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April 22, 2008

FILE MEMORANDUM

RE: Post-Construction Phase Fractional Ownership Interest Syndication Due Diligence Checklist

This checklist provides all of the reporting requirements that each developer must provide on behalf of the sponsoring syndication legal entity wherein a construction phase syndication is contemplated.

ARCHITECTURAL

1. Architectural Firm Profile.
2. Architectural Firm Personal Resumes.
3. Architectural Contract Documents.
4. Project Elevation Drawings (or Virtual Tour).
5. Pictures of Construction Program.
6. Reserved.

CONSTRUCTION

7. Design/Build Construction Contract – Pre-Construction Phase Services Agreement.
8. Contractor Profile.
9. Contractor Personal Resumes.
10. Contractor Financial Statements (audited).
11. Contractor Bonding Capacity Letter.
12. Contractor Guarantee of Completion & Gross Maximum Upset Price (GMP).
13. Value Engineering Report/Independent Cost Estimate.
14. Certificate of Occupancy.
15. Punch List Sign-Off.
16. Reserved.

DEVELOPMENT

17. Development Management Agreement.

POST-CONSTRUCTIONPHASEDUE DILIGENCECHECKLIST.DOC

RAINMAKER MARKETING CORPORATION
15519 DAWN BROOK DRIVE, HOUSTON, TEXAS 77068 281.537.1200
WWW.RAINMAKERMARKETING.COM

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18. Developer Firm Profile.
19. Developer Personal Resumes.
20. Developer's Project Operations Plan.
21. Developer's Project Marketing & Advertising Plan.
22. Reserved.

ENGINEERING

23. Property Surveys (metes & bounds, encroachment, topo, etc.).
24. Approved Site Plan.
25. Approved Development Plat.
26. Structural Engineering Certification Report.
27. Environmental Phase I Report.
28. MEP Certifications.
29. Reserved.

FINANCE & ACCOUNTING

30. Construction Loan Note & Mortgage.
31. Project Market Feasibility Analysis Report.
32. Project Pro Forma Financial Presentation.
33. Business Plan of Project Operations.
34. Entitlements Review.
35. Project Capital Funding Plan Proposal.
36. Reserved.

LEGAL & ORGANIZATIONAL

37. Project Sponsor Incorporation Filings.
38. Project Sponsor By-Laws or Operating Agreement.
39. Proposed Project Sponsor Tenants-In-Common Fractional Unit Syndication Contract.

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- 40. Project Sponsor Legal Counsel Firm Profile.
- 41. Project Sponsor Opinion Letters (tax, organizational, legal capacity, etc.).
- 42. Reserved.

OPERATIONS & MARKETING

- 43. Property Manager's Services Contract.
- 44. Property Manager's Plan of Operations.
- 45. Property Manager's Marketing & Advertising Media Plan.
- 46. Reserved.

PROJECT SITE

- 47. Title.
- 48. Title Insurance Specimen Copy.
- 49. Mortgage & Liens.
- 50. Utility "Will-Serve" Letters.
- 51. Approved Site Plan.
- 52. Zoning Report.
- 53. Construction Permit Specimen Copy.
- 54. Flood Plain Certification.
- 55. Reserved.

In certain cases the due diligence reporting burden may incorporate additional exhibits due to the nature of the development being undertaken. If you have questions regarding the production of these exhibits please contact Rainmaker Marketing Corporation for clarification.

END OF FILE MEMORANDUM

POST-CONSTRUCTIONPHASEDUEDILIGENCECHECKLIST.DOC

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