



Construction Draw Guidelines

The following document outlines Crowdopia's construction draw requirements. Draw requests are processed between 9am-5pm Monday through Friday, excluding holidays. Inspections are primarily done in person. However, we reserve the right to conduct virtual inspections on a case-by-case basis. ***Draws will be based on the final budget established before loan closing, unless otherwise determined by Crowdopia.** *Crowdopia reserves the right to alter these requirements as needed.*

All draw requests must meet the following requirements:

- Work must be 100% complete* before request is made
 - a. Crowdopia does not prepay for materials or work that is not complete
 - b. No partial payments will be made
 - c. Requests for roof payments require before & after photos of roof, as well as photos providing context of neighboring properties
 - d. Copies of permits and plans are required for reimbursement for permits and architectural drawings

- Draw request amount must match corresponding amount in Crowdopia construction budget* for subject property
 - a. Any unforeseen line items/expenses realized during the renovation will be the responsibility of the borrower. Crowdopia will not pay for any expenses not listed on the final budget nor adjust other line items to pay for this unforeseen expense

- Draw request must be a minimum of either \$12,000 *or* 12% of the total construction budget* (whichever is greater)

- Work must be completed to the grade specified on the Scope of Work document for the subject property
 - a. For example, if a scope of work states luxury rental, the borrower can not deviate from this plan and complete a builder's grade rental
 - b. *All determinations on whether construction meets scope listed on Scope of Work document are made at Crowdopia's discretion*

Steps to Submitting Draw Requests

1. Email new draw request to the following staff

- Craig (craig@crowdcopia.com)
- Dan (dan@crowdcopia.com)
- Zach (zach@crowdcopia.com)

2. Include the following information

- Property Address (include address in email title)
- Line Items with Amount Requested (must match budget)
 - Minimum Draw Request = \$12,000 or 12% of the total budget*
- Lockbox Code
- Any Special Instructions [i.e. alarm code, use back door]

3. Crowdcopia will confirm & conduct inspection

- A member of the construction team will email after inspection to confirm what payment(s) will be made

4. Draw payment is made to bank account on file

- Only line items that are 100% complete will be paid*
 - HVAC, electric, and plumbing are only items eligible for partial payments**
- Draw payments are made through ACH deposits and take between 24-48 hours to show in borrower's account

****HVAC, electric, and plumbing** draw requests for the budgeted amount can be broken down to $\frac{2}{3}$ payment for rough and $\frac{1}{3}$ payment for finish. For a rough HVAC draw request, the expectation is all supplies and returns are cut out, all duct work is run including trunk line, and there are the proper amount of supplies and returns for the corresponding square footage of the property. For the finish portion of the HVAC draw request, the expectation is that the system(s) and the condenser(s), if applicable, are installed and functioning properly. For a rough electric draw request, the expectation is that all the rough electric is complete with the panel(s) wired up. For the finish portion of an electric draw request, the expectation is that all the electric work is complete including all switch and outlet covers installed, and all lighting fixtures installed and functioning properly.



By signing the below, you are agreeing to follow the construction draw process and requirements outlined in this document, as well as those relayed to you by the Crowdcopia Construction Team.

Crowdcopia does not typically charge for draw inspections, however, if the Construction Team repeatedly conducts draw inspections for work that is not complete, we reserve the right to require the following:

- Borrower will be required to send pictures of completed work before future draw requests can be scheduled.
- If misleading pictures are sent and/or it is discovered that the work is still incomplete upon inspection, Crowdcopia may impose an inconvenience fee in the amount of \$250 to the borrower per visit.

Any questions about this document or construction policies can be directed to Craig LaCagnina (craig@crowdcopia.com) and Daniel Mastropieri (dan@crowdcopia.com).

Please indicate your acceptance of these terms by having each Borrower and Guarantor DocuSign a copy of this document.

We at Crowdcopia, LLC appreciate your business and look forward to working with you.