



# MASTERING MULTIFAMILY ACQUISITIONS

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# Glossary of Key Terms

## **Syndication**

The pooling of resources among investors to purchase a multifamily property. Often, it involves a lead partner or "GP" selling securities to limited partners or "LPs" to raise the funds necessary to consummate the transaction.

## **Tax ID**

A tax ID is an identification number used by the tax authorities to identify the ownership entities. Because a multifamily purchase can involve multiple legal entities, it may also involve multiple tax IDs.

## **Private Placement Memorandum ("PPM")**

The legal documentation provided to prospective investors when selling securities.

## **Offering Memorandum ("OM")**

A presentation for potential investors that contains and/or summarizes key information about the property including: location, unit mix, proforma estimates, return summary, and property photos.

## **Purchase and Sale Agreement ("PSA")**

The legal contract used to submit an offer on a multifamily property.

## **KPI**

A key partner in a multifamily transaction. A partner is considered "key" when their individual expertise or financial resources are critical to the success of a transaction.

# Glossary of Key Terms

## **Due Diligence**

The process of conducting research on a property to verify that its condition is as advertised.

## **Credit Authorization**

A signed document that authorizes a lender or other party to pull a credit report on an individual.

## **Tax Appeal**

If a property owner believes that the value assessment of their property is too high, they may submit an "appeal" to request that a new evaluation is performed. If successful, it may result in a lower property tax bill.

## **Title Insurance**

A specialized form of insurance that protects the holder from financial loss related to defects in a property's title. The most common type of title insurance is the lender's title insurance, in which the borrower purchases coverage only to protect the lender.

## **Organizational Chart**

A document that shows the management hierarchy of a property management or ownership entity.

## **Commitment Letter**

A document issued by a lender confirming their intent to make a loan. It is usually required by sellers as proof of your ability to close the transaction.

# Acquisitions & the Importance of Consistency

Completing the acquisition of a multifamily asset is a milestone event because it means that you now have the opportunity to generate additional income for your investors and family. It can be a fun and exciting time.

However, the process of completing a transaction isn't nearly as exciting. It involves taking on a significant amount of financial responsibility and reviewing hundreds of pages of documents, reports, and contracts. Missing an important detail or overlooking a key number can have significant consequences for both you and your partners. Because of this, the final days leading up to closing can be incredibly stressful, chaotic, and time consuming as you and your partners try to master all of the details associated with the transaction.

To mitigate the risk of missing a detail and to create the ability to scale, it is necessary to establish a thorough and repeatable acquisition process. Doing so will provide a roadmap to navigate those final hectic days before closing.

But, where to start? We are here to help. Over the course of dozens of transactions, we've created an "Acquisitions Checklist" that details every step that you'll need to take and every document that you'll need to review to gain the confidence that you are entering into a solid transaction.

For simplicity's sake, we've divided the checklist into six parts, each of which correspond to a step in the multifamily transaction lifecycle:

**1. Initial Tasks:** Those needed to create the ownership entity, raise capital, execute the PSA, and request property documentation.

**2. Due Diligence Tasks:** Tasks needed to complete a thorough review of the property's physical and financial condition.

**3. Title & Insurance Tasks:** Tasks to review the seller's title commitment and insurance claim history to verify the extent, if any, of historical financial losses.

**4. Property Management Tasks:** Tasks to review the existing property management team, organizational structure, procedures, and budgets.

**5. Pre-Closing Tasks:** Tasks that need to be performed to complete a final review of the entire transaction prior to closing.

**6. Post Closing Tasks:** Tasks necessary to complete the purchase, transition the property to the new ownership group, update investors and create a new property management routine.

In the remainder of this document, we will discuss each one of these groups in detail.

# Initial Tasks

The initial phase of the transaction can be very paperwork intensive because it involves creating all of the ownership entities, opening bank accounts, and creating marketing materials for prospective investors. To complete them, it is important to get started as early as possible because it may take time to receive responses and approvals.

## Syndication Tasks

Upon identifying a property for which you are prepared to make a serious offer, there are a significant number of tasks that need to be completed to get the purchase and ownership entities set up, including:

- Creation of the investor entity to including obtaining a federal tax ID
- Creation of the ownership entity, also including a (separate) federal tax ID
- Creation of the GP entity, with yet another tax ID
- Set up bank accounts, including the necessary wiring instructions

If planning to syndicate the deal, there a few extras steps:

- **Create the PPM:** The “PPM” is the Private Placement Memorandum, which is the legal documentation provided to prospective investors when selling securities.
- **File Form D:** Form D is used to file a notice of an exempt offering. Federal securities laws require the notice to be filed by companies that have sold securities without registration under rule 504 or 506. The notice must be filed within 15 days after the date of the first sale of securities in the offering.

## Investor Relations/Marketing Tasks

With the legalities handled, it is also necessary to prepare the materials that will be used to market the property to prospective investors. These tasks include:

- **Obtain Property Footage:** Because investors may be located in different markets, it is necessary to document the property for them. At a minimum, professional photos should be taken, but video of unit walk-throughs and/or drone footage is an added bonus.
- **Create the Offering Memo:** The “OM” is a presentation for potential investors that contains and/or summarizes key information about the property including: location, unit mix, proforma estimates, return summary, and property photos.
- **Market the property:** Once complete, the OM needs to be circulated to potential investors, including: personal networks, investor referrals, email lists, crowd-sourcing, and/or cold calling. In a syndication, specific rules must be followed.
- **Schedule a webinar:** If enough investors are interested, it may make sense to schedule an online presentation for them. Again, it is important to be aware of syndication rules when doing so.

# Initial Tasks Continued

## Post PSA Tasks

Once the PSA has been executed and there is a high degree of certainty that the deal is going to happen, it is necessary to turn your focus to the property and the paperwork needed to complete the setup of the ownership entities. These tasks include:

- **Legal documents:** Verify receipt of entity formation docs, file a certificate of existence, certificates of formation and account status, and articles of organization (Form SS-4)
- **Set up Due Diligence / Order Reports:** Due Diligence requires a high degree of organization so the timelines need to be established and property reports need to be ordered. They include: environmental, zoning, asbestos, and property condition assessments.
- **Financial Actions:** Initial and secondary deposits to the seller need to be made
- **Title & Timeline:** Finally, the title needs to be reviewed and the purchase timeline established.

## KPI Tasks

A KPI is a key partner or key principal in the transaction. This title is bestowed by an individual's expertise and/or wealth and it means that extra steps need to be taken for each of them.

- **Complete Form 6460:** Must be completed for each key principal, certified as true, and kept in the servicing file.
- **Obtain KPI Financials:** Lenders have strict liquidity and net worth underwriting requirements. As such, it is necessary to obtain the personal financial statements for each key principal and all supporting details including: real estate owned schedules, bank statements, and brokerage statements.
- **Credit Authorization:** Because the lender will pull a credit report on each key principal, it is necessary to obtain their permission.

When the necessary paperwork has been filed, the PSA has been accepted, and the initial loan application complete, the initial tasks have been completed and it is time to move into the due diligence phase of the transaction.

# Due Diligence Tasks

A multifamily property is a complex web of buildings, roofs, pipes, wiring, mechanical systems, and plumbing, all of which degrade over time. Because a property may be many years into its useful life at the time of purchase, it is important to do a significant amount of research into its condition to make sure that there are no major surprises hiding beneath the surface.

A thorough due diligence program can catch deficiencies prior to finalizing the purchase to allow the price to either be renegotiated or to require the seller to repair them. Broadly, due diligence can be divided into four categories: Financial Due Diligence, Contractual Due Diligence, Physical Due Diligence, and Miscellaneous Due Diligence.

## Financial Due Diligence

A property's financial condition is equally important as its physical condition. Financial due diligence involves the inspection of a property's books and ledgers to make sure that there are no surprise tax liabilities, underfunded reserves, or financial impropriety. In the due diligence phase, here's what to look/ask for:

- **3 Years of Property Tax Bills / Appeals:** It's important to review recent property tax bills to make sure they have been paid and to get an idea of what they may be in the future. In addition, you'll want to know if there have been any tax disputes as it may indicate doubt about the value of the property.
- **Tenant Rent Roll:** The rent roll needs to be studied for several reasons: To confirm property income is accurate; to compare existing rents to the prevailing market; to understand current vacancy; and to see when current leases expire.
- **Tenant Payment History:** It is necessary to review each tenant's payment history over the past 24 months to gain insight into who the problem tenants are and whether or not a significant effort has to be dedicated to collecting rent in full each month.
- **Security Deposits:** Security deposits are provided at the time of lease inception to protect against unit damage beyond normal wear and tear. It is necessary to review the security deposits for all tenants to make sure that they are adequate, held in separate accounts, and used appropriately.
- **Property Financial Statements:** A property's financial statements includes: budgets, operating statements, delinquency/aging reports, and payroll. Among other things, we look to see that maintenance reserves are adequately funded, that expense line items are in line with industry norms, and to understand if there are any opportunities for efficiency.
- **Financial Statements for Major Tenants:** On occasion, a property may have a handful of tenants that occupy a significant portion of the space. This is especially true in a mixed-use property where there may be commercial tenants. In such cases, we ask for the financial statements of all major tenants to ensure they can continue to pay their rent. If they can't, the default of a handful of tenants could have an outsized impact on the finances of the property.

# Due Diligence Tasks Continued

## **Contractual Due Diligence**

In order to properly maintain a multifamily property, it is common to employ a significant number of third-party service providers such as: landscaping, property management, utility companies, laundry facilities, and others.

The one thing that all of these providers have in common is that their services are usually governed by a contract. As such, contracts should be reviewed to model out expenses and to look for potential cost savings. Here are the contracts that should be obtained and reviewed as part of the contractual due diligence process:

- Utilities
- Laundry
- Landscaping
- All Warranties
- Billboards, Ground Leases, and other Commercial Contracts
- Cable
- Housing Assistance Payments Contracts

The review of each contract should identify 3 variables: Start/End Date; Monthly Payment; and Cancellation terms. These variables can serve as key inputs in the pro forma financial model.

## **Physical Due Diligence**

It is common for a property's marketing materials to put a very positive spin on all aspects of the property. We operate with a philosophy of "trust but verify" and hire a significant number of outside experts to study every square inch of the property to make sure we have an accurate assessment of its true physical condition. Below are the third party reports that we order and/or review as part of the physical due diligence process:

- All construction and engineering documents
- Surveys, including the ALTA survey
- Parcel maps
- Appraisals
- Building Inspection reports
- Structural evaluation reports
- Geo-technical/soil reports
- ADA compliance survey
- Fire sprinkler rating
- Elevator permits
- Natural hazards disclosure reports
- Fire & life safety reports
- Termite Reports

# Due Diligence Tasks Continued

With each report, we are looking for major issues or “deal breakers” that would make us reconsider the purchase and we feel it is important to hire an independent third party to write/create the reports so there is no bias in the results.

## Miscellaneous Due Diligence

Miscellaneous due diligence items don't fit neatly into any one category, but, that doesn't make them any less important. The purpose of reviewing each of these items is the same as the above, to make sure that there are no significant surprises that may result in an unexpected expense. Here are the miscellaneous items that we review:

- Tenant Correspondence/Complaints
- Blank Lease template
- Resume/Qualifications of the existing property manager
- Property photos
- Marketing materials and leasing brochures
- Existing inventory of supplies
- All necessary operating licenses and permits
- Condition of the parking areas
- Certificates of occupancy
- Any proposals to remedy and existing physical physical deficiencies

The due diligence process can be time consuming and tedious, but it is critical to protect yourself and your investors from financial loss. The PSA usually includes a provision for a “due diligence period” that may range from 30-60 days. If a “showstopper” item is found within the due diligence period, it is an opportunity for you to: (1) renegotiate the contract price; (2) ask for the seller to fix it; or (3) exit the contract. If you choose to exit, it may involve the loss of a deposit, but it is much better than proceeding with the purchase of an unacceptable property.

If you choose to proceed, the next step is to complete the Title & Insurance tasks.

# Title & Insurance Tasks

Reviewing the title to the property and the existing insurance may be two of the most important tasks on our acquisition checklist.

A property's title conveys legal ownership of the property, meaning the right to use it, and the purpose behind reviewing it is to ensure that it is free and clear of any defects and to verify that it can be transferred to you as the new owner.

Because of the significant financial stakes involved in multifamily ownership, it is also necessary to verify that a property has adequate amounts of insurance to cover any potential losses. In addition, studying existing insurance policies allows us to model the cost or identify opportunities to improve coverage and/or lower cost.

Here's what we look for:

## ***Title Tasks***

- Review the seller's Title Commitment
- Review easements, access rights, options agreements, licenses
- Review the marked up title commitment
- Review the Survey Affidavit
- Review the most recent title insurance policies
- Review any other instruments that create liens or encumbrances
- Review all recorded documents including the Warranty, Deed of Trust, and any assignments

## ***Insurance Tasks***

- Seller's Insurance policies
- Insurance claims for the previous 5 years
- Obtain quotes to replicate and/or improve existing insurance
- Certificate of liability insurance
- Evidence of commercial property insurance
- Evidence of any other property insurance

Assuming that the Title & Insurance review doesn't uncover any major issues, the next step is to complete the property management tasks.

# Property Management Tasks

When acquiring a property, it is important to take all necessary steps to ensure a smooth transition from the old owner to the new one. One of the major transition considerations is to decide whether to stick with the existing property manager or to replace them with a new one that you know and trust.

In order to make this decision, we perform a thorough review of the existing property manager and their procedures prior to consummating the purchase. During the acquisition phase, here's what we review/ask for:

- Existing capital improvement budget
- Vendor contracts, which also require lender approval
- CapEx schedule and all planned tenant improvements for the next 12 months
- List of current deferred maintenance items
- Existing organization chart for the property manager
- Forms and procedures for replacements and improvements
- The operating agreement that governs the property manager's property responsibilities

Once the purchase of the property is complete, there are some additional tasks that the asset manager needs to complete, including:

- Open a savings account for the property
- Create wiring instructions and send them to the title company
- Create a W9 for the ownership entity
- Draft a funds transfer agreement

Finally, if a new property manager is going to take over, there are a series of tasks that need to be completed to ensure a smooth transition. They include:

- Creating/Updating the budget for the property
- Send the POC for takeover
- Determine if the existing supply inventory will stay or leave
- Determine if the existing property staff will stay or leave
- Open a bank account for the property, including an ACH FORM and voided check so that money can move electronically
- Create new wiring instructions
- Execute the new management agreement

Completion of the pre-acquisition property management tasks mark the transition into the pre-closing tasks, which is when the acquisition process may become hectic and chaotic because you're trying to complete everything by a particular date.

# Pre-Closing Tasks

Assuming that the due diligence and property reviews don't uncover any major issues and you plan to proceed with the purchase, there are a couple of key tasks that need to be completed prior to finalizing the sale. They are meant to prepare for the financial aspects of closing and include:

- Finalizing the property rehab budget, if applicable
- Locking the interest rate on the loan
- Providing a good faith deposit to the seller
- Obtaining the commitment letter from the lender
- Paying all third party experts for their services including legal, appraisal, and background checks.
- Calculating and paying an asset management fees to related entities
- Finalizing the loan/property settlement statement.
- It is a best practice to put a second set of eyes, it could be a lawyer or other expert, on these final documents because it is the last chance to find an error or make a change prior to closing.

Again, these tasks may be completed against a ticking clock so the pressure to get them done can be intense. The good news is that, once complete, the closing can proceed as scheduled and you can move into the post-closing checklist where the time to complete is a bit more flexible.

# Post-Closing Tasks

Once the purchase is completed, it is time to begin to put your stamp on the property and on the organization of the finances and management of it. It is also necessary to finalize all legal documentation and provide updates to investors and set up their capital accounts.

Our post closing tasks are to:

- Provide the closing statement to the CPA and to finalize the new organizational chart for the property and ownership entities.
- If applicable, update the website to reflect the addition of the property to your portfolio
- Finalize and pay all legal, appraisal, and insurance costs associated with the purchase.
- Collect the LLC and other entity formation documents from all equity partners
- Send the property management company all key documentation regarding the property including:
  - Loan & settlement statements
  - Property taxes & insurance
  - Operating agreements
  - New organizational chart
  - Executed management agreement
  - Reimbursements allocation

The asset manager, which is different than the property manager, also has a new set of tasks, which requires them to:

- Obtain bids or sign contracts for property improvement work
- Conduct an onsite welcome meeting
- Set up proposals and/or meetings with contractors, if applicable
- Migrate property files to the new management systems
- Update the real estate owned schedules for the key partners

# Post-Closing Tasks Continued

Finally, there is a set of tasks that need to be completed to update investors on the purchase and next steps. They involve sending the investors copies of all of the key documents involved in the transaction, including: :

- The closing binder and introductory packet
- Finalized settlement statement
- Finalized LLC and property management operating agreement(s)
- Copies of all recorded documents including the warranty deeds, deeds of trust, and any assignments
- Copies of all executed loan documents
- Copy of the Owner's title insurance policy
- Copies of all third party reports, including the appraisal
- The renovation budget, if applicable.

Completion of the post-closing tasks also completes the acquisition checklist. Doing so is a significant amount of work and involves the coordination of our entire team, but the work pays off with the addition of a new asset to our portfolio.

# Conclusions and Next Steps

A multifamily property purchase is a complicated transaction with many moving parts. Because of the financial and legal stakes, it is not something to be taken lightly.

In order to scale your business, and to ensure key steps of the acquisition process are given the consideration that they deserve, it is necessary to establish a thorough process that can be repeated for every purchase made. The easiest way to create the process is through a checklist, where the tasks are segmented in relation to their position in the transaction lifecycle.

To make this process easier for you, we've provided a copy of the "Acquisitions Checklist" that we use for each and every transaction. It is segmented into the groups outlined in this document:

- Initial Tasks
- Due Diligence Tasks
- Title & Insurance Tasks
- Property Management Tasks
- Pre-Closing Tasks
- Post Closing Tasks

It is important to note that our needs may vary from yours so you may wish to alter or customize this document based on your own needs and preferences.

# ACQUISITION CHECKLIST



# Acquisition Checklist

## Initial Tasks

Task ID	Task Description	Complete?	Notes
<b>1.0</b>	<b>Syndication Tasks</b>		
1.1	File Form D	<input type="checkbox"/>	
1.2	Create PPM	<input type="checkbox"/>	
1.3	Create DocuSign version for investors	<input type="checkbox"/>	
1.4	Get EIN for property entity	<input type="checkbox"/>	
1.5	Get EIN for investor entity	<input type="checkbox"/>	
1.6	Get EIN for GP entity	<input type="checkbox"/>	
1.7	Create property entity	<input type="checkbox"/>	
1.8	Create investor entity	<input type="checkbox"/>	
1.9	Create GP entity	<input type="checkbox"/>	
1.1	Create wire instructions	<input type="checkbox"/>	
<b>2.0</b>	<b>Investor Relations / Marketing Tasks</b>		
2.1	Create OM	<input type="checkbox"/>	
2.2	Obtain onsite drone footage	<input type="checkbox"/>	
2.3	Create video for unit walkthroughs	<input type="checkbox"/>	
2.4	Obtain property pictures (interior & exterior)	<input type="checkbox"/>	
2.5	Add offering to portal	<input type="checkbox"/>	
2.6	Create promotional video	<input type="checkbox"/>	
2.7	Schedule live webinar	<input type="checkbox"/>	
2.8	Rod to mention on podcast intro	<input type="checkbox"/>	
2.9	Email blast to potential investors	<input type="checkbox"/>	
<b>3.0</b>	<b>After PSA Executed</b>		
3.1	Create entity and receive formation docs	<input type="checkbox"/>	
3.2	Certificate of existence - S.O.S.	<input type="checkbox"/>	
3.3	Certificate of formation	<input type="checkbox"/>	
3.4	Certificates of Account Status/Tax Franchise Status - Comptroller	<input type="checkbox"/>	
3.5	Articles of Organization (Form SS-4)	<input type="checkbox"/>	
3.6	Set up On-Site Due Diligence	<input type="checkbox"/>	
3.7	Order Third Party Reports	<input type="checkbox"/>	
3.8	All environmental assessments	<input type="checkbox"/>	
3.9	Ordered	<input type="checkbox"/>	
3.10	Read	<input type="checkbox"/>	
3.11	Recommendation	<input type="checkbox"/>	
3.12	Zoning compliance report	<input type="checkbox"/>	

# Acquisition Checklist

## Initial Tasks Continued

Task ID	Task Description	Complete?	Notes
3.13	Ordered	<input type="checkbox"/>	
3.14	Read	<input type="checkbox"/>	
3.15	Recommendation	<input type="checkbox"/>	
3.16	Asbestos survey	<input type="checkbox"/>	
3.17	ACM O&M Plan (If Needed)	<input type="checkbox"/>	
3.18	Property condition assessments:	<input type="checkbox"/>	
3.19	Ordered	<input type="checkbox"/>	
3.20	Read	<input type="checkbox"/>	
3.21	Recommendation	<input type="checkbox"/>	
3.22	PSA Timeline	<input type="checkbox"/>	
3.23	Initial Deposit	<input type="checkbox"/>	
3.24	Due Diligence Period	<input type="checkbox"/>	
3.25	Second Deposit	<input type="checkbox"/>	
3.26	Title Review	<input type="checkbox"/>	
3.27	Inspection Period Complete	<input type="checkbox"/>	
3.28	Assumption Approval	<input type="checkbox"/>	
<b>4.0</b>	<b>KPI Tasks</b>		
4.1	Assignment of contract	<input type="checkbox"/>	
4.2	UCC searches	<input type="checkbox"/>	
4.3	Form 6460	<input type="checkbox"/>	
4.4	Credit authorization form	<input type="checkbox"/>	
4.5	KPI financials	<input type="checkbox"/>	
4.6	KPI REOs	<input type="checkbox"/>	
4.7	Full bank statements	<input type="checkbox"/>	

# Acquisition Checklist

## Due Diligence Tasks

Task ID	Task Description	Complete?	Notes
<b>4.0</b>	<b>Due Diligence Tasks</b>		
<b>4.1</b>	<b>Financial Due Diligence</b>		
4.1.1	Real property tax bills - 2 years	<input type="checkbox"/>	
4.1.2	Real property tax appeals - 3 years	<input type="checkbox"/>	
4.1.3	Tenant ledger	<input type="checkbox"/>	
4.1.4	Rent roll (current)	<input type="checkbox"/>	
4.1.5	Tenant payment history - 24 months	<input type="checkbox"/>	
4.1.6	Tenant security deposits (including letters of credit)	<input type="checkbox"/>	
4.1.7	Operating budget - current	<input type="checkbox"/>	
4.1.8	Delinquency/Aging report - current	<input type="checkbox"/>	
4.1.9	YE Financials: Income, P&L, CF Statements - 3 years	<input type="checkbox"/>	
4.1.10	Trailing 12 months operating statement to current	<input type="checkbox"/>	
4.1.11	On-site staff & payroll	<input type="checkbox"/>	
4.1.12	Tenant financial information (majors)	<input type="checkbox"/>	
<b>4.2</b>	<b>Leases and Contracts</b>		
4.2.1	Utility leases (water, electric, gas)	<input type="checkbox"/>	
4.2.2	Franchise agreements (if applicable)	<input type="checkbox"/>	
4.2.3	Contracts (compare to TC Schedule B)	<input type="checkbox"/>	
4.2.4	HAP contracts	<input type="checkbox"/>	
4.2.5	Commercial leases	<input type="checkbox"/>	
4.2.6	Oil & Gas leases	<input type="checkbox"/>	
4.2.7	Ground leases	<input type="checkbox"/>	
4.2.8	Cable contracts	<input type="checkbox"/>	
4.2.9	Vendor contracts	<input type="checkbox"/>	
4.2.10	Billboard contracts	<input type="checkbox"/>	
4.2.11	Laundry lease (check with title) - most critical	<input type="checkbox"/>	
4.2.12	Landscape/lawn contracts	<input type="checkbox"/>	
4.2.13	All warranties (i.e. roof)	<input type="checkbox"/>	
<b>4.3</b>	<b>Third Party Reports/Inspections</b>		
4.3.1	All documents for construction and engineering of the improvements	<input type="checkbox"/>	
4.3.2	ALTA survey (most up-to-date)	<input type="checkbox"/>	
4.3.3	Updated survey (if needed)	<input type="checkbox"/>	
4.3.4	Parcel map (most-up-to-date)	<input type="checkbox"/>	
4.3.5	Appraisal (most recent)	<input type="checkbox"/>	

# Acquisition Checklist

## Due Diligence Tasks Continued

Task ID	Task Description	Complete?	Notes
4.3.6	Building Inspection Reports (roof, HVAC, plumbing)	<input type="checkbox"/>	
4.3.7	Structural evaluation reports (if needed)	<input type="checkbox"/>	
4.3.8	Geotechnical/soil reports (if needed)	<input type="checkbox"/>	
4.3.9	ADA compliance survey/issues	<input type="checkbox"/>	
4.3.10	Fire sprinkler rating/alarm-inspections	<input type="checkbox"/>	
4.3.11	Elevator permits/inspections	<input type="checkbox"/>	
4.3.12	Natural hazards disclosure report	<input type="checkbox"/>	
4.3.13	Any forensic studies prepared	<input type="checkbox"/>	
4.3.14	Fire & life safety	<input type="checkbox"/>	
4.3.15	Termite report	<input type="checkbox"/>	
<b>4.4</b>	<b>Misc. Documents</b>		
4.13	Tenant correspondence/complaints	<input type="checkbox"/>	
4.31	Property	<input type="checkbox"/>	
4.32	Blank lease	<input type="checkbox"/>	
4.34	Property manager resume	<input type="checkbox"/>	
4.35	Pictures	<input type="checkbox"/>	
4.36	Brochure	<input type="checkbox"/>	
4.37	Inventory	<input type="checkbox"/>	
4.43	Any licenses/permits	<input type="checkbox"/>	
4.47	Asphalt (parking lot)	<input type="checkbox"/>	
4.49	Proposals to remedy any significant physical deficiency	<input type="checkbox"/>	
4.50	Certificate of occupancy	<input type="checkbox"/>	

# Acquisition Checklist

## Title & Insurance Tasks

Task ID	Task Description	Complete?	Notes
<b>8.0</b>	<b>Insurance Tasks</b>		
8.1	Seller's insurance	<input type="checkbox"/>	
8.2	Insurance claims/Loss-run histories - 5 years	<input type="checkbox"/>	
8.3	Insurance quotes	<input type="checkbox"/>	
8.4	Certificate of liability insurance (Accord 25)	<input type="checkbox"/>	
8.5	With lender	<input type="checkbox"/>	
8.6	With management company	<input type="checkbox"/>	
8.7	Evidence of commercial property insurance (Accord 28)	<input type="checkbox"/>	
8.8	With lender	<input type="checkbox"/>	
8.9	With management company	<input type="checkbox"/>	
8.10	Evidence of property insurance (Accord 27)	<input type="checkbox"/>	
8.11	With lender	<input type="checkbox"/>	
8.12	With management company	<input type="checkbox"/>	
<b>9.0</b>	<b>Title Tasks</b>		
9.1	Seller's title commitment	<input type="checkbox"/>	
9.2	Title commitment/title report	<input type="checkbox"/>	
9.3	Easements, access rights, option agreements, licenses	<input type="checkbox"/>	
9.4	Title pro forma "marked up title commitment"	<input type="checkbox"/>	
9.5	Survey Affidavit	<input type="checkbox"/>	
9.6	Most recent title insurance policies and/or survey	<input type="checkbox"/>	
9.7	Other instruments that create liens, encumbrances, or other charges	<input type="checkbox"/>	
9.8	Final OTP	<input type="checkbox"/>	
9.9	Recorded Documents - Warranty deeds / DOT / Assignments	<input type="checkbox"/>	

# Acquisition Checklist

## Property Management Tasks

Task ID	Task Description	Complete?	Notes
<b>5.0</b>	<b>Acquisitions Tasks</b>		
5.1	Capital improvement budget	<input type="checkbox"/>	
5.2	Contract vendors for budget for lender approval	<input type="checkbox"/>	
5.3	CapEx Schedule and Tis - 12 months	<input type="checkbox"/>	
5.4	Deferred property maintenance list	<input type="checkbox"/>	
5.5	Org Chart Draft - structure (add lender version)	<input type="checkbox"/>	
5.6	Sources & uses form	<input type="checkbox"/>	
5.7	Replacement and improvement form	<input type="checkbox"/>	
5.8	Provide investor on deal with wire amounts and addresses	<input type="checkbox"/>	
5.9	Operating agreement	<input type="checkbox"/>	
<b>6.0</b>	<b>Asset Manager Tasks</b>		
6.1	Open saving account	<input type="checkbox"/>	
6.2	Wiring instructions - sent to title company	<input type="checkbox"/>	
6.3	Create W9	<input type="checkbox"/>	
6.4	Funds transfer agreement	<input type="checkbox"/>	
<b>7.0</b>	<b>Property Management Tasks</b>		
7.1	Budget	<input type="checkbox"/>	
7.2	Send POC for takeover	<input type="checkbox"/>	
7.3	Ask if inventory will stay or leave	<input type="checkbox"/>	
7.4	Ask if staff will stay or leave	<input type="checkbox"/>	
7.5	Send info regarding property: see attached	<input type="checkbox"/>	
7.6	Open entity bank account	<input type="checkbox"/>	
7.7	ACH Form	<input type="checkbox"/>	
7.8	Voided check - operating account	<input type="checkbox"/>	
7.9	Wiring instruction	<input type="checkbox"/>	
7.10	Executed management agreement	<input type="checkbox"/>	

# Acquisition Checklist

## Pre-Closing Tasks

Task ID	Task Description	Complete?	Notes
10.0	Prior to closing tasks		
10.1	Final Rehab budget	<input type="checkbox"/>	
10.2	Rate lock	<input type="checkbox"/>	
10.3	Good faith deposit	<input type="checkbox"/>	
10.4	Commitment letter	<input type="checkbox"/>	
10.5	Reimbursement (legal, appraisal, DD, WBCC, rate lock, EDM, background check)	<input type="checkbox"/>	
10.6	Asset management fee	<input type="checkbox"/>	
10.7	Settlement statement	<input type="checkbox"/>	

# Acquisition Checklist

## Post-Closing Tasks

Task ID	Task Description	Complete?	Notes
<b>11.0</b>	<b>Post Closing Tasks</b>		
11.1	CPA memo, closing statement, org. chart	<input type="checkbox"/>	
11.2	Website update	<input type="checkbox"/>	
11.3	Pay intermediaries	<input type="checkbox"/>	
11.4	Pay legal	<input type="checkbox"/>	
11.5	Lender's appraisal	<input type="checkbox"/>	
11.6	Bind insurance coverage	<input type="checkbox"/>	
11.7	Collect LLC formation docs from all equity partners	<input type="checkbox"/>	
11.8	Send management company:	<input type="checkbox"/>	
11.8.1	Settlement statement	<input type="checkbox"/>	
11.8.2	Executed loan docs	<input type="checkbox"/>	
11.8.3	Property tax	<input type="checkbox"/>	
11.8.4	Insurance	<input type="checkbox"/>	
11.8.5	Operating agreement	<input type="checkbox"/>	
11.8.6	Org chart after the split, if any	<input type="checkbox"/>	
11.8.7	Paid out of closing with copies of invoices, if any	<input type="checkbox"/>	
11.8.8	Executed management agreement	<input type="checkbox"/>	
11.8.9	Reimbursements allocation	<input type="checkbox"/>	
11.9	Asset manager's to-do list	<input type="checkbox"/>	
11.9.1	Lender POC	<input type="checkbox"/>	
11.9.2	Bid/contracts for property work	<input type="checkbox"/>	
11.9.3	Executed AMP	<input type="checkbox"/>	
11.9.4	Welcome meeting - onsite visit (within 1 week)	<input type="checkbox"/>	
11.9.5	Set up reno calls with regional, contractor (weekly calls)	<input type="checkbox"/>	
11.9.6	Migrate files (Groom to asset management standards)	<input type="checkbox"/>	
11.9.7	Update to REO (KPs)	<input type="checkbox"/>	
11.10	To investors/captive insurance (a week after):	<input type="checkbox"/>	
11.10.1	Closing binder w/introduction packet	<input type="checkbox"/>	
11.10.2	Settlement statement	<input type="checkbox"/>	
11.10.3	Survey	<input type="checkbox"/>	
11.10.4	Operating agreement	<input type="checkbox"/>	
11.10.5	Recorded documents - Warranty deeds/DOT/Assignment	<input type="checkbox"/>	
11.10.6	Loan documents	<input type="checkbox"/>	

# Acquisition Checklist

## Post-Closing Tasks Continued

Task ID	Task Description	Complete?	Notes
11.10.7	Loan policy	<input type="checkbox"/>	
11.10.8	Owner's policy of title insurance	<input type="checkbox"/>	
11.10.9	Third party reports	<input type="checkbox"/>	
11.10.10	Appraisal	<input type="checkbox"/>	
11.10.11	Reno budget	<input type="checkbox"/>	