

## Due Diligence Checklist

### Records Search

- New Title Report Obtain new preliminary title report.
- Assessor's Map Included with title report

### Legal Descriptions

- Obtain and compare
- Recorded Legal description attached to owner's vesting
- Not Recorded Legal description attached to any leasehold interest
- Title Report Review for exceptions that might affect the State use of the property
- New Legal Desc. A new legal description must be acquired in either of the following situations:
  - o Incorrect or faulty existing legal description
  - o Less than entire site to be encumbered
    - After preliminary site layout is developed, identify area to be encumbered for Lease Revenue Bond site and facility leases (counsel to State Public Works Board will determine area needed). If less than entire site is optimal, obtain legal description for that area only.
- Plot Title Exceptions If less than entire site will be required, plot the title exceptions that encumber only that portion of property, otherwise plot all title exceptions.
- Prepare Overlay Map Request an overlay map of the bonded area overlaid on the Parcel Map.

### Condition of Title

- Vesting Examine vesting deed for property, confirm accuracy, legitimacy and identify signature authority, compare with preliminary title report vesting
- Jurisdiction Confirm the proper State entity has jurisdiction (varies with assignment, ask State Public Works Board legal counsel who must have jurisdiction). Process the required documents if needed to place jurisdiction in the right entity.
- Clouds on Title Examine preliminary title report for clouds on title, determine how to clear them, get direction from Title Officer at Title Company, Legal Counsel, and experienced State Public Works Board staff.
- Title Exceptions Examine title exceptions for any conflict with proposed development. Prepare analysis of each title exception.
- Mineral Interests Confirm there are no mineral reservations or leases on the property that either include surface right of entry or are silent on issue.
- Leasehold Examine State's leasehold interest for adequate protection, amend lease as needed to extend term to at least 35 years and add required protective clauses (State Public Works Board Legal Counsel must approve adequacy).
- Unrecorded rights Contact the state agency's headquarter office and the facility to inquire if they know about any unrecorded rights, leases, contracts or other agreements that affect the real property. Their response must be in writing signed by the authorized signatory at the headquarters and the facility.