

APPENDIX I

Required Documentation for Final Commitment Letter and Loan Closings

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Please Note: The requirements below only apply to projects funded with **State of North Carolina Housing Trust Funds**.

Projects funded with **Federal Funds** are subject to different requirements and should not make any “choice limiting actions” (such as signing a construction contract) **before** an Environmental Assessment is completed **and** HUD has issued an Authority to Use Grant Funds (Form HUD-7015.16).

Section 1. Requirements to Receive Final Commitment Letter

Below are examples of documentation that would be required before the Final Commitment Letter as listed in the Conditional Commitment Letter.

1.1 New Construction

1. Contract with building program third party verifier or consultant for energy efficiency.
2. The following plans must be submitted. Drawings must be to scale, using the minimum required scale as detailed below; the size for all design documents is 24”x36”. Documents must be prepared by an engineer or architect licensed to do business in North Carolina and the SHDP Design Standards for the applicable type of building must be made part of and included in the design plans for the project.
 - a. Site Plan: A site plan must be provided that indicates the following:
 - i. Location of, and any proposed changes to, existing buildings, roadways, and parking areas.
 - ii. All existing site and zoning restrictions including setbacks, right of ways, boundary lines, wetlands and any flood plains.
 - iii. Existing topography of site and any proposed changes including retaining walls.
 - iv. The finished floor elevations for all buildings.
 - v. Landscaping and planting areas (a plant list is not necessary). If existing site timber or natural areas are to remain throughout construction, the area must be marked as such on the site plans.
 - vi. Locations of site features such as playground(s), gazebos, walking trails, refuse collection areas, postal facilities, site entrance and handicapped parking signage.
 - b. Floor Plans
 - i. Include floor layouts using a minimum scale of 1/16” = 1’ for each building; identifying the location of units, common use areas and other spaces.
 - ii. Plans must comply with the SHDP Design Standards for the applicable type of building.
 - iii. Include drawing(s) showing the elevations for each type of cabinetry for accessible units in kitchens, bathrooms and laundry rooms, as applicable.
 - iv. Show dimensioned floor plans for all unit types using a minimum scale of 1/4” = 1’.
 - v. Indicate net building square footage and heated square footage.
 - vi. For projects involving renovation and/or demolition of existing structures, show proposed changes to building components and design and also describe removal and new construction methods.
 - vii. For projects involving removal of asbestos and/or lead based paint removal, show general notes identifying location and procedures for removal.

- c. Elevations for New Construction
 - i. Minimum scale for elevations is 1/16" = 1'.
 - ii. Include front, rear and side elevations of all building types.
 - iii. Identify all materials to be used on building exteriors.
 - d. Construction Specifications
3. Architectural plans and specifications approved by NCHFA Construction Inspection Staff.
 4. Architect's Certificate of Compliance
 5. Energy efficiency features in plans and specifications must be approved by the contracted third-party energy efficiency consultant/rater
 6. Documentation of other committed financing
 7. Copy of signed Construction Contract
 8. Phase I Environmental Review/Environmental Assessment
 9. For Permanent Housing where tenants hold a lease, select a Property Management Agent and provide:
 - a. Management Plan
 - b. Tenant Selection Plan
 - c. Lease agreement
 - d. Affirmative Fair Housing Marketing Plan.
 10. For Emergency Shelters, Group Homes, and other non-rent supported Housing must provide:
 - a. Copy of resident program agreement
 - b. Copy of house/program rules

1.2 Substantial Rehabilitation

1. The following plans must be submitted. All drawings must be to scale, using the minimum required scale as detailed below; the size for all design documents is 24" x 36". Documents must be prepared by an engineer or architect licensed to do business in North Carolina and the SHDP Design Standards for the applicable type of building must be made part of and included in the design plans for the project.
 - a. Site Plan: site plan must be provided that indicates the following:
 - i. Location of, and any proposed changes to, existing buildings, roadways, and parking areas.
 - ii. All existing site and zoning restrictions including setbacks, right of ways, boundary lines, wetlands and any flood plains.
 - iii. Existing topography of site and any proposed changes including retaining walls.
 - iv. The finished floor elevations for all buildings.
 - v. Landscaping and planting areas (a plant list is not necessary). If existing site timber or natural areas are to remain throughout construction, the area must be marked as such on the site plans.
 - vi. Locations of site features such as playground(s), gazebos, walking trails, refuse collection areas, postal facilities, site entrance and handicapped parking signage.
 - b. Floor Plans

- i. Include floor layouts using a minimum scale of 1/16" = 1' for each building; identifying the location of units, common use areas and other spaces.
 - ii. Plans must comply with the SHDP Design Standards for the applicable type of building.
 - iii. Include drawing(s) showing the elevations for each type of cabinetry for accessible units in kitchens, bathrooms and laundry rooms, as applicable.
 - iv. Show dimensioned floor plans for all unit types using a minimum scale of 1/4" = 1'.
 - v. Indicate net building square footage and heated square footage. See "Definitions" in Appendix D.
 - vi. For projects involving renovation and/or demolition of existing structures, show proposed changes to building components and design and also describe removal and new construction methods.
 - vii. For projects involving removal of asbestos and/or lead based paint removal, show general notes identifying location and procedures for removal.
 - c. Elevations
 - i. Minimum scale for elevations is 1/16" = 1'.
 - ii. Include front, rear and side elevations of all building types.
 - iii. Identify all materials to be used on building exteriors.
 - d. Construction Specifications.
- 2. Architectural plans and specifications must be approved by NCHFA Construction Inspection Staff.
- 3. Architect's Certificate of Compliance
- 4. Energy efficiency features in plans and specifications must be approved by the contracted third-party energy efficiency consultant/rater.
- 5. Documentation of other committed financing
- 6. Copy of signed Construction Contract
- 7. Trade-item breakdown of costs in construction budget
- 8. Phase I Environmental Review/Environmental Assessment
- 9. For Permanent Housing where tenants hold a lease, select a Property Management Agent and provide:
 - a. Management Plan
 - b. Tenant Selection Plan
 - c. Lease agreement
 - d. Affirmative Fair Housing Marketing Plan.
- 10. For Emergency Shelters, Group Homes, and other non-rent supported Housing must provide:
 - a. Copy of resident program agreement
 - b. Copy of house/program rules

1.3 Acquisition Only or Acquisition/Moderate Rehabilitation

- 1. Specifications for all appliances or systems that will be replaced.
- 2. Project needs assessment, prepared by qualified third party

3. Documentation of other committed financing
4. Copy of signed construction contract, if applicable
5. For Permanent Housing where tenants hold a lease, select a Property Management Agent and must provide:
 - a. Management Plan
 - b. Tenant Selection Plan
 - c. Lease agreement
 - d. Affirmative Fair Housing Marketing Plan.
6. For Emergency Shelters, Group Homes, and other non-rent supported Housing must provide:
 - a. Copy of resident program agreement
 - b. Copy of house/program rules

1.4 Required before Permanent Loan Closing

1. Evidence of site ownership
2. Borrower's Resolution
3. Copies of documents evidencing any other financing:
 - a. For Loans – Copy of Promissory Note, Deed of Trust, Loan Agreement and any other recorded documents.
 - b. For Grants – Copy of Grant Agreement and recorded documents, if any
4. Evidence of insurance meeting NCHFA standards (examples attached below)
5. Lender's Title Insurance Policy (with applicable endorsements):
 - a. Comprehensive Endorsement
 - b. Affirmative Coverage re: Mechanics and Materialmen's Liens
 - c. Zoning Endorsement
 - d. Access Endorsement
 - e. Separate Tax Lot Endorsement
 - f. Copies of Encumbrances on Schedule B to Title Policy
6. Final Cost Certification (certified by a third-party CPA or as approved by the Agency)
7. Certificate of Occupancy
8. As-built Survey
9. Certification of Energy Efficiency Program, if applicable

This Closing Agenda is subject to any terms and conditions contained in NCHFA's Final Commitment Letter and such other conditions as Lender may impose and will be modified to fit the scope of each project (i.e., items may be added or deleted). Additional Agenda Items may be added in the course of document review and preparation in anticipation of closing.

Section 2. Schedule 1 Insurance

2.1 Coverage Requirements

2.1a Construction Phase

During any period of construction on the Property, Borrower must carry, or cause to be carried, the following insurance:

1. All-Risk Builder's Risk Insurance
 - a. Coverage Amount: Equal to the face amount of the construction contract(s), including providing for one hundred percent (100%) of the full replacement cost of work in place and materials stored at or upon the property. For rehabilitation projects, the building value is to be included in the Builder's Risk policy or under a separate policy.
 - b. Deductible(s): None.
 - c. Lender Interest: Loss Payee and Mortgagee
2. Commercial General Liability Insurance
 - a. Coverage Amount: Must be "per project" or "per location," and provide on an "occurrence" basis against claims for "personal injury" liability and liability for death, bodily injury and damage to property, products and completed operations, in limits satisfactory to Lender with respect to any one occurrence and the aggregate of all occurrences per project. The amount of coverage shall be in a minimum amount of \$1,000,000.00 for bodily injury and property damage for any single occurrence and \$2,000,000.00 aggregate per location or project.
 - b. Deductible(s): Deductibles shall be in an amount satisfactory to Lender, but in no event should be greater than the following:
 - For policies less than or equal to \$5,000,000, no deductible greater than \$15,000 per occurrence.
 - For policies greater than \$5,000,000, no deductible greater than \$25,000 per occurrence.
 - c. Lender Interest: Additional Insured
 - The liability insurance must be in the form of an Acord 25 Certificate of Liability Insurance. Such insurance shall name Lender as an additional insured and have an Additional Insured Endorsement as well as an endorsement for 30 days' Notice of Non-Renewal or Cancellation, except for 10 days' notice for non-payment of premium.
3. Worker's Compensation Insurance:
 - a. Coverage Amount: Such amount as is required by North Carolina Law and to the extent necessary to protect any third party and the mortgaged premises against worker's compensation claims.
 - b. Deductible(s): No greater than \$10,000 per occurrence
 - c. Lender Interest: None
4. Flood Insurance: If at any time any portion of any structure on the Property is insurable against Casualty by flood and is located in a Special Flood Hazard Area under the Flood Disaster Protection Act of 1973, as amended, a flood insurance policy, in a form acceptable to Lender, is required.
 - a. Coverage Amount: An amount at least equal to the outstanding principal balance of the loan, or the maximum amount of insurance available with respect to the project under the National Flood Insurance Act, whichever is less.
 - b. Deductible(s): Deductibles shall be in an amount satisfactory to Lender, but in no event should be greater than the following:

- For policies less than or equal to \$5,000,000, no deductible greater than \$15,000 per occurrence.
 - For policies greater than \$5,000,000, no deductible greater than \$25,000 per occurrence.
- c. Lender Interest: Additional Insured
- Borrower shall provide Lender with a Flood Certification indicating whether or not the Project is in a designated flood zone.
5. General Contractor Coverage: In addition to the foregoing, during any period of construction on the Property, Borrower shall cause the General Contractor to provide and maintain comprehensive (commercial) general liability insurance and workers' compensation insurance for all employees of the General Contractor meeting, respectively, the requirements of items 2 and 3, above.

2.1b Permanent Insurance (after construction)

1. Commercial Property Insurance: When the project is eligible for such insurance, commercial property insurance for the benefit of the Lender must be provided regarding the mortgaged premises (including all fixtures and personal property and including all risks of direct physical loss, including loss by fire, lightning, collapse and other risks which at the time are included under "extended coverage" endorsements).
- a. Coverage Amount: Equal to one hundred percent (100%) of the full replacement cost of the improvements.
 - b. Deductible(s): Deductibles shall be in an amount satisfactory to Lender, but in no event should be greater than the following:
 - For policies less than or equal to \$5,000,000, no deductible greater than \$15,000 per occurrence.
 - For policies greater than \$5,000,000, no deductible greater than \$25,000 per occurrence.
 - c. Lender Interest: Mortgagee and Loss Payee
 - The property insurance must be in the form of an Acord 28 Evidence of Commercial Property Insurance. Such insurance shall name Lender as Mortgagee and Loss Payee, and have an endorsement for 30 days' Notice of Non-Renewal or Cancellation, except for 10 days' notice for non-payment of premium. The notice of cancellation requirement must be specifically stated on the evidence of property insurance.
2. Commercial General Liability Insurance:
- a. Coverage Amount: Must be "per project" or "per location," and provide on an "occurrence" basis against claims for "personal injury" liability and liability for death, bodily injury and damage to property, products and completed operations, in limits satisfactory to Lender with respect to any one occurrence and the aggregate of all occurrences per project. The amount of coverage shall be in a minimum amount of \$1,000,000.00 for bodily injury and property damage for any single occurrence and \$2,000,000.00 aggregate per location or project.
 - b. Deductible(s): Deductibles shall be in an amount satisfactory to Lender, but in no event should be greater than the following:
 - For policies less than or equal to \$5,000,000, no deductible greater than \$15,000 per occurrence.

- For policies greater than \$5,000,000, no deductible greater than \$25,000 per occurrence.
 - c. Lender Interest: Additional Insured
 - The liability insurance must be in the form of an Acord 25 Certificate of Liability Insurance. Such insurance shall name Lender as an additional insured and have an Additional Insured Endorsement as well as an endorsement for 30 days' Notice of Non-Renewal or Cancellation, except for 10 days' notice for non-payment of premium.
- 3. Worker's Compensation Insurance:
 - a. Coverage Amount: Such amount as is required by North Carolina Law and to the extent necessary to protect any third party and the mortgaged premises against worker's compensation claims.
 - b. Deductible(s): No greater than \$10,000 per occurrence.
 - c. Lender Interest: None
- 4. Flood Insurance: If at any time any portion of any structure on the Property is insurable against Casualty by flood and is located in a Special Flood Hazard Area under the Flood Disaster Protection Act of 1973, as amended, a flood insurance policy, in a form acceptable to Lender, is required.
 - a. Coverage Amount: An amount at least equal to the outstanding principal balance of the loan, or the maximum amount of insurance available with respect to the project under the National Flood Insurance Act, whichever is less.
 - b. Deductible(s): Deductibles shall be in an amount satisfactory to Lender, but in no event should be greater than the following:
 - For policies less than or equal to \$5,000,000, no deductible greater than \$15,000 per occurrence.
 - For policies greater than \$5,000,000, no deductible greater than \$25,000 per occurrence.
 - c. Lender Interest: Additional Insured
 - Borrower shall provide Lender with a Flood Certification indicating whether or not the Project is in a designated flood zone.
- 5. Fidelity Insurance: For any project collecting rents, fidelity or crime policies must provide that the insurance company will provide protection to the insured against loss of project money, securities and property through any criminal or dishonest acts committed by any employee. A Blanket Crime Policy or a Fidelity Bond (position bond) is acceptable in a form satisfactory to the Lender.
 - a. Coverage Amount: An amount at least equal to three (3) months' gross cash flow.
 - b. Deductible(s): No greater than \$10,000 per occurrence.
 - c. Lender Interest: None

2.2 Policy Requirements

1. Insurance Company: Each policy of insurance shall be issued by one or more insurance companies each of which meet the following criteria:
 - a. A.M. Best Company financial and performance rating: "A-" or better, Demotech Financial Stability Rating: "A (Exceptional)" or better.

- b. Licensed: By the State of North Carolina to conduct the business of insurance in North Carolina.
2. Policy Coverage: Each policy shall provide that such policy shall:
 - a. Cancellation: Policy may not be cancelled or modified without at least thirty (30) days prior written notice to Lender (the clause shall not state that the insurer will “endeavor” to send such notice or that no liability attaches to the insurer for failure to send such notice).
 - b. Negligence of Borrower: Policy shall provide that any loss otherwise payable thereunder shall be payable notwithstanding any act or negligence of Borrower which might, absent such agreement, result in a forfeiture of all or a part of such insurance payment.
 - c. Agency Loss Payee/Mortgagee/Additional Insured Clause:

The policy shall list the Lender’s name and address exactly as:
North Carolina Housing Finance Agency, ISOA, ATIMA,
3508 Bush Street, Raleigh NC 27609
APN: «Loan.AgencyProjectNumber»

2.3 Delivery of Policies, Renewals, Notices, and Proceeds

Borrower shall:

1. cause all insurance policies (including any policies not otherwise required by Lender) which can be endorsed with standard non-contributing, non-reporting mortgagee clauses making loss payable to Lender (or Lender’s assigns) to be so endorsed;
2. promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums;
3. deliver evidence, in form and content acceptable to Lender, that each required insurance policy has been renewed not less than fifteen (15) days prior to the applicable expiration date, and (if such evidence is other than an original or duplicate original of a renewal policy) deliver the original or duplicate original of each renewal policy (or such other evidence of insurance as may be required by or acceptable to Lender) in form and content acceptable to Lender within ninety (90) days after the applicable expiration date of the original insurance policy;
4. provide immediate written notice to the insurance company and to Lender of any event of loss;
5. execute such further evidence of assignment of any insurance proceeds as Lender may require; and
6. provide immediate written notice to Lender of Borrower’s receipt of any insurance proceeds under any insurance policy required above and, if requested by Lender, deliver to Lender all of such proceeds received by Borrower to be applied by Lender in accordance with this Agreement.

2.4 Lender’s Ongoing Insurance Requirements

Borrower acknowledges that Lender’s insurance requirements may change from time to time. All insurance policies and renewals of insurance policies required by this Agreement shall be:

1. in the form and with the terms required by Lender;
2. in such amounts, with such maximum deductibles and for such periods required by Lender; and
3. issued by insurance companies satisfactory to Lender.

BORROWER ACKNOWLEDGES THAT ANY FAILURE OF BORROWER TO COMPLY WITH THE REQUIREMENTS SET FORTH ABOVE SHALL PERMIT LENDER TO PURCHASE THE APPLICABLE INSURANCE AT BORROWER'S COST. SUCH INSURANCE MAY, BUT NEED NOT, PROTECT BORROWER'S INTERESTS. THE COVERAGE THAT LENDER PURCHASES MAY NOT PAY ANY CLAIM THAT BORROWER MAKES OR ANY CLAIM THAT IS MADE AGAINST BORROWER IN CONNECTION WITH THE MORTGAGED PROPERTY. IF LENDER PURCHASES INSURANCE FOR THE MORTGAGED PROPERTY AS PERMITTED HEREUNDER, BORROWER WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AT THE DEFAULT RATE AND ANY OTHER CHARGES LENDER MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR THE EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE SHALL BE ADDED TO BORROWER'S TOTAL OUTSTANDING BALANCE OR OBLIGATION AND SHALL CONSTITUTE ADDITIONAL INDEBTEDNESS. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE BORROWER MAY BE ABLE TO OBTAIN ON ITS OWN. LENDER WILL CANCEL ANY INSURANCE PURCHASED, BUT ONLY AFTER RECEIVING EVIDENCE THAT BORROWER HAS OBTAINED INSURANCE, MEETING THE REQUIREMENTS STATED HEREIN, AS REQUIRED BY THIS AGREEMENT AND OTHER LOAN DOCUMENTS.

2.5 Application Proceeds on Event of Loss

1. Upon an event of loss, Lender may, at Lender's option:
 - a. hold such proceeds to be applied to reimburse Borrower for the cost of Restoration (in accordance with Lender's then-current policies relating to the Restoration of similar multifamily residential properties); or
 - i. apply such proceeds to the payment of the Indebtedness, whether or not then due; provided, however, Lender shall not apply insurance proceeds to the payment of the Indebtedness and shall permit Restoration if all of the following conditions are met: Borrower immediately notified Lender of the casualty giving rise to the claim;
 - ii. No Event of Default has occurred and is continuing (or any event which, with the giving of written notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing);
 - iii. Lender determines that the combination of insurance proceeds and amounts provided by Borrower will be sufficient funds to complete the Restoration;
 - iv. Lender determines that the Net Cash Flow generated by the Mortgaged Property after completion of the Restoration will be sufficient to support a debt service coverage ratio not less than the debt service coverage ratio immediately prior to the event of loss, but in no event less than 1.15x (the debt service coverage ratio shall be calculated on a thirty (30) year amortizing basis (if applicable, on a proforma basis approved by Lender) in all events and shall include all operating costs and other expenses, Imposition Deposits, deposits to Collateral Accounts, and Mortgage Loan repayment obligations);
 - v. Lender determines that the Restoration will be completed before the earlier of (1) one year before the stated Maturity Date, or (2) one year after the date of the loss or casualty; and
 - vi. Borrower provides Lender, upon written request, evidence of the availability during and after the Restoration of the insurance required to be maintained by Borrower pursuant to this Agreement.

- vii. All proceeds of property damage insurance shall be issued in the form of joint checks to Borrower and Lender;
 - viii. Borrower shall deliver to Lender evidence satisfactory to Lender of completion of the Restoration and obtainment of all lien releases;
 - ix. Borrower shall have complied to Lender's satisfaction with the foregoing requirements on any prior claims subject to this provision, if any; and
 - x. Lender shall have the right to inspect the Mortgaged Property (subject to the rights of tenants under the Leases).
2. If Lender elects to apply insurance proceeds to the Indebtedness in accordance with the terms of this Agreement, Borrower shall not be obligated to restore or repair the Mortgaged Property. Rather, Borrower shall restrict access to the damaged portion of the Mortgaged Property and, at its expense and regardless of whether such costs are covered by insurance, clean up any debris resulting from the casualty event, and, if required or otherwise permitted by Lender, demolish or raze any remaining part of the damaged Mortgaged Property to the extent necessary to keep and maintain the Mortgaged Property in a safe, habitable, and marketable condition. Nothing in this Section shall affect any of Lender's remedial rights against Borrower in connection with a breach by Borrower of any of its obligations under this Agreement or under any Loan Document, including any failure to timely pay Monthly Debt Service Payments or maintain the insurance coverage(s) required by this Agreement.

ACORD™ EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY)

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

PRODUCER NAME, CONTACT PERSON AND ADDRESS PHONE (A/C. No. Ext): FAX (A/C. No): E-MAIL ADDRESS: Insurance Agency Name & Address	COMPANY NAME AND ADDRESS INSURANCE COMPANY MUST BE ADMITTED IN NORTH CAROLINA	NAIC NO:	
CODE: AGENCY CUSTOMER ID #: NAMED INSURED AND ADDRESS BORROWER	IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH		
ADDITIONAL NAMED INSURED(S)	LOAN NUMBER EFFECTIVE DATE	POLICY NUMBER EXPIRATION DATE	CONTINUED UNTIL TERMINATED IF CHECKED <input type="checkbox"/>
		THIS REPLACES PRIOR EVIDENCE DATED:	

PROPERTY INFORMATION (Use additional sheets if more space is required)

LOCATION/DESCRIPTION PROJECT NAME PROJECT ADDRESS

COVERAGE INFORMATION CAUSE OF LOSS FORM BASIC BROAD SPECIAL OTHER

COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: \$					DED:
	YES	NO			
BUSINESS INCOME / RENTAL VALUE			If YES, LIMIT:		Actual Loss Sustained # of months:
BLANKET COVERAGE			If YES, indicate amount of insurance on properties identified above: \$		
TERRORISM COVERAGE			Attach signed Disclosure Notice / DEC		
IS COVERAGE PROVIDED FOR "CERTIFIED ACTS" ONLY?			If YES, SUB LIMIT:		DED:
IS COVERAGE A STAND ALONE POLICY?			If YES, LIMIT:		DED:
DOES COVERAGE INCLUDE DOMESTIC TERRORISM?			If YES, SUB LIMIT:		DED:
COVERAGE FOR MOLD			If YES, LIMIT:		DED:
MOLD EXCLUSION (If "YES", specify organization's form used)					
REPLACEMENT COST		<input checked="" type="checkbox"/>			
AGREED AMOUNT					
COINSURANCE			If YES, %		
EQUIPMENT BREAKDOWN (If Applicable)			If YES, LIMIT:		DED:
LAW AND ORDINANCE - Coverage for loss to undamaged portion of building			If YES, LIMIT:		DED:
- Demolition Costs			If YES, LIMIT:		DED:
- Incr. Cost of Construction			If YES, LIMIT:		DED:
EARTHQUAKE (If Applicable)			If YES, LIMIT:		DED:
FLOOD (If Applicable)			If YES, LIMIT:		DED:
WIND / HAIL (If Separate Policy)			If YES, LIMIT:		DED:
PERMISSION TO WAIVE SUBROGATION PRIOR TO LOSS					

REMARKS - Including Special Conditions (Use additional sheets if more space is required)

Policy must provide that 'any act or neglect of mortgagor or homeowner will not invalidate the interest of the lender'
Policy must provide '30 days' notice to lender prior to cancellation and '10 days' notice of cancellation for non-payment

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW **30** DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS North Carolina Housing Finance Agency, ISAOA, ATIMA 3508 Bush Street Raleigh, NC 27609 APN:	LENDER SERVICING AGENT NAME AND ADDRESS AUTHORIZED REPRESENTATIVE
<input checked="" type="checkbox"/> MORTGAGEE <input checked="" type="checkbox"/> LOSS PAYEE	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
<p>North Carolina Housing Finance Agency Its successors and/or assigns as their interest may appear 3508 Bush Street Raleigh, NC 27609</p>	<p>Provide the Names and Address of ALL Insured Properties</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;
whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.