to California Community Reinvestment Corporation, its Successors and Assigns (see attached survey requirements) and must attest to the existence or non-existence of a Flood Hazard area on the property. **PLEASE NOTE THAT A FULL-SIZED SURVEY WILL BE REQUIRED. ALSO PLEASE PROVIDE A COPY OF THE SURVEY TO THE TITLE OFFICER.**

Purchase Option and Right of First Refusal, if any.

Notice of Completion of all construction work, validly filed with the County Recorder's office.

Written Certification from Tax Credit Investor (the "Investor Limited Partner") (see attached form) evidencing that 90% of Capital Contributions have been funded, or will be funded by the Permanent Loan Closing date:

- a. Total Capital Contributions from Investor Limited Partner (to date and future);
- b. Pay-in schedule (indicate which payments have been made to date) and pay-in amount at Permanent Loan Closing.

Copy of the fully executed and dated Amended and Restated Limited Partnership Agreement of Borrower (the "LPA").

LP-1 and LP-2 (if any) filed with the Secretary of State.

Copies of the Articles of Incorporation and Bylaws, or Articles of Organization and Operating Agreement, as the case may be, for EACH General Partner.

Completed Request for Tax Identification Number and Certification (IRS Form SS-4 or W-9) for Borrower and EACH General Partner

Internal Revenue Service 501(c)(3) Determination Letter issued to nonprofit General Partner

Franchise Tax Board Exemption Letter awarded to nonprofit General Partner

Copies of the Board Resolutions authorizing the borrowing of funds for nonprofit General Partner.

Current annual report for Limited Partner.

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Hazard Insurance Policy in accordance with CCRC's insurance requirements as outlined in Addendum B. 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 Phase I Report is required and will be ordered by CCRC at Borrower's expense. The cost of the Phase I review will be approximately \$600.00.

Certificates of Good Standing from: (i) the Secretary of State for Borrower, and EACH General Partner; (ii) from the Franchise Tax Board for EACH General Partner. (Please do not order this item until we have instructed you to do so. Certificates more than 14 days old will not be accepted.

Opinion of Counsel letter from Borrower's counsel will be required at closing.

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Copy of invoice evidencing payment of semi-annual Bond Issuer Fees.

At conversion, CCRC will prorate and collect Issuer's Fees based upon the Issuer's Fee prorated at closing.

CCRC requires that all taxes due and payable be paid prior to close. If there are any taxes to be paid, please make sure to get evidence to the title company so that all taxes can be shown as paid and/or not yet due and payable.

If required, evidence that the following reserve amounts have been set-aside by Borrower or collected for forwarding to CCRC at or prior to close:

- Operating Reserve: \$ \_\_\_\_\_ .00.
- Services: \$ \_\_\_\_\_ .00



ADDENDUM A – PART I

**RENT ROLL & LEASE INFORMATION REQUIRED**

A CURRENT Certified Rent Roll with ALL OF the following information:

- Date of the Rent Roll;
- Unit #;
- Tenant Name(s);
- Unit Type, *including 1) No. of Bedrooms/Baths AND 2) AMI%*;
- Beginning Date of Lease
- Ending Date of Lease (or M-T-M);
- Gross Monthly Restricted Rent;
- Applicable Utility Allowance;
- Net Restricted Rent;
- Subsidized Rent Premium (i.e., Section 8), if any;
- Total Rent;
- Security Deposit Amount.

Recognizing that standard rent roll programs may not have the capacity to include all of the above information, a “spreadsheet” rent roll addendum may be provided. Please e-mail to [jay.Johnson@e-ccrc.org](mailto:jay.Johnson@e-ccrc.org) and \_\_\_\_\_. However, **ALL OF THE ABOVE INFORMATION IS REQUIRED BY CCRC IN ORDER TO FUND YOUR LOAN. THE RENT ROLL WILL BE COMPARED TO THE LEASES AND ANY DIFFERENCES MUST BE CORRECTED BEFORE LOAN FUNDING.**

- The information provided should clearly identify all subsidized tenants (i.e., Section 8), OR, if none, state none.
- The manager(s) unit(s) should be clearly identified.
- Note what free rent the manager(s) receive.

B) EXECUTED Tenant Leases and, if applicable, any addendums, that support the rental amount reflected on the Rent Roll in item A) above.

C) PENDING RENT INCREASES / DECREASES

If a rent adjustment is pending (i.e., an increase due to higher permitted TCAC rents or a decrease due to higher utility allowances):

- please provide copies of the tenant notification letters or lease addendums, if available, AND
- a schedule reflecting the new projected net rent amount for each Unit Type/AMI%.

D) UTILITY ALLOWANCES

- Include the latest Utility Allowance Chart available from the local Housing Authority that shows the effective date;
- Provide the actual or estimated date when the Utility Allowance Chart will be revised.

E) No later than 10 days prior to closing, a certified rent roll dated no earlier than the end of the month prior to closing, will be required. It MUST include all of the information described above in Section A).

## ADDENDUM A – PART II

Dear Borrower,

In order to assist you with the Permanent Financing transaction, below is a checklist outlining the lease audit requirements. Please refer to this checklist when submitting tenant leases.

Using the checklist below will prevent unnecessary delays due to incorrect and or incomplete submission of the required documents.

### LEASES

- Each lease and any addendums must be signed and dated by Tenant(s) and the Landlord (or the Landlord's Agent);
- Copies of the executed leases with the information listed below must be remitted for each rental unit as referenced on the rent roll. ***Please note that we do not need the entire lease, only the pages with the requested information:***
  - ✓ Tenant(s) Name
  - ✓ Property Address including UNIT #
  - ✓ Monthly Rental Amount
  - ✓ Security Deposit Amount
  - ✓ Lease start date
  - ✓ Lease end date

## ADDENDUM B

### INSURANCE REQUIREMENTS

The following advises you of CCRC's requirements for commercial or comprehensive liability and hazard insurance, including the evidence of same, as a condition to the closing of the permanent loan. **Any insurance expiring within 30 days of Closing must be renewed for the term prior to Closing.**

**Temporary Evidence** – Signed originals of either (i) an ACORD 28 (either the 2003 or 2006 version is acceptable), combined with ACORD 25S, or (ii) ACORD 75S, are acceptable forms of temporary evidence of insurance must be furnished to the undersigned for review and approval prior to the scheduled closing.

**Permanent Evidence** – **Within ten (10) days of closing, the originals or certified copies of current insurance policies must be received.**

1. Certified copy of Special Form All Risk Fire and Extended Coverage policy covering the improvements in the amount of the loan;
2. The insurer must be rated at least "A-VI" by the Best Guide;
3. Replacement Cost provision must be included in the policy, or as an Endorsement attached;
4. Rental Income or Rental Value Insurance coverage for a twelve (12) month period in amounts satisfactory to CCRC must be included in the policy;
5. Commercial or Comprehensive Liability coverage of at least \$1 million per person and \$1 million per occurrence must be included. These coverage amounts are increased to \$3 million if the improvements to the Property contain one or more elevators;
6. Boiler and Machinery coverage at full replacement cost is required for boilers, electrical wiring and heating, air conditioning and refrigeration equipment;
7. No co-insurance is allowed;
8. A special thirty (30) day notice of any material change or cancellation must be provided to CCRC. The standard cancellation clause should be modified to delete the words "endeavor to" and "but failure to . . . the company;"
9. A Lenders Loss Payable Endorsement ISO Form CP1218 or 438 BFU or its equivalent is attached naming California Community Reinvestment Corporation, 225 W. Broadway, Suite 120, Glendale, California 91204;

10. CCRC **must be named as additional insured** with respect to the Commercial or Comprehensive Liability and Loss of Rents coverages;
11. **If the Borrower is not the same as the insured, the Borrower, as noted above, must also be named as additional insured** with respect to the Commercial or Comprehensive Liability and Loss of Rents coverages;
12. The maximum deductible allowed is \$5,000.00;
13. Flood insurance is required, unless the Property is not in a Flood Zone, as defined by the F.I.A. Maps;
14. If the Property is located in an "Alquist-Priolo" Zone, as determined by reference to applicable California law, earthquake insurance may be required;
15. The Certificate of Insurance must show CCRC as a recipient of any notice of cancellation. The address is as follows:

California Community Reinvestment Corporation  
Attn: Insurance Administrator  
225 W. Broadway, Suite 120  
Glendale, CA 91204

**It is suggested that your insurance agent be informed of these requirements as soon as possible, so that this required coverage can be put in place well in advance of the closing of the loan.**