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April 22, 2008

FILE MEMORANDUM

RE: 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.

ARCHITECTURAL

1. Architectural Services Agreement – Design/Build Pre-Construction Phase Services Agreement.
2. Interior Design Services Amendment to Architectural Services Agreement.
3. Architectural Firm Profile.
4. Architectural Firm Personal Resumes.
5. Schematic Phase Design Documents.
6. Schematic Phase Outline Construction Specifications.
7. Project Elevation Drawings (or Virtual Tour).
8. Reserved.

CONSTRUCTION

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

CONSTRUCTIONPHASEDUE DILIGENCECHECKLIST.DOC

RAINMAKER MARKETING CORPORATION
15519 DAWN BROOK DRIVE, HOUSTON, TEXAS 77068 281.537.1200
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DEVELOPMENT

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

ENGINEERING

24. Site, Survey & Civil Engineering Firm Profile.
25. Site, Survey & Civil Engineering Personal Resumes.
26. Site, Survey & Civil Engineering Contract.
27. Property Surveys (metes & bounds, encroachment, topo, etc.).
28. Approved Site Plan.
29. Approved Development Plat.
30. Structural Engineering Firm Profile.
31. Structural Engineering Firm Contract.
32. Structural Engineering Report.
33. Environmental Engineering Firm Profile.
34. Environmental Firm Personal Resumes.
35. Environmental Engineering Firm Contract.
36. Environmental Phase I Report.
37. MEP Report.
38. Reserved.

FINANCE & ACCOUNTING

39. Project Market Feasibility Consultant Firm Profile.
40. Project Market Feasibility Consultant Personal Resumes.

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41. Project Market Feasibility Analysis Report.
42. Project Pro Forma Financial Presentation Consulting Firm Profile.
43. Project Pro Forma Financial Presentation.
44. Business Plan of Project Operations.
45. Entitlements Review.
46. Project Capital Funding Plan Proposal.
47. Construction Loan Commitment.
48. Reserved.

LEGAL & ORGANIZATIONAL

49. Project Sponsor Incorporation Filings.
50. Project Sponsor By-Laws or Operating Agreement.
51. Proposed Project Sponsor Tenants-In-Common Fractional Unit Syndication Contract.
52. Project Sponsor Legal Counsel Firm Profile.
53. Project Sponsor Opinion Letters (tax, organizational, legal capacity, etc.).
54. Reserved.

OPERATIONS & MARKETING

55. Property Manager's Firm Profile.
56. Property Manager's Personal Resumes.
57. Property Manager's Services Contract.
58. Property Manager's Plan of Operations.
59. Property Manager's Marketing & Advertising Media Plan.
60. Reserved.

PROJECT SITE

61. Title.
62. Title Insurance Specimen Copy.

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- 63. Mortgage & Liens.
- 64. Utility "Will-Serve" Letters.
- 65. Approved Site Plan.
- 66. Evidence of Zoning for Intended Use.
- 67. Entitlement Contracts or Letters Of Intent for Entitlements.
- 68. Evidence of Construction Permitting Availability.
- 69. Flood Plain Certification.
- 70. Insurance – Property & Casualty.
- 71. Real Property Taxes Report.
- 72. 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