APTA
INVESTMENT GROUP

ACQUISITION DUE DILIGENCE REFERENCE

# Due Diligence Checklist

For accredited investors evaluating sponsor-led real estate offerings

This checklist is provided as an educational reference for accredited investors evaluating both real estate sponsors and the specific deals those sponsors offer. Use it as a guide to the categories and depth of inquiry that thorough diligence covers. Each item should be answered with source documents, third-party reports, or sponsor representations in writing.

## HOW TO USE THIS DOCUMENT

### WORKING CHECKLIST

Run it against any sponsor and any deal you are evaluating.

### DOCUMENTATION-DRIVEN

Verify with source documents, third-party reports, or written sponsor representations.

### SPONSOR FIRST, DEAL SECOND

The first sections evaluate the operator. The later sections evaluate the property and structure.

### COMPREHENSIVE SCOPE

Covers sponsor evaluation, offering documents, market analysis, physical and environmental diligence, financial validation, lease and tenant review, debt, returns, and closing.

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| # | Primary Column | Doc Required | Doc Received | Capital Project Notes | Follow Up Required | Follow Up Complete | Reference |
|---|---|---|---|---|---|---|---|
| **● SPONSOR TRACK RECORD** | | | | | | | |
| 2 | Confirm sponsor legal entity name and state of formation | ☐ | ☐ | | ☐ | ☐ | |
| 3 | Verify date of entity formation and continuous operating history | ☐ | ☐ | | ☐ | ☐ | |
| 4 | Obtain list of every full-cycle realized investment to date | ☐ | ☐ | | ☐ | ☐ | |
| 5 | Obtain list of all currently active investments under management | ☐ | ☐ | | ☐ | ☐ | |
| 6 | Obtain list of all investments that did not return full investor principal | ☐ | ☐ | | ☐ | ☐ | |
| 7 | Confirm total equity raised across the sponsor's history | ☐ | ☐ | | ☐ | ☐ | |
| 8 | Confirm total assets under management at acquisition cost | ☐ | ☐ | | ☐ | ☐ | |
| 9 | Confirm total assets under management at current estimated value | ☐ | ☐ | | ☐ | ☐ | |
| 10 | Verify aggregate transaction volume figure with supporting schedule | ☐ | ☐ | | ☐ | ☐ | |
| 11 | Identify whether transaction volume includes partner or co-GP deals | ☐ | ☐ | | ☐ | ☐ | |
| 12 | Identify any deals held to maturity vs. sold opportunistically | ☐ | ☐ | | ☐ | ☐ | |
| 13 | Obtain realized IRR for every full-cycle deal | ☐ | ☐ | | ☐ | ☐ | |
| 14 | Obtain equity multiple for every full-cycle deal | ☐ | ☐ | | ☐ | ☐ | |
| 15 | Confirm hold period for each realized investment | ☐ | ☐ | | ☐ | ☐ | |
| 16 | Identify variance between projected and realized returns by deal | ☐ | ☐ | | ☐ | ☐ | |
| 17 | Request explanation for any deal that underperformed projection by more than 25 percent | ☐ | ☐ | | ☐ | ☐ | |
| 18 | Confirm investor distribution history across all deals | ☐ | ☐ | | ☐ | ☐ | |
| 19 | Verify any deferred or suspended distributions during hold | ☐ | ☐ | | ☐ | ☐ | |
| 20 | Identify any deals that required capital calls beyond the original raise | ☐ | ☐ | | ☐ | ☐ | |
| 21 | Confirm whether the sponsor has operated through a full market cycle | ☐ | ☐ | | ☐ | ☐ | |
| 22 | Identify performance during 2007 to 2010 if applicable | ☐ | ☐ | | ☐ | ☐ | |
| 23 | Identify performance during 2020 if applicable | ☐ | ☐ | | ☐ | ☐ | |
| 24 | Identify performance during the 2022 to 2024 rate-shock cycle | ☐ | ☐ | | ☐ | ☐ | |
| 25 | Confirm number of deals evaluated vs. closed in the last twelve months | ☐ | ☐ | | ☐ | ☐ | |
| 26 | Confirm sponsor's disclosed deal rejection rate | ☐ | ☐ | | ☐ | ☐ | |
| **● CAPITAL ALIGNMENT AND CO-INVESTMENT** | | | | | | | |
| 28 | Confirm GP co-investment as a percentage of total equity | ☐ | ☐ | | ☐ | ☐ | |
| 29 | Verify the GP co-investment is funded from principal personal capital, not deferred fees | ☐ | ☐ | | ☐ | ☐ | |
| 30 | Identify whether principals invest pari passu with LPs or on preferential terms | ☐ | ☐ | | ☐ | ☐ | |
| 31 | Confirm principals participate in any capital calls on equal terms with LPs | ☐ | ☐ | | ☐ | ☐ | |
| 32 | Obtain GP commitment documentation for the specific deal under evaluation | ☐ | ☐ | | ☐ | ☐ | |
| 33 | Verify principals' personal net worth disclosed in PPM where required | ☐ | ☐ | | ☐ | ☐ | |
| 34 | Identify whether the GP has personal guarantees on the loan | ☐ | ☐ | | ☐ | ☐ | |
| 35 | Confirm timing of GP capital contribution relative to first LP close | ☐ | ☐ | | ☐ | ☐ | |
| 36 | Obtain written representation that GP capital is at risk on the same terms as LP capital | ☐ | ☐ | | ☐ | ☐ | |
| 37 | Identify any side-letter terms granting GP preferential redemption rights | ☐ | ☐ | | ☐ | ☐ | |
| **● SPONSOR TEAM AND EXPERIENCE** | | | | | | | |
| 39 | Confirm names and titles of all principals and managing members | ☐ | ☐ | | ☐ | ☐ | |
| 40 | Obtain biographies and professional history of each principal | ☐ | ☐ | | ☐ | ☐ | |
| 41 | Confirm direct real estate investing experience of each principal in years | ☐ | ☐ | | ☐ | ☐ | |
| 42 | Identify any prior firms where principals operated as GPs or co-GPs | ☐ | ☐ | | ☐ | ☐ | |
| 43 | Confirm size of operating team and full-time employees | ☐ | ☐ | | ☐ | ☐ | |
| 44 | Identify roles covered in-house vs. outsourced | ☐ | ☐ | | ☐ | ☐ | |

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| 45 | Confirm whether acquisitions, asset management, and investor relations are separate functions | ☐ | ☐ | | ☐ | ☐ | |
| 46 | Obtain organizational chart with reporting lines | ☐ | ☐ | | ☐ | ☐ | |
| 47 | Identify principals' prior W-2 careers and relevant credentials | ☐ | ☐ | | ☐ | ☐ | |
| 48 | Confirm key-person risk and any key-person provisions in the operating agreement | ☐ | ☐ | | ☐ | ☐ | |
| 49 | Identify whether the sponsor has a defined succession plan | ☐ | ☐ | | ☐ | ☐ | |
| 50 | Confirm investment committee composition and voting structure | ☐ | ☐ | | ☐ | ☐ | |
| 51 | Identify number of independent vs. affiliated investment committee members | ☐ | ☐ | | ☐ | ☐ | |
| 52 | Verify investment committee meeting frequency and minutes retention | ☐ | ☐ | | ☐ | ☐ | |
| 53 | Confirm whether external advisors review acquisitions before close | ☐ | ☐ | | ☐ | ☐ | |
| ● | **SPONSOR REGULATORY AND COMPLIANCE STANDING** | | | | | | |
| 55 | Confirm whether the sponsor is registered as an RIA, broker-dealer, or issuer only | ☐ | ☐ | | ☐ | ☐ | |
| 56 | If issuer only, confirm exemption under which offerings are conducted (Reg D 506(b) or 506(c)) | ☐ | ☐ | | ☐ | ☐ | |
| 57 | Search FINRA BrokerCheck for all principals | ☐ | ☐ | | ☐ | ☐ | |
| 58 | Search SEC IAPD for any RIA affiliations | ☐ | ☐ | | ☐ | ☐ | |
| 59 | Search state securities regulators in the sponsor's home state | ☐ | ☐ | | ☐ | ☐ | |
| 60 | Search state real estate licensing databases for principals | ☐ | ☐ | | ☐ | ☐ | |
| 61 | Identify any prior SEC, FINRA, or state regulatory actions against principals | ☐ | ☐ | | ☐ | ☐ | |
| 62 | Identify any civil litigation involving principals in last ten years | ☐ | ☐ | | ☐ | ☐ | |
| 63 | Identify any criminal history disclosed in PPM Bad Actor Rule 506(d) representations | ☐ | ☐ | | ☐ | ☐ | |
| 64 | Confirm sponsor compliance with Form D filings for prior offerings | ☐ | ☐ | | ☐ | ☐ | |
| 65 | Confirm Blue Sky filings completed in investor's state of residence | ☐ | ☐ | | ☐ | ☐ | |
| 66 | Verify accredited investor verification process for 506(c) offerings | ☐ | ☐ | | ☐ | ☐ | |
| 67 | Confirm cybersecurity and data protection policies for investor PII | ☐ | ☐ | | ☐ | ☐ | |
| 68 | Verify AML and KYC procedures for new investor onboarding | ☐ | ☐ | | ☐ | ☐ | |
| ● | **SPONSOR REPORTING AND TRANSPARENCY** | | | | | | |
| 70 | Confirm distribution frequency (monthly or quarterly) | ☐ | ☐ | | ☐ | ☐ | |
| 71 | Confirm financial reporting frequency to investors | ☐ | ☐ | | ☐ | ☐ | |
| 72 | Obtain a sample quarterly investor report from a current deal | ☐ | ☐ | | ☐ | ☐ | |
| 73 | Verify quarterly report includes operating performance vs. underwriting | ☐ | ☐ | | ☐ | ☐ | |
| 74 | Verify quarterly report includes balance sheet and reserve position | ☐ | ☐ | | ☐ | ☐ | |
| 75 | Verify quarterly report includes rent roll or occupancy summary | ☐ | ☐ | | ☐ | ☐ | |
| 76 | Verify quarterly report includes capital expenditure status | ☐ | ☐ | | ☐ | ☐ | |
| 77 | Confirm K-1 delivery timeline and historical on-time performance | ☐ | ☐ | | ☐ | ☐ | |
| 78 | Identify investor portal platform and access controls | ☐ | ☐ | | ☐ | ☐ | |
| 79 | Confirm availability of historical reports through investor portal | ☐ | ☐ | | ☐ | ☐ | |
| 80 | Verify procedure for investor questions and response time commitments | ☐ | ☐ | | ☐ | ☐ | |
| 81 | Identify whether annual investor meetings or calls are held | ☐ | ☐ | | ☐ | ☐ | |
| 82 | Confirm whether property-level financials are made available on request | ☐ | ☐ | | ☐ | ☐ | |
| 83 | Identify whether the sponsor provides asset-level valuations during hold | ☐ | ☐ | | ☐ | ☐ | |
| ● | **SPONSOR FEE ARCHITECTURE** | | | | | | |
| 85 | Confirm acquisition fee as percentage of purchase price | ☐ | ☐ | | ☐ | ☐ | |
| 86 | Confirm asset management fee structure and basis (equity, NOI, or gross revenue) | ☐ | ☐ | | ☐ | ☐ | |

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| 87 | Confirm disposition or refinance fees | ☐ | ☐ | | ☐ | ☐ | |
| 88 | Confirm construction or development management fees if applicable | ☐ | ☐ | | ☐ | ☐ | |
| 89 | Confirm property management fee and whether retained in-house | ☐ | ☐ | | ☐ | ☐ | |
| 90 | Identify any loan placement or guarantee fees retained by the GP | ☐ | ☐ | | ☐ | ☐ | |
| 91 | Identify any insurance commissions or related party revenue | ☐ | ☐ | | ☐ | ☐ | |
| 92 | Confirm preferred return percentage paid to LPs before GP catch-up | ☐ | ☐ | | ☐ | ☐ | |
| 93 | Identify whether preferred return is cumulative or non-cumulative | ☐ | ☐ | | ☐ | ☐ | |
| 94 | Identify whether preferred return is compounded or simple interest | ☐ | ☐ | | ☐ | ☐ | |
| 95 | Confirm GP catch-up percentage and trigger | ☐ | ☐ | | ☐ | ☐ | |
| 96 | Confirm promote split above hurdles (typically 70/30 or 80/20) | ☐ | ☐ | | ☐ | ☐ | |
| 97 | Identify additional hurdle tiers and corresponding splits | ☐ | ☐ | | ☐ | ☐ | |
| 98 | Verify whether promote is calculated on a deal-by-deal or fund basis | ☐ | ☐ | | ☐ | ☐ | |
| 99 | Confirm any clawback provisions in favor of LPs | ☐ | ☐ | | ☐ | ☐ | |
| 100 | Identify any GP fee subordination to LP preferred return | ☐ | ☐ | | ☐ | ☐ | |
| 101 | Confirm total fee load as percentage of equity over the projected hold | ☐ | ☐ | | ☐ | ☐ | |
| 102 | Confirm whether fees are disclosed gross or net of any rebates | ☐ | ☐ | | ☐ | ☐ | |
| ● | **REFERENCES AND REPUTATION** | | | | | | |
| 104 | Request a list of current investors willing to serve as references | ☐ | ☐ | | ☐ | ☐ | |
| 105 | Confirm at least three references have invested through a full cycle | ☐ | ☐ | | ☐ | ☐ | |
| 106 | Speak directly with investor references | ☐ | ☐ | | ☐ | ☐ | |
| 107 | Ask references about communication frequency and quality | ☐ | ☐ | | ☐ | ☐ | |
| 108 | Ask references about handling of underperformance or surprises | ☐ | ☐ | | ☐ | ☐ | |
| 109 | Ask references about K-1 timeliness and tax reporting accuracy | ☐ | ☐ | | ☐ | ☐ | |
| 110 | Ask references whether they have reinvested in subsequent deals | ☐ | ☐ | | ☐ | ☐ | |
| 111 | Request references from operating partners or property managers | ☐ | ☐ | | ☐ | ☐ | |
| 112 | Request references from at least one prior lender | ☐ | ☐ | | ☐ | ☐ | |
| 113 | Conduct an independent online search for investor complaints | ☐ | ☐ | | ☐ | ☐ | |
| 114 | Search BiggerPockets, RealCrowd, and similar forums for sponsor mentions | ☐ | ☐ | | ☐ | ☐ | |
| ● | **PRIVATE PLACEMENT MEMORANDUM** | | | | | | |
| 116 | Confirm PPM was prepared by qualified securities counsel | ☐ | ☐ | | ☐ | ☐ | |
| 117 | Verify PPM identifies the specific offering exemption | ☐ | ☐ | | ☐ | ☐ | |
| 118 | Confirm PPM includes complete risk factor section | ☐ | ☐ | | ☐ | ☐ | |
| 119 | Identify risks specific to this deal beyond standard real estate risks | ☐ | ☐ | | ☐ | ☐ | |
| 120 | Confirm PPM discloses all conflicts of interest | ☐ | ☐ | | ☐ | ☐ | |
| 121 | Verify PPM includes principals' biographies and bad actor representations | ☐ | ☐ | | ☐ | ☐ | |
| 122 | Verify PPM includes pro forma financial projections | ☐ | ☐ | | ☐ | ☐ | |
| 123 | Confirm pro forma includes base and downside scenarios | ☐ | ☐ | | ☐ | ☐ | |
| 124 | Identify all assumptions used in pro forma projections | ☐ | ☐ | | ☐ | ☐ | |
| 125 | Confirm PPM discloses all fees and expenses payable to GP | ☐ | ☐ | | ☐ | ☐ | |
| 126 | Verify use of proceeds schedule is included | ☐ | ☐ | | ☐ | ☐ | |
| 127 | Confirm minimum and maximum offering amounts | ☐ | ☐ | | ☐ | ☐ | |
| 128 | Verify minimum investor commitment is clearly stated | ☐ | ☐ | | ☐ | ☐ | |
| 129 | Confirm anticipated close date and offering termination date | ☐ | ☐ | | ☐ | ☐ | |
| 130 | Identify investor suitability standards | ☐ | ☐ | | ☐ | ☐ | |
| 131 | Confirm whether PPM has been reviewed by external counsel for the LP | ☐ | ☐ | | ☐ | ☐ | |
| ● | **OPERATING AGREEMENT AND LP AGREEMENT** | | | | | | |

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| 133 | Confirm management and voting rights of LPs | ☐ | ☐ | | ☐ | ☐ | |
| 134 | Identify decisions requiring LP consent (typically major decisions list) | ☐ | ☐ | | ☐ | ☐ | |
| 135 | Verify the threshold for major-decision approval (majority, supermajority, or unanimous) | ☐ | ☐ | | ☐ | ☐ | |
| 136 | Confirm whether LPs can remove the GP for cause | ☐ | ☐ | | ☐ | ☐ | |
| 137 | Identify cause definitions and removal procedure | ☐ | ☐ | | ☐ | ☐ | |
| 138 | Verify GP indemnification scope and any LP indemnity carve-outs | ☐ | ☐ | | ☐ | ☐ | |
| 139 | Confirm capital call provisions and dilution mechanics for non-contributing LPs | ☐ | ☐ | | ☐ | ☐ | |
| 140 | Verify whether capital calls are mandatory or optional | ☐ | ☐ | | ☐ | ☐ | |
| 141 | Confirm the order of distributions in the waterfall | ☐ | ☐ | | ☐ | ☐ | |
| 142 | Identify whether return of capital precedes preferred return | ☐ | ☐ | | ☐ | ☐ | |
| 143 | Verify the timing of distributions relative to property cash flow | ☐ | ☐ | | ☐ | ☐ | |
| 144 | Confirm reserve requirements before distributions are made | ☐ | ☐ | | ☐ | ☐ | |
| 145 | Identify any restrictions on LP transfer of interests | ☐ | ☐ | | ☐ | ☐ | |
| 146 | Confirm right of first refusal provisions on transfer | ☐ | ☐ | | ☐ | ☐ | |
| 147 | Verify the dissolution and winding-up procedure | ☐ | ☐ | | ☐ | ☐ | |
| 148 | Confirm tax distribution provisions for K-1 income | ☐ | ☐ | | ☐ | ☐ | |
| 149 | Identify state of formation and choice-of-law clause | ☐ | ☐ | | ☐ | ☐ | |
| 150 | Confirm dispute resolution mechanism (arbitration, jurisdiction, venue) | ☐ | ☐ | | ☐ | ☐ | |
| ● | **SUBSCRIPTION DOCUMENTS** | | | | | | |
| 152 | Verify subscription agreement matches PPM terms | ☐ | ☐ | | ☐ | ☐ | |
| 153 | Confirm accredited investor questionnaire is current | ☐ | ☐ | | ☐ | ☐ | |
| 154 | Identify any qualified purchaser or qualified client thresholds | ☐ | ☐ | | ☐ | ☐ | |
| 155 | Verify investor representations match actual investor status | ☐ | ☐ | | ☐ | ☐ | |
| 156 | Confirm investor signature pages are correctly executed | ☐ | ☐ | | ☐ | ☐ | |
| 157 | Identify wire instructions and verify by phone with sponsor | ☐ | ☐ | | ☐ | ☐ | |
| 158 | Confirm escrow agent for subscription funds where applicable | ☐ | ☐ | | ☐ | ☐ | |
| 159 | Verify receipt of fully executed subscription package | ☐ | ☐ | | ☐ | ☐ | |
| 160 | Confirm capital commitment is reflected in cap table | ☐ | ☐ | | ☐ | ☐ | |
| ● | **INVESTMENT ENTITY STRUCTURE** | | | | | | |
| 162 | Identify the legal entity acquiring the property (typically a single-purpose LLC) | ☐ | ☐ | | ☐ | ☐ | |
| 163 | Confirm the LP investment vehicle name | ☐ | ☐ | | ☐ | ☐ | |
| 164 | Verify entity is properly formed and in good standing in state of formation | ☐ | ☐ | | ☐ | ☐ | |
| 165 | Confirm entity has obtained an EIN | ☐ | ☐ | | ☐ | ☐ | |
| 166 | Identify the manager and authorized signatory | ☐ | ☐ | | ☐ | ☐ | |
| 167 | Verify entity bank accounts are opened at an FDIC-insured institution | ☐ | ☐ | | ☐ | ☐ | |
| 168 | Confirm separation of investor funds from sponsor operating accounts | ☐ | ☐ | | ☐ | ☐ | |
| 169 | Identify any parent or holding entity structures | ☐ | ☐ | | ☐ | ☐ | |
| 170 | Confirm tax classification (partnership for federal purposes) | ☐ | ☐ | | ☐ | ☐ | |
| 171 | Verify state tax registrations in property jurisdictions | ☐ | ☐ | | ☐ | ☐ | |
| 172 | Identify any UBTI exposure for tax-exempt investors | ☐ | ☐ | | ☐ | ☐ | |
| 173 | Identify any state-level filing requirements for non-resident LPs | ☐ | ☐ | | ☐ | ☐ | |
| ● | **CAPITAL STACK** | | | | | | |
| 175 | Confirm total project capitalization | ☐ | ☐ | | ☐ | ☐ | |
| 176 | Confirm equity portion of capital stack | ☐ | ☐ | | ☐ | ☐ | |

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| 177 | Confirm senior debt portion of capital stack | ☐ | ☐ | | ☐ | ☐ | |
| 178 | Identify any mezzanine debt or preferred equity layers | ☐ | ☐ | | ☐ | ☐ | |
| 179 | Confirm loan-to-value at acquisition | ☐ | ☐ | | ☐ | ☐ | |
| 180 | Confirm loan-to-cost at acquisition | ☐ | ☐ | | ☐ | ☐ | |
| 181 | Verify equity is fully subscribed before closing | ☐ | ☐ | | ☐ | ☐ | |
| 182 | Identify any earnout or seller financing components | ☐ | ☐ | | ☐ | ☐ | |
| 183 | Confirm sources and uses schedule reconciles to closing statement | ☐ | ☐ | | ☐ | ☐ | |
| 184 | Identify reserves funded at closing (operating, CapEx, debt service) | ☐ | ☐ | | ☐ | ☐ | |
| 185 | Verify reserve amounts meet lender minimums | ☐ | ☐ | | ☐ | ☐ | |
| 186 | Confirm any deferred capital commitments not funded at first close | ☐ | ☐ | | ☐ | ☐ | |
| ● | **MACRO MARKET ANALYSIS** | | | | | | |
| 188 | Confirm MSA-level population growth over trailing five years | ☐ | ☐ | | ☐ | ☐ | |
| 189 | Verify projected population growth over next five years | ☐ | ☐ | | ☐ | ☐ | |
| 190 | Confirm MSA-level employment growth and trends | ☐ | ☐ | | ☐ | ☐ | |
| 191 | Identify largest employers and concentration risk | ☐ | ☐ | | ☐ | ☐ | |
| 192 | Verify no single employer represents more than 15 percent of local workforce | ☐ | ☐ | | ☐ | ☐ | |
| 193 | Confirm median household income vs. national average | ☐ | ☐ | | ☐ | ☐ | |
| 194 | Identify median household income trend over five years | ☐ | ☐ | | ☐ | ☐ | |
| 195 | Verify market is in a no-state-income-tax or low-tax jurisdiction if relevant to thesis | ☐ | ☐ | | ☐ | ☐ | |
| 196 | Confirm regional GDP growth and economic diversification | ☐ | ☐ | | ☐ | ☐ | |
| 197 | Identify net domestic migration patterns into the MSA | ☐ | ☐ | | ☐ | ☐ | |
| ● | **SUBMARKET AND TRADE AREA** | | | | | | |
| 199 | Define the relevant trade area or submarket radius | ☐ | ☐ | | ☐ | ☐ | |
| 200 | Confirm submarket vacancy rate vs. MSA-wide average | ☐ | ☐ | | ☐ | ☐ | |
| 201 | Identify supply pipeline within the trade area | ☐ | ☐ | | ☐ | ☐ | |
| 202 | Confirm units or square footage under construction | ☐ | ☐ | | ☐ | ☐ | |
| 203 | Identify units or square footage planned but not started | ☐ | ☐ | | ☐ | ☐ | |
| 204 | Estimate inventory growth as percentage of existing supply | ☐ | ☐ | | ☐ | ☐ | |
| 205 | Confirm absorption trends over trailing twelve months | ☐ | ☐ | | ☐ | ☐ | |
| 206 | Identify months of supply at current absorption rate | ☐ | ☐ | | ☐ | ☐ | |
| 207 | Confirm rent growth trends in submarket over five years | ☐ | ☐ | | ☐ | ☐ | |
| 208 | Identify cap rate trends in submarket over three years | ☐ | ☐ | | ☐ | ☐ | |
| 209 | Confirm sales velocity and time on market for comparable transactions | ☐ | ☐ | | ☐ | ☐ | |
| 210 | Identify any major infrastructure projects affecting trade area | ☐ | ☐ | | ☐ | ☐ | |
| 211 | Confirm school district ratings if applicable to demand drivers | ☐ | ☐ | | ☐ | ☐ | |
| 212 | Identify crime statistics for the immediate area | ☐ | ☐ | | ☐ | ☐ | |
| 213 | Verify walkability, transit access, and commute times to employment centers | ☐ | ☐ | | ☐ | ☐ | |
| ● | **COMPARABLE SALES AND LEASES** | | | | | | |
| 215 | Identify minimum five comparable sales within trade area in last 24 months | ☐ | ☐ | | ☐ | ☐ | |
| 216 | Confirm comparables are similar in age, size, and class | ☐ | ☐ | | ☐ | ☐ | |
| 217 | Calculate price per unit or price per square foot for each comparable | ☐ | ☐ | | ☐ | ☐ | |
| 218 | Calculate cap rate at sale for each comparable | ☐ | ☐ | | ☐ | ☐ | |
| 219 | Identify any non-arm's-length comparables and exclude | ☐ | ☐ | | ☐ | ☐ | |
| 220 | Identify minimum five lease comparables within trade area | ☐ | ☐ | | ☐ | ☐ | |
| 221 | Confirm comparable leases reflect current market terms | ☐ | ☐ | | ☐ | ☐ | |

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|---|---|---|---|---|---|---|---|
| 222 | Calculate effective rent net of concessions for each comparable | ☐ | ☐ | | ☐ | ☐ | |
| 223 | Identify trend in concession packages in submarket | ☐ | ☐ | | ☐ | ☐ | |
| 224 | Confirm subject property rents are at or below submarket median | ☐ | ☐ | | ☐ | ☐ | |
| 225 | Identify any mark-to-market upside opportunity quantified by lease comparables | ☐ | ☐ | | ☐ | ☐ | |
| ● ZONING | | | | | | | |
| 227 | Confirm current zoning designation from municipal records | ☐ | ☐ | | ☐ | ☐ | |
| 228 | Verify county of record and parcel identification number | ☐ | ☐ | | ☐ | ☐ | |
| 229 | Obtain copy of current plat dated within last six months | ☐ | ☐ | | ☐ | ☐ | |
| 230 | Confirm number of parcels included in transaction | ☐ | ☐ | | ☐ | ☐ | |
| 231 | Verify lot size matches across all government records | ☐ | ☐ | | ☐ | ☐ | |
| 232 | Confirm current use is permitted by-right under zoning | ☐ | ☐ | | ☐ | ☐ | |
| 233 | Identify any legal non-conforming use status | ☐ | ☐ | | ☐ | ☐ | |
| 234 | Confirm consequences of legal non-conforming status on renovation or rebuild | ☐ | ☐ | | ☐ | ☐ | |
| 235 | Verify zoning of all immediately surrounding parcels | ☐ | ☐ | | ☐ | ☐ | |
| 236 | Confirm front, side, and rear setback requirements | ☐ | ☐ | | ☐ | ☐ | |
| 237 | Confirm maximum building height under current zoning | ☐ | ☐ | | ☐ | ☐ | |
| 238 | Confirm maximum lot coverage and floor area ratio | ☐ | ☐ | | ☐ | ☐ | |
| 239 | Verify parking ratio meets current zoning code | ☐ | ☐ | | ☐ | ☐ | |
| 240 | Identify any parking variances granted historically | ☐ | ☐ | | ☐ | ☐ | |
| 241 | Confirm landscaping and open space requirements | ☐ | ☐ | | ☐ | ☐ | |
| 242 | Identify any overlay districts affecting the property | ☐ | ☐ | | ☐ | ☐ | |
| 243 | Confirm whether property sits in a historic preservation district | ☐ | ☐ | | ☐ | ☐ | |
| 244 | Verify signage rights under current zoning | ☐ | ☐ | | ☐ | ☐ | |
| 245 | Confirm whether outdoor uses, drive-throughs, or 24-hour operations are restricted | ☐ | ☐ | | ☐ | ☐ | |
| 246 | Identify any inclusionary zoning or affordable set-aside requirements | ☐ | ☐ | | ☐ | ☐ | |
| 247 | Confirm whether future expansion is permitted by-right | ☐ | ☐ | | ☐ | ☐ | |
| 248 | Identify the variance, special use, or rezoning process if needed | ☐ | ☐ | | ☐ | ☐ | |
| 249 | Verify any incentive zoning, tax abatement, or development bonus available | ☐ | ☐ | | ☐ | ☐ | |
| 250 | Identify whether incentives transfer to new owner upon sale | ☐ | ☐ | | ☐ | ☐ | |
| 251 | Obtain a zoning verification letter from the municipality | ☐ | ☐ | | ☐ | ☐ | |
| ● PERMITS AND CODE COMPLIANCE | | | | | | | |
| 253 | Obtain copy of certificate of occupancy | ☐ | ☐ | | ☐ | ☐ | |
| 254 | Verify current certificate of occupancy matches actual use | ☐ | ☐ | | ☐ | ☐ | |
| 255 | Identify all open permits on the property | ☐ | ☐ | | ☐ | ☐ | |
| 256 | Identify all closed permits in last five years | ☐ | ☐ | | ☐ | ☐ | |
| 257 | Confirm any required final inspections were completed | ☐ | ☐ | | ☐ | ☐ | |
| 258 | Identify any open code violations or notices | ☐ | ☐ | | ☐ | ☐ | |
| 259 | Identify any open building department complaints | ☐ | ☐ | | ☐ | ☐ | |
| 260 | Confirm fire department certification and current inspection report | ☐ | ☐ | | ☐ | ☐ | |
| 261 | Verify alarm and sprinkler system inspections are current | ☐ | ☐ | | ☐ | ☐ | |
| 262 | Identify any pending or required municipal improvements | ☐ | ☐ | | ☐ | ☐ | |
| 263 | Confirm impact fees, tap fees, or assessments are paid through closing | ☐ | ☐ | | ☐ | ☐ | |
| 264 | Identify any pending special assessments levied or proposed | ☐ | ☐ | | ☐ | ☐ | |
| 265 | Confirm property tax classification (commercial, mixed-use, exempt) | ☐ | ☐ | | ☐ | ☐ | |
| 266 | Verify property is current on all real estate taxes | ☐ | ☐ | | ☐ | ☐ | |

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| 267 | Identify any pending property tax appeal or reassessment | ☐ | ☐ | | ☐ | ☐ | |
| 268 | Confirm methodology used by assessor and reassessment risk on transfer | ☐ | ☐ | | ☐ | ☐ | |
| 269 | Estimate property tax increase after reassessment on sale | ☐ | ☐ | | ☐ | ☐ | |
| 270 | Verify business licenses are in place if required | ☐ | ☐ | | ☐ | ☐ | |
| 271 | Confirm any operating licenses required by jurisdiction or use type | ☐ | ☐ | | ☐ | ☐ | |
| 272 | Identify whether short-term rental is permitted or restricted | ☐ | ☐ | | ☐ | ☐ | |
| ● TITLE | | | | | | | |
| 274 | Order title commitment from a national title underwriter | ☐ | ☐ | | ☐ | ☐ | |
| 275 | Review title commitment for vesting and exceptions | ☐ | ☐ | | ☐ | ☐ | |
| 276 | Confirm seller is record owner with marketable title | ☐ | ☐ | | ☐ | ☐ | |
| 277 | Identify chain of title for prior ten years | ☐ | ☐ | | ☐ | ☐ | |
| 278 | Identify all easements and review legal descriptions | ☐ | ☐ | | ☐ | ☐ | |
| 279 | Identify all rights of way and access easements | ☐ | ☐ | | ☐ | ☐ | |
| 280 | Confirm utility easements do not impair operations | ☐ | ☐ | | ☐ | ☐ | |
| 281 | Identify all restrictive covenants of record | ☐ | ☐ | | ☐ | ☐ | |
| 282 | Confirm CC&Rs; do not restrict intended use | ☐ | ☐ | | ☐ | ☐ | |
| 283 | Identify any reciprocal easement agreements | ☐ | ☐ | | ☐ | ☐ | |
| 284 | Identify all liens of record (mortgage, mechanic's, tax, judgment) | ☐ | ☐ | | ☐ | ☐ | |
| 285 | Verify all liens will be released or assumed at closing | ☐ | ☐ | | ☐ | ☐ | |
| 286 | Identify any lis pendens or notices of action | ☐ | ☐ | | ☐ | ☐ | |
| 287 | Identify any pending litigation referenced in title | ☐ | ☐ | | ☐ | ☐ | |
| 288 | Obtain owner's affidavit at closing | ☐ | ☐ | | ☐ | ☐ | |
| 289 | Negotiate title objection letter for any material defects | ☐ | ☐ | | ☐ | ☐ | |
| 290 | Order owner's title insurance policy with extended coverage | ☐ | ☐ | | ☐ | ☐ | |
| 291 | Obtain lender's title insurance policy if financed | ☐ | ☐ | | ☐ | ☐ | |
| 292 | Negotiate ALTA endorsements (zoning 3.1, survey, comprehensive) | ☐ | ☐ | | ☐ | ☐ | |
| 293 | Confirm gap coverage from contract execution through closing | ☐ | ☐ | | ☐ | ☐ | |
| 294 | Verify title insurance premium and allocation between buyer and seller | ☐ | ☐ | | ☐ | ☐ | |
| ● SURVEY | | | | | | | |
| 296 | Obtain copy of most recent survey | ☐ | ☐ | | ☐ | ☐ | |
| 297 | Order updated ALTA/NSPS Land Title Survey if existing survey is over six months old | ☐ | ☐ | | ☐ | ☐ | |
| 298 | Identify which Table A items are required | ☐ | ☐ | | ☐ | ☐ | |
| 299 | Confirm legal description on survey matches title commitment and deed | ☐ | ☐ | | ☐ | ☐ | |
| 300 | Verify dimensions of all property boundaries | ☐ | ☐ | | ☐ | ☐ | |
| 301 | Confirm frontage and depth relative to adjacent roadways | ☐ | ☐ | | ☐ | ☐ | |
| 302 | Verify net rentable or usable square footage | ☐ | ☐ | | ☐ | ☐ | |
| 303 | Identify all setback lines and building envelopes | ☐ | ☐ | | ☐ | ☐ | |
| 304 | Identify all encroachments by or onto the subject property | ☐ | ☐ | | ☐ | ☐ | |
| 305 | Verify location of all easements on the survey | ☐ | ☐ | | ☐ | ☐ | |
| 306 | Identify any wetlands or jurisdictional waters | ☐ | ☐ | | ☐ | ☐ | |
| 307 | Confirm dimensions of any protected areas | ☐ | ☐ | | ☐ | ☐ | |
| 308 | Identify FEMA flood zone designation | ☐ | ☐ | | ☐ | ☐ | |
| 309 | Confirm flood elevation certificate where applicable | ☐ | ☐ | | ☐ | ☐ | |
| 310 | Identify any utility lines crossing the property | ☐ | ☐ | | ☐ | ☐ | |
| 311 | Identify any rights of way for power, gas, or pipeline | ☐ | ☐ | | ☐ | ☐ | |
| 312 | Verify access points to public roads | ☐ | ☐ | | ☐ | ☐ | |

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|---|---|---|---|---|---|---|---|
| 313 | Confirm any ingress and egress easements over neighboring property | ☐ | ☐ | | ☐ | ☐ | |
| 314 | Identify any riparian or water rights | ☐ | ☐ | | ☐ | ☐ | |
| 315 | Identify any subsurface mineral rights and whether retained by prior owner | ☐ | ☐ | | ☐ | ☐ | |
| 316 | Obtain a surface use agreement if mineral rights are severed | ☐ | ☐ | | ☐ | ☐ | |
| ● | **PROPERTY CONDITION ASSESSMENT** | | | | | | |
| 318 | Engage a licensed third-party engineer for Property Condition Assessment | ☐ | ☐ | | ☐ | ☐ | |
| 319 | Confirm PCA scope follows ASTM E2018 standard | ☐ | ☐ | | ☐ | ☐ | |
| 320 | Obtain immediate repair recommendations and cost estimates | ☐ | ☐ | | ☐ | ☐ | |
| 321 | Obtain twelve-month capital needs schedule | ☐ | ☐ | | ☐ | ☐ | |
| 322 | Obtain five-year capital needs schedule | ☐ | ☐ | | ☐ | ☐ | |
| 323 | Obtain twelve-year lifecycle cost projection | ☐ | ☐ | | ☐ | ☐ | |
| 324 | Confirm immediate capital needs as percentage of purchase price | ☐ | ☐ | | ☐ | ☐ | |
| 325 | Identify any health and safety items requiring immediate attention | ☐ | ☐ | | ☐ | ☐ | |
| 326 | Compare PCA findings against seller's disclosed capital plan | ☐ | ☐ | | ☐ | ☐ | |
| 327 | Identify any deferred maintenance not previously disclosed | ☐ | ☐ | | ☐ | ☐ | |
| ● | **BUILDING ENVELOPE AND STRUCTURE** | | | | | | |
| 329 | Confirm year built and any major renovations | ☐ | ☐ | | ☐ | ☐ | |
| 330 | Verify foundation type and condition | ☐ | ☐ | | ☐ | ☐ | |
| 331 | Identify any visible foundation cracks or settlement | ☐ | ☐ | | ☐ | ☐ | |
| 332 | Confirm structural system (wood frame, steel, concrete, masonry) | ☐ | ☐ | | ☐ | ☐ | |
| 333 | Identify any structural concerns noted in PCA | ☐ | ☐ | | ☐ | ☐ | |
| 334 | Verify roof type, age, and remaining useful life | ☐ | ☐ | | ☐ | ☐ | |
| 335 | Obtain contractor estimate for roof replacement if within five years | ☐ | ☐ | | ☐ | ☐ | |
| 336 | Identify any active roof leaks or staining | ☐ | ☐ | | ☐ | ☐ | |
| 337 | Verify exterior siding condition and material | ☐ | ☐ | | ☐ | ☐ | |
| 338 | Confirm window age and energy performance | ☐ | ☐ | | ☐ | ☐ | |
| 339 | Identify any moisture intrusion or efflorescence | ☐ | ☐ | | ☐ | ☐ | |
| 340 | Confirm exterior drainage and grading directs water away from building | ☐ | ☐ | | ☐ | ☐ | |
| 341 | Identify any settlement around foundation | ☐ | ☐ | | ☐ | ☐ | |
| 342 | Verify parking lot pavement condition | ☐ | ☐ | | ☐ | ☐ | |
| 343 | Estimate cost to seal, restripe, or resurface parking | ☐ | ☐ | | ☐ | ☐ | |
| 344 | Confirm condition of sidewalks, curbs, and ADA-compliant ramps | ☐ | ☐ | | ☐ | ☐ | |
| 345 | Identify any retaining walls and their condition | ☐ | ☐ | | ☐ | ☐ | |
| 346 | Verify exterior lighting coverage and condition | ☐ | ☐ | | ☐ | ☐ | |
| 347 | Confirm dumpster enclosures meet municipal requirements | ☐ | ☐ | | ☐ | ☐ | |
| ● | **MECHANICAL, ELECTRICAL, AND PLUMBING** | | | | | | |
| 349 | Confirm HVAC system type and configuration | ☐ | ☐ | | ☐ | ☐ | |
| 350 | Verify age and remaining useful life of HVAC equipment | ☐ | ☐ | | ☐ | ☐ | |
| 351 | Obtain HVAC maintenance and service records for last 24 months | ☐ | ☐ | | ☐ | ☐ | |
| 352 | Identify HVAC systems past expected useful life | ☐ | ☐ | | ☐ | ☐ | |
| 353 | Estimate replacement cost for systems requiring near-term capital | ☐ | ☐ | | ☐ | ☐ | |
| 354 | Verify HVAC efficiency ratings and any rebates available | ☐ | ☐ | | ☐ | ☐ | |
| 355 | Confirm presence and condition of any controlled environment systems | ☐ | ☐ | | ☐ | ☐ | |
| 356 | Verify electrical service capacity in amps and panel condition | ☐ | ☐ | | ☐ | ☐ | |
| 357 | Identify any aluminum wiring, knob-and-tube, or recalled panel brands | ☐ | ☐ | | ☐ | ☐ | |
| 358 | Confirm electrical capacity is adequate for current and projected loads | ☐ | ☐ | | ☐ | ☐ | |

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|---|---|---|---|---|---|---|---|
| 359 | Verify backup power systems if applicable | ☐ | ☐ | | ☐ | ☐ | |
| 360 | Confirm fire alarm and sprinkler system age and condition | ☐ | ☐ | | ☐ | ☐ | |
| 361 | Verify last inspection date for fire suppression | ☐ | ☐ | | ☐ | ☐ | |
| 362 | Identify any required code upgrades to life safety systems | ☐ | ☐ | | ☐ | ☐ | |
| 363 | Confirm plumbing system materials (copper, PEX, galvanized, cast iron) | ☐ | ☐ | | ☐ | ☐ | |
| 364 | Identify any polybutylene or other failure-prone materials | ☐ | ☐ | | ☐ | ☐ | |
| 365 | Verify domestic hot water system age and capacity | ☐ | ☐ | | ☐ | ☐ | |
| 366 | Confirm condition of sanitary and storm sewer lines on property | ☐ | ☐ | | ☐ | ☐ | |
| 367 | Obtain video inspection of underground sewer mains where feasible | ☐ | ☐ | | ☐ | ☐ | |
| 368 | Verify water service line size and pressure | ☐ | ☐ | | ☐ | ☐ | |
| 369 | Identify any backflow prevention requirements | ☐ | ☐ | | ☐ | ☐ | |
| 370 | Confirm grease trap inspection records if applicable | ☐ | ☐ | | ☐ | ☐ | |
| 371 | Identify natural gas service and equipment condition | ☐ | ☐ | | ☐ | ☐ | |
| 372 | Verify elevator certification, age, and modernization history | ☐ | ☐ | | ☐ | ☐ | |
| 373 | Obtain elevator inspection and maintenance records | ☐ | ☐ | | ☐ | ☐ | |
| ● | **ACCESSIBILITY AND SAFETY** | | | | | | |
| 375 | Confirm ADA compliance assessment was completed | ☐ | ☐ | | ☐ | ☐ | |
| 376 | Identify all ADA deficiencies and remediation cost | ☐ | ☐ | | ☐ | ☐ | |
| 377 | Verify accessible parking spaces meet code | ☐ | ☐ | | ☐ | ☐ | |
| 378 | Confirm accessible route from parking to public entrance | ☐ | ☐ | | ☐ | ☐ | |
| 379 | Verify accessible restrooms and door hardware | ☐ | ☐ | | ☐ | ☐ | |
| 380 | Identify any required signage upgrades for accessibility | ☐ | ☐ | | ☐ | ☐ | |
| 381 | Confirm fair housing accessibility for ground-floor units where applicable | ☐ | ☐ | | ☐ | ☐ | |
| 382 | Identify any pending ADA-related complaints or litigation | ☐ | ☐ | | ☐ | ☐ | |
| 383 | Verify carbon monoxide and smoke detector compliance | ☐ | ☐ | | ☐ | ☐ | |
| 384 | Confirm emergency lighting and exit signage compliance | ☐ | ☐ | | ☐ | ☐ | |
| 385 | Verify all means of egress are unobstructed and code-compliant | ☐ | ☐ | | ☐ | ☐ | |
| ● | **PHASE I ENVIRONMENTAL SITE ASSESSMENT** | | | | | | |
| 387 | Engage a qualified environmental professional for Phase I ESA | ☐ | ☐ | | ☐ | ☐ | |
| 388 | Confirm Phase I follows ASTM E1527-21 standard | ☐ | ☐ | | ☐ | ☐ | |
| 389 | Verify Phase I includes records review, site reconnaissance, and interviews | ☐ | ☐ | | ☐ | ☐ | |
| 390 | Identify any Recognized Environmental Conditions | ☐ | ☐ | | ☐ | ☐ | |
| 391 | Identify any Historical Recognized Environmental Conditions | ☐ | ☐ | | ☐ | ☐ | |
| 392 | Identify any Controlled Recognized Environmental Conditions | ☐ | ☐ | | ☐ | ☐ | |
| 393 | Identify any de minimis conditions | ☐ | ☐ | | ☐ | ☐ | |
| 394 | Verify property is not on EPA NPL, CERCLIS, or RCRA databases | ☐ | ☐ | | ☐ | ☐ | |
| 395 | Verify adjacent properties do not present vapor intrusion or groundwater migration risk | ☐ | ☐ | | ☐ | ☐ | |
| 396 | Identify any historical industrial, dry cleaner, or gas station use | ☐ | ☐ | | ☐ | ☐ | |
| 397 | Identify any USTs or ASTs current or historical | ☐ | ☐ | | ☐ | ☐ | |
| 398 | Confirm any UST removals were properly documented | ☐ | ☐ | | ☐ | ☐ | |
| ● | **PHASE II AND SPECIALIZED TESTING** | | | | | | |
| 400 | Determine whether Phase II investigation is warranted | ☐ | ☐ | | ☐ | ☐ | |
| 401 | Engage qualified consultant for Phase II soil and groundwater sampling | ☐ | ☐ | | ☐ | ☐ | |
| 402 | Confirm Phase II scope addresses all identified RECs | ☐ | ☐ | | ☐ | ☐ | |
| 403 | Identify any contamination requiring regulatory reporting | ☐ | ☐ | | ☐ | ☐ | |
| 404 | Determine cost and timing of remediation if required | ☐ | ☐ | | ☐ | ☐ | |

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| 405 | Identify any state-level voluntary cleanup program applicability | ☐ | ☐ | | ☐ | ☐ | |
| 406 | Obtain seller indemnification for pre-closing environmental conditions | ☐ | ☐ | | ☐ | ☐ | |
| 407 | Identify mold inspection scope and findings if applicable | ☐ | ☐ | | ☐ | ☐ | |
| 408 | Identify asbestos-containing materials survey if property built before 1980 | ☐ | ☐ | | ☐ | ☐ | |
| 409 | Identify lead-based paint risk if property built before 1978 | ☐ | ☐ | | ☐ | ☐ | |
| 410 | Identify radon testing results in EPA Zone 1 or Zone 2 areas | ☐ | ☐ | | ☐ | ☐ | |
| 411 | Verify drinking water quality testing if property uses well water | ☐ | ☐ | | ☐ | ☐ | |
| 412 | Identify any wetlands delineation if grading or expansion is planned | ☐ | ☐ | | ☐ | ☐ | |
| ● | **INSURANCE DILIGENCE** | | | | | | |
| 414 | Obtain seller's loss runs for trailing five years | ☐ | ☐ | | ☐ | ☐ | |
| 415 | Identify any claims paid and reserves outstanding | ☐ | ☐ | | ☐ | ☐ | |
| 416 | Identify any pattern of recurring claims | ☐ | ☐ | | ☐ | ☐ | |
| 417 | Obtain replacement cost estimate from licensed insurance professional | ☐ | ☐ | | ☐ | ☐ | |
| 418 | Verify replacement cost matches lender coverage requirements | ☐ | ☐ | | ☐ | ☐ | |
| 419 | Obtain quotes for property, general liability, and umbrella coverage | ☐ | ☐ | | ☐ | ☐ | |
| 420 | Compare quoted premiums to underwritten insurance expense | ☐ | ☐ | | ☐ | ☐ | |
| 421 | Identify any markets that declined to quote | ☐ | ☐ | | ☐ | ☐ | |
| 422 | Verify flood insurance requirement based on flood zone | ☐ | ☐ | | ☐ | ☐ | |
| 423 | Obtain flood insurance quote if in Zone A or V | ☐ | ☐ | | ☐ | ☐ | |
| 424 | Confirm wind, hail, and named-storm deductibles | ☐ | ☐ | | ☐ | ☐ | |
| 425 | Verify earthquake coverage if in seismic zone | ☐ | ☐ | | ☐ | ☐ | |
| 426 | Identify terrorism coverage requirement under TRIA | ☐ | ☐ | | ☐ | ☐ | |
| 427 | Confirm builder's risk coverage during any planned renovation | ☐ | ☐ | | ☐ | ☐ | |
| 428 | Verify environmental liability coverage where applicable | ☐ | ☐ | | ☐ | ☐ | |
| 429 | Confirm cyber liability coverage for operations | ☐ | ☐ | | ☐ | ☐ | |
| 430 | Verify directors and officers coverage for the GP entity | ☐ | ☐ | | ☐ | ☐ | |
| 431 | Confirm key-person life insurance on principals where appropriate | ☐ | ☐ | | ☐ | ☐ | |
| 432 | Identify additional insureds and loss payees per lender requirements | ☐ | ☐ | | ☐ | ☐ | |
| 433 | Verify business income or rental income coverage for at least twelve months | ☐ | ☐ | | ☐ | ☐ | |
| ● | **HISTORICAL FINANCIAL REVIEW** | | | | | | |
| 435 | Obtain trailing 36 months of monthly operating statements | ☐ | ☐ | | ☐ | ☐ | |
| 436 | Obtain trailing 12 months of operating statements at minimum | ☐ | ☐ | | ☐ | ☐ | |
| 437 | Obtain federal income tax returns for last three years for the property entity | ☐ | ☐ | | ☐ | ☐ | |
| 438 | Reconcile T-12 operating statements to tax returns within 3 percent variance | ☐ | ☐ | | ☐ | ☐ | |
| 439 | Identify and document any unreconciled variance over 3 percent | ☐ | ☐ | | ☐ | ☐ | |
| 440 | Obtain trailing 12 months bank statements for property accounts | ☐ | ☐ | | ☐ | ☐ | |
| 441 | Reconcile bank deposits to rent collections | ☐ | ☐ | | ☐ | ☐ | |
| 442 | Verify revenue is recorded on accrual or cash basis consistently | ☐ | ☐ | | ☐ | ☐ | |
| 443 | Identify any one-time or non-recurring revenue | ☐ | ☐ | | ☐ | ☐ | |
| 444 | Identify any one-time or non-recurring expenses | ☐ | ☐ | | ☐ | ☐ | |
| 445 | Confirm depreciation is excluded from operating expense calculation | ☐ | ☐ | | ☐ | ☐ | |
| 446 | Confirm debt service is excluded from operating expense calculation | ☐ | ☐ | | ☐ | ☐ | |
| 447 | Identify any related-party expenses requiring market-rate adjustment | ☐ | ☐ | | ☐ | ☐ | |
| 448 | Verify management fee is market-rate (typically 3 to 5 percent of EGI) | ☐ | ☐ | | ☐ | ☐ | |
| 449 | Identify any fees paid to seller affiliates | ☐ | ☐ | | ☐ | ☐ | |

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|---|---|---|---|---|---|---|---|
| | **● INCOME VERIFICATION** | | | | | | |
| 451 | Obtain current rent roll dated within last seven days of closing | ☐ | ☐ | | ☐ | ☐ | |
| 452 | Verify rent roll matches lease documents | ☐ | ☐ | | ☐ | ☐ | |
| 453 | Confirm total occupied square footage and unit count | ☐ | ☐ | | ☐ | ☐ | |
| 454 | Identify all leases expiring within 12 months | ☐ | ☐ | | ☐ | ☐ | |
| 455 | Identify all leases expiring within 24 months | ☐ | ☐ | | ☐ | ☐ | |
| 456 | Verify physical occupancy by walking units or spaces | ☐ | ☐ | | ☐ | ☐ | |
| 457 | Identify any down units or spaces unavailable for lease | ☐ | ☐ | | ☐ | ☐ | |
| 458 | Confirm economic vs. physical occupancy reconciliation | ☐ | ☐ | | ☐ | ☐ | |
| 459 | Verify gross potential rent against current rent roll | ☐ | ☐ | | ☐ | ☐ | |
| 460 | Identify below-market leases and quantify mark-to-market upside | ☐ | ☐ | | ☐ | ☐ | |
| 461 | Identify above-market leases at risk of non-renewal | ☐ | ☐ | | ☐ | ☐ | |
| 462 | Verify other income line items including parking, ancillary services, fees, and utility reimbursement | ☐ | ☐ | | ☐ | ☐ | |
| 463 | Identify any income sources that may not transfer to new owner | ☐ | ☐ | | ☐ | ☐ | |
| 464 | Confirm security deposit balances held in trust | ☐ | ☐ | | ☐ | ☐ | |
| 465 | Verify security deposit account is properly segregated per state law | ☐ | ☐ | | ☐ | ☐ | |
| 466 | Obtain prepaid rent schedule for credit at closing | ☐ | ☐ | | ☐ | ☐ | |
| 467 | Confirm delinquency report and bad debt history | ☐ | ☐ | | ☐ | ☐ | |
| 468 | Identify any tenants currently in eviction proceedings | ☐ | ☐ | | ☐ | ☐ | |
| 469 | Confirm collection rate vs. gross potential rent over trailing 12 months | ☐ | ☐ | | ☐ | ☐ | |
| | **● OPERATING EXPENSE BENCHMARKING** | | | | | | |
| 471 | Obtain itemized operating expense statement | ☐ | ☐ | | ☐ | ☐ | |
| 472 | Benchmark property tax expense vs. market and reassessment-adjusted | ☐ | ☐ | | ☐ | ☐ | |
| 473 | Benchmark insurance expense vs. quoted premiums | ☐ | ☐ | | ☐ | ☐ | |
| 474 | Benchmark utilities by line item (electric, gas, water, sewer, trash) | ☐ | ☐ | | ☐ | ☐ | |
| 475 | Confirm utility billing methodology and any tenant reimbursement | ☐ | ☐ | | ☐ | ☐ | |
| 476 | Benchmark repairs and maintenance vs. property age and class | ☐ | ☐ | | ☐ | ☐ | |
| 477 | Benchmark contract services (landscaping, snow, pest, janitorial) | ☐ | ☐ | | ☐ | ☐ | |
| 478 | Verify management fee structure and any administrative add-ons | ☐ | ☐ | | ☐ | ☐ | |
| 479 | Benchmark payroll and benefits for on-site staff | ☐ | ☐ | | ☐ | ☐ | |
| 480 | Identify staffing levels (full-time equivalent) vs. industry standard | ☐ | ☐ | | ☐ | ☐ | |
| 481 | Benchmark marketing and advertising spend | ☐ | ☐ | | ☐ | ☐ | |
| 482 | Benchmark general and administrative expense | ☐ | ☐ | | ☐ | ☐ | |
| 483 | Confirm capital reserve contribution per unit or per square foot | ☐ | ☐ | | ☐ | ☐ | |
| 484 | Verify reserve amount meets standard underwriting practice | ☐ | ☐ | | ☐ | ☐ | |
| 485 | Identify any expenses likely to materially change post-acquisition | ☐ | ☐ | | ☐ | ☐ | |
| 486 | Confirm operating expense ratio is in line with asset class norms | ☐ | ☐ | | ☐ | ☐ | |
| 487 | Identify expense growth rate over trailing three years | ☐ | ☐ | | ☐ | ☐ | |
| | **● CAPITAL EXPENDITURE HISTORY** | | | | | | |
| 489 | Obtain capital expenditure detail for trailing 36 months | ☐ | ☐ | | ☐ | ☐ | |
| 490 | Identify capital projects completed and capitalized vs. expensed | ☐ | ☐ | | ☐ | ☐ | |
| 491 | Compare CapEx history to PCA-recommended capital plan | ☐ | ☐ | | ☐ | ☐ | |
| 492 | Identify any patterns suggesting deferred maintenance | ☐ | ☐ | | ☐ | ☐ | |
| 493 | Confirm any warranties on prior capital work transfer to buyer | ☐ | ☐ | | ☐ | ☐ | |
| 494 | Obtain copies of any contractor lien waivers | ☐ | ☐ | | ☐ | ☐ | |
| 495 | Identify any pending or unfinished capital projects | ☐ | ☐ | | ☐ | ☐ | |

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| # | Primary Column | Doc Required | Doc Received | Capital Project Notes | Follow Up Required | Follow Up Complete | Reference |
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| 496 | Confirm cost of completion for unfinished projects | ☐ | ☐ | | ☐ | ☐ | |
| **● LEASE ABSTRACTION** | | | | | | | |
| 498 | Obtain complete copies of every lease and amendment | ☐ | ☐ | | ☐ | ☐ | |
| 499 | Abstract every lease into standardized template | ☐ | ☐ | | ☐ | ☐ | |
| 500 | Confirm tenant name, suite, and demised premises | ☐ | ☐ | | ☐ | ☐ | |
| 501 | Verify commencement date, expiration date, and any options | ☐ | ☐ | | ☐ | ☐ | |
| 502 | Confirm base rent schedule and escalations | ☐ | ☐ | | ☐ | ☐ | |
| 503 | Identify CPI, fixed, or fair-market-value escalations | ☐ | ☐ | | ☐ | ☐ | |
| 504 | Confirm rent abatements, free rent, or concessions | ☐ | ☐ | | ☐ | ☐ | |
| 505 | Identify tenant improvement allowances funded or unfunded | ☐ | ☐ | | ☐ | ☐ | |
| 506 | Verify leasing commission obligations on any pending renewals | ☐ | ☐ | | ☐ | ☐ | |
| 507 | Confirm operating expense reimbursement structure (gross, modified gross, NNN) | ☐ | ☐ | | ☐ | ☐ | |
| 508 | Verify expense recovery exclusions and caps | ☐ | ☐ | | ☐ | ☐ | |
| 509 | Identify any base year reset provisions | ☐ | ☐ | | ☐ | ☐ | |
| 510 | Confirm CAM reconciliation methodology and timing | ☐ | ☐ | | ☐ | ☐ | |
| 511 | Identify any audit rights granted to tenants | ☐ | ☐ | | ☐ | ☐ | |
| 512 | Verify utility responsibility per lease (landlord-paid, tenant-paid, submetered) | ☐ | ☐ | | ☐ | ☐ | |
| 513 | Identify any exclusivity or use restrictions | ☐ | ☐ | | ☐ | ☐ | |
| 514 | Confirm any termination, rent-reduction, or kick-out clauses tied to other tenants or occupancy thresholds | ☐ | ☐ | | ☐ | ☐ | |
| 515 | Identify go-dark rights and continuous operation covenants | ☐ | ☐ | | ☐ | ☐ | |
| 516 | Verify assignment, sublease, and transfer rights | ☐ | ☐ | | ☐ | ☐ | |
| 517 | Confirm renewal options and required notice | ☐ | ☐ | | ☐ | ☐ | |
| 518 | Identify right of first refusal or right of first offer provisions | ☐ | ☐ | | ☐ | ☐ | |
| 519 | Verify termination rights and termination fees | ☐ | ☐ | | ☐ | ☐ | |
| 520 | Identify any landlord work or completion obligations outstanding | ☐ | ☐ | | ☐ | ☐ | |
| 521 | Confirm any unfunded TI commitments at closing | ☐ | ☐ | | ☐ | ☐ | |
| 522 | Verify holdover provisions and holdover rent | ☐ | ☐ | | ☐ | ☐ | |
| 523 | Confirm relocation rights, if any, granted to landlord or tenant | ☐ | ☐ | | ☐ | ☐ | |
| 524 | Identify any radius restrictions binding the tenant | ☐ | ☐ | | ☐ | ☐ | |
| 525 | Verify guarantor identity and obligations | ☐ | ☐ | | ☐ | ☐ | |
| **● TENANT CREDIT AND OPERATIONS** | | | | | | | |
| 527 | Obtain D&B; reports for credit tenants | ☐ | ☐ | | ☐ | ☐ | |
| 528 | Obtain trailing two years of financial statements for non-credit tenants | ☐ | ☐ | | ☐ | ☐ | |
| 529 | Verify each tenant is current on rent through closing month | ☐ | ☐ | | ☐ | ☐ | |
| 530 | Identify any tenant on a payment plan or workout | ☐ | ☐ | | ☐ | ☐ | |
| 531 | Confirm tenant sales or revenue reports where variable or performance-based rent applies | ☐ | ☐ | | ☐ | ☐ | |
| 532 | Identify any tenant sales decline over trailing 24 months | ☐ | ☐ | | ☐ | ☐ | |
| 533 | Verify occupancy cost as a percentage of revenue for key tenants where reported | ☐ | ☐ | | ☐ | ☐ | |
| 534 | Identify any tenants representing more than 10 percent of revenue | ☐ | ☐ | | ☐ | ☐ | |
| 535 | Confirm rollover risk over trailing and forward 24 months | ☐ | ☐ | | ☐ | ☐ | |
| 536 | Verify renewal probability assumptions in pro forma | ☐ | ☐ | | ☐ | ☐ | |
| 537 | Identify any tenant bankruptcy filings or workouts within last 36 months | ☐ | ☐ | | ☐ | ☐ | |
| 538 | Confirm any tenant offset rights or pending claims against landlord | ☐ | ☐ | | ☐ | ☐ | |
| 539 | Identify any letters of credit posted as security | ☐ | ☐ | | ☐ | ☐ | |

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| 540 | Verify expiration and replenishment terms on letters of credit | ☐ | ☐ | | ☐ | ☐ | |
| **● ESTOPPEL CERTIFICATES** | | | | | | | |
| 542 | Send estoppel certificates to every tenant | ☐ | ☐ | | ☐ | ☐ | |
| 543 | Require estoppels from all tenants over 5,000 square feet | ☐ | ☐ | | ☐ | ☐ | |
| 544 | Require estoppels from all tenants representing 10 percent or more of revenue | ☐ | ☐ | | ☐ | ☐ | |
| 545 | Confirm estoppels match lease abstracts on rent, term, and deposits | ☐ | ☐ | | ☐ | ☐ | |
| 546 | Identify any estoppel discrepancies and reconcile before closing | ☐ | ☐ | | ☐ | ☐ | |
| 547 | Identify any tenant claims of landlord default or offset rights | ☐ | ☐ | | ☐ | ☐ | |
| 548 | Obtain seller credit at closing for any missing estoppels | ☐ | ☐ | | ☐ | ☐ | |
| 549 | Verify estoppels are dated within 60 days of closing | ☐ | ☐ | | ☐ | ☐ | |
| **● DEBT SOURCING** | | | | | | | |
| 551 | Identify all loan quotes solicited and received | ☐ | ☐ | | ☐ | ☐ | |
| 552 | Confirm chosen lender, loan amount, and key terms | ☐ | ☐ | | ☐ | ☐ | |
| 553 | Verify loan-to-value at proceeds amount | ☐ | ☐ | | ☐ | ☐ | |
| 554 | Verify loan-to-cost where applicable | ☐ | ☐ | | ☐ | ☐ | |
| 555 | Confirm interest rate, index, spread, and rate cap if floating | ☐ | ☐ | | ☐ | ☐ | |
| 556 | Identify cost of interest rate cap or swap | ☐ | ☐ | | ☐ | ☐ | |
| 557 | Confirm amortization schedule and any interest-only period | ☐ | ☐ | | ☐ | ☐ | |
| 558 | Confirm loan term and maturity date | ☐ | ☐ | | ☐ | ☐ | |
| 559 | Identify any extension options and conditions | ☐ | ☐ | | ☐ | ☐ | |
| 560 | Confirm prepayment lockout, yield maintenance, or defeasance terms | ☐ | ☐ | | ☐ | ☐ | |
| 561 | Identify origination fees, exit fees, and lender legal | ☐ | ☐ | | ☐ | ☐ | |
| 562 | Verify total cost of debt including all fees and rate cap cost | ☐ | ☐ | | ☐ | ☐ | |
| 563 | Confirm DSCR covenant at acquisition and ongoing | ☐ | ☐ | | ☐ | ☐ | |
| 564 | Identify debt yield covenant if applicable | ☐ | ☐ | | ☐ | ☐ | |
| 565 | Identify loan-to-value covenant and remargin triggers | ☐ | ☐ | | ☐ | ☐ | |
| 566 | Confirm any cash management or lockbox provisions | ☐ | ☐ | | ☐ | ☐ | |
| 567 | Identify cash sweep triggers and conditions to release | ☐ | ☐ | | ☐ | ☐ | |
| 568 | Confirm reserve requirements (tax, insurance, replacement, TI/LC) | ☐ | ☐ | | ☐ | ☐ | |
| 569 | Identify carve-out guaranty scope and bad-boy triggers | ☐ | ☐ | | ☐ | ☐ | |
| 570 | Verify whether guaranty is recourse or non-recourse | ☐ | ☐ | | ☐ | ☐ | |
| 571 | Identify any environmental indemnity in addition to loan | ☐ | ☐ | | ☐ | ☐ | |
| 572 | Confirm transfer restrictions and permitted transfer thresholds | ☐ | ☐ | | ☐ | ☐ | |
| 573 | Identify lender consent rights on major leases | ☐ | ☐ | | ☐ | ☐ | |
| 574 | Confirm reporting requirements to lender (monthly, quarterly, annual) | ☐ | ☐ | | ☐ | ☐ | |
| 575 | Verify SNDA requirements on all material leases | ☐ | ☐ | | ☐ | ☐ | |
| 576 | Obtain estoppel from lender on any assumed debt | ☐ | ☐ | | ☐ | ☐ | |
| **● LOAN DOCUMENTS** | | | | | | | |
| 578 | Review loan agreement, note, and mortgage or deed of trust | ☐ | ☐ | | ☐ | ☐ | |
| 579 | Review assignment of leases and rents | ☐ | ☐ | | ☐ | ☐ | |
| 580 | Review environmental indemnity agreement | ☐ | ☐ | | ☐ | ☐ | |
| 581 | Review guaranty of recourse obligations | ☐ | ☐ | | ☐ | ☐ | |
| 582 | Review cash management agreement if applicable | ☐ | ☐ | | ☐ | ☐ | |
| 583 | Review any subordination, non-disturbance, and attornment agreements | ☐ | ☐ | | ☐ | ☐ | |
| 584 | Confirm representations and warranties match diligence findings | ☐ | ☐ | | ☐ | ☐ | |
| 585 | Identify all reporting and notice requirements post-closing | ☐ | ☐ | | ☐ | ☐ | |

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|---|---|---|---|---|---|---|---|
| 586 | Verify any cross-default with affiliated loans | ☐ | ☐ | | ☐ | ☐ | |
| **● PRO FORMA CONSTRUCTION** | | | | | | | |
| 588 | Build year-by-year operating model for full hold period | ☐ | ☐ | | ☐ | ☐ | |
| 589 | Build month-by-month model for at least the first 24 months | ☐ | ☐ | | ☐ | ☐ | |
| 590 | Confirm Year 1 revenue assumptions vs. in-place rent roll | ☐ | ☐ | | ☐ | ☐ | |
| 591 | Verify lease-up assumptions for any vacant space | ☐ | ☐ | | ☐ | ☐ | |
| 592 | Confirm rent growth assumptions vs. submarket trend | ☐ | ☐ | | ☐ | ☐ | |
| 593 | Verify expense growth assumptions by line item | ☐ | ☐ | | ☐ | ☐ | |
| 594 | Confirm property tax growth and any reassessment step-up | ☐ | ☐ | | ☐ | ☐ | |
| 595 | Verify insurance growth assumptions vs. quoted premium trend | ☐ | ☐ | | ☐ | ☐ | |
| 596 | Confirm capital reserve assumptions per unit or per square foot | ☐ | ☐ | | ☐ | ☐ | |
| 597 | Verify management fee held at market rate throughout hold | ☐ | ☐ | | ☐ | ☐ | |
| 598 | Confirm CapEx schedule incorporates all PCA recommendations | ☐ | ☐ | | ☐ | ☐ | |
| 599 | Verify TI and LC assumptions for projected rollover | ☐ | ☐ | | ☐ | ☐ | |
| 600 | Confirm vacancy and credit loss assumptions vs. submarket trend | ☐ | ☐ | | ☐ | ☐ | |
| 601 | Verify economic vs. physical occupancy reconciliation in pro forma | ☐ | ☐ | | ☐ | ☐ | |
| 602 | Confirm other income line items match historical trend | ☐ | ☐ | | ☐ | ☐ | |
| 603 | Identify any value-add capital plan and quantify NOI uplift | ☐ | ☐ | | ☐ | ☐ | |
| 604 | Confirm timing of value-add NOI impact in pro forma | ☐ | ☐ | | ☐ | ☐ | |
| 605 | Verify debt assumptions match loan term sheet | ☐ | ☐ | | ☐ | ☐ | |
| 606 | Confirm interest expense step-down with amortization | ☐ | ☐ | | ☐ | ☐ | |
| 607 | Verify exit cap rate assumption vs. entry cap rate | ☐ | ☐ | | ☐ | ☐ | |
| 608 | Confirm exit cap rate spread over entry (typical 50 to 150 bps) | ☐ | ☐ | | ☐ | ☐ | |
| **● SENSITIVITY ANALYSIS** | | | | | | | |
| 610 | Run downside scenario with 10 to 20 percent vacancy | ☐ | ☐ | | ☐ | ☐ | |
| 611 | Run downside scenario with 10 to 15 percent expense overruns | ☐ | ☐ | | ☐ | ☐ | |
| 612 | Run downside scenario with delayed lease-up | ☐ | ☐ | | ☐ | ☐ | |
| 613 | Stress-test exit cap rate at plus 50 bps to entry | ☐ | ☐ | | ☐ | ☐ | |
| 614 | Stress-test exit cap rate at plus 100 bps to entry | ☐ | ☐ | | ☐ | ☐ | |
| 615 | Stress-test exit cap rate at plus 150 bps to entry | ☐ | ☐ | | ☐ | ☐ | |
| 616 | Stress-test interest rate at rate cap strike | ☐ | ☐ | | ☐ | ☐ | |
| 617 | Stress-test combined downside scenario (rent, expense, exit cap) | ☐ | ☐ | | ☐ | ☐ | |
| 618 | Identify break-even occupancy at debt service coverage of 1.0x | ☐ | ☐ | | ☐ | ☐ | |
| 619 | Identify break-even rent growth required to meet preferred return | ☐ | ☐ | | ☐ | ☐ | |
| 620 | Confirm downside IRR meets minimum threshold for risk-adjusted approval | ☐ | ☐ | | ☐ | ☐ | |
| **● RETURN METRICS** | | | | | | | |
| 622 | Calculate unlevered IRR over hold period | ☐ | ☐ | | ☐ | ☐ | |
| 623 | Calculate levered IRR over hold period | ☐ | ☐ | | ☐ | ☐ | |
| 624 | Calculate equity multiple to LP | ☐ | ☐ | | ☐ | ☐ | |
| 625 | Calculate cash-on-cash return by year | ☐ | ☐ | | ☐ | ☐ | |
| 626 | Calculate average cash-on-cash over hold | ☐ | ☐ | | ☐ | ☐ | |
| 627 | Calculate payback period for LP equity | ☐ | ☐ | | ☐ | ☐ | |
| 628 | Identify the contribution to IRR from cash flow vs. residual sale | ☐ | ☐ | | ☐ | ☐ | |
| 629 | Confirm Year 1 cash distribution coverage of preferred return | ☐ | ☐ | | ☐ | ☐ | |
| 630 | Identify any periods of distribution coverage shortfall | ☐ | ☐ | | ☐ | ☐ | |
| 631 | Confirm distribution coverage holds in downside scenario | ☐ | ☐ | | ☐ | ☐ | |

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| | **● INVESTMENT COMMITTEE SUBMISSION** | | | | | | |
| 633 | Prepare investment committee memorandum | ☐ | ☐ | | ☐ | ☐ | |
| 634 | Include executive summary and deal economics | ☐ | ☐ | | ☐ | ☐ | |
| 635 | Include sponsor track record and team summary | ☐ | ☐ | | ☐ | ☐ | |
| 636 | Include market and submarket analysis with supporting data | ☐ | ☐ | | ☐ | ☐ | |
| 637 | Include property overview and physical condition summary | ☐ | ☐ | | ☐ | ☐ | |
| 638 | Include lease summary and tenant credit analysis | ☐ | ☐ | | ☐ | ☐ | |
| 639 | Include capital plan with line-item budget | ☐ | ☐ | | ☐ | ☐ | |
| 640 | Include base, upside, and downside pro forma scenarios | ☐ | ☐ | | ☐ | ☐ | |
| 641 | Include sensitivity tables for cap rate, occupancy, and expense | ☐ | ☐ | | ☐ | ☐ | |
| 642 | Include SWOT analysis | ☐ | ☐ | | ☐ | ☐ | |
| 643 | Include risk register with mitigation strategies | ☐ | ☐ | | ☐ | ☐ | |
| 644 | Include exit strategy and contingency exits | ☐ | ☐ | | ☐ | ☐ | |
| 645 | Include debt term sheet summary | ☐ | ☐ | | ☐ | ☐ | |
| 646 | Include third-party report summaries (PCA, Phase I, appraisal, survey) | ☐ | ☐ | | ☐ | ☐ | |
| 647 | Include sources and uses schedule | ☐ | ☐ | | ☐ | ☐ | |
| 648 | Include fee schedule and waterfall illustration | ☐ | ☐ | | ☐ | ☐ | |
| 649 | Distribute IC memo to committee members at least three business days prior to meeting | ☐ | ☐ | | ☐ | ☐ | |
| 650 | Document IC questions and sponsor responses | ☐ | ☐ | | ☐ | ☐ | |
| 651 | Document formal approval or rejection with rationale | ☐ | ☐ | | ☐ | ☐ | |
| 652 | Document any conditions to closing imposed by IC | ☐ | ☐ | | ☐ | ☐ | |
| | **● PRE-CLOSING COORDINATION** | | | | | | |
| 654 | Confirm lender loan commitment is final and clean | ☐ | ☐ | | ☐ | ☐ | |
| 655 | Verify all loan conditions are satisfied | ☐ | ☐ | | ☐ | ☐ | |
| 656 | Coordinate appraisal, insurance binders, and final inspections | ☐ | ☐ | | ☐ | ☐ | |
| 657 | Order title update (gap or T-down) within 48 hours of closing | ☐ | ☐ | | ☐ | ☐ | |
| 658 | Confirm no new liens or encumbrances since commitment | ☐ | ☐ | | ☐ | ☐ | |
| 659 | Collect final estoppel certificates | ☐ | ☐ | | ☐ | ☐ | |
| 660 | Negotiate seller credits for any missing estoppels | ☐ | ☐ | | ☐ | ☐ | |
| 661 | Bind property insurance effective at closing | ☐ | ☐ | | ☐ | ☐ | |
| 662 | Confirm lender receives evidence of insurance coverage | ☐ | ☐ | | ☐ | ☐ | |
| 663 | Conduct final walk-through within 48 hours of closing | ☐ | ☐ | | ☐ | ☐ | |
| 664 | Verify property condition is unchanged since contract execution | ☐ | ☐ | | ☐ | ☐ | |
| 665 | Confirm seller delivery of all keys, access codes, and security credentials | ☐ | ☐ | | ☐ | ☐ | |
| 666 | Confirm transfer of all warranties and service contracts | ☐ | ☐ | | ☐ | ☐ | |
| 667 | Confirm seller delivery of all tenant files and lease documents | ☐ | ☐ | | ☐ | ☐ | |
| 668 | Identify any pre-closing operational issues for post-closing follow-up | ☐ | ☐ | | ☐ | ☐ | |
| | **● CLOSING DOCUMENTS** | | | | | | |
| 670 | Review settlement statement (ALTA or closing disclosure) | ☐ | ☐ | | ☐ | ☐ | |
| 671 | Verify all credits and debits are correctly calculated | ☐ | ☐ | | ☐ | ☐ | |
| 672 | Confirm proration of taxes, rents, and operating expenses | ☐ | ☐ | | ☐ | ☐ | |
| 673 | Verify utility prorations and final meter readings | ☐ | ☐ | | ☐ | ☐ | |
| 674 | Review and execute warranty deed or special warranty deed | ☐ | ☐ | | ☐ | ☐ | |
| 675 | Review and execute bill of sale for personal property | ☐ | ☐ | | ☐ | ☐ | |
| 676 | Review and execute assignment and assumption of leases | ☐ | ☐ | | ☐ | ☐ | |
| 677 | Review and execute assignment of contracts and warranties | ☐ | ☐ | | ☐ | ☐ | |

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| 678 | Review and execute FIRPTA certificate from seller | ☐ | ☐ | | ☐ | ☐ | |
| 679 | Verify seller's certificate, owner's affidavit, and gap indemnity | ☐ | ☐ | | ☐ | ☐ | |
| 680 | Confirm purchaser's certificate is executed | ☐ | ☐ | | ☐ | ☐ | |
| 681 | Confirm closing escrow instructions are signed by both parties | ☐ | ☐ | | ☐ | ☐ | |
| 682 | Execute loan documents simultaneously with deed delivery | ☐ | ☐ | | ☐ | ☐ | |
| 683 | Wire funds per verified wire instructions | ☐ | ☐ | | ☐ | ☐ | |
| 684 | Perform phone verification of wire instructions to prevent fraud | ☐ | ☐ | | ☐ | ☐ | |
| 685 | Confirm recording of deed and mortgage at county recorder | ☐ | ☐ | | ☐ | ☐ | |
| 686 | Obtain recorded copies of all instruments | ☐ | ☐ | | ☐ | ☐ | |
| 687 | Confirm issuance of final owner's title insurance policy | ☐ | ☐ | | ☐ | ☐ | |
| 688 | Send tenant notice letters within 48 hours of closing | ☐ | ☐ | | ☐ | ☐ | |
| 689 | Notify utility providers of ownership transfer | ☐ | ☐ | | ☐ | ☐ | |
| 690 | Notify vendors and service providers of ownership transfer | ☐ | ☐ | | ☐ | ☐ | |
| ● | **ASSET TRANSITION** | | | | | | |
| 692 | Execute property management agreement effective at closing | ☐ | ☐ | | ☐ | ☐ | |
| 693 | Conduct day-one site visit with new management | ☐ | ☐ | | ☐ | ☐ | |
| 694 | Meet with on-site staff and confirm continuity plan | ☐ | ☐ | | ☐ | ☐ | |
| 695 | Confirm transfer of all tenant security deposits to new accounts | ☐ | ☐ | | ☐ | ☐ | |
| 696 | Open property-level operating accounts | ☐ | ☐ | | ☐ | ☐ | |
| 697 | Establish accounting system and chart of accounts | ☐ | ☐ | | ☐ | ☐ | |
| 698 | Implement monthly financial reporting cadence | ☐ | ☐ | | ☐ | ☐ | |
| 699 | Set up vendor accounts and W-9 collection | ☐ | ☐ | | ☐ | ☐ | |
| 700 | Confirm transfer of utility accounts to new entity | ☐ | ☐ | | ☐ | ☐ | |
| 701 | Establish reserve accounts per lender requirements | ☐ | ☐ | | ☐ | ☐ | |
| 702 | Confirm rent collection process and tenant payment instructions | ☐ | ☐ | | ☐ | ☐ | |
| 703 | Update property signage and contact information | ☐ | ☐ | | ☐ | ☐ | |
| 704 | Notify insurance broker of any insured-value changes | ☐ | ☐ | | ☐ | ☐ | |
| 705 | Begin execution of business plan and value-add initiatives | ☐ | ☐ | | ☐ | ☐ | |
| ● | **INVESTOR REPORTING CADENCE** | | | | | | |
| 707 | Issue closing announcement to LPs | ☐ | ☐ | | ☐ | ☐ | |
| 708 | Confirm capital account opening balances | ☐ | ☐ | | ☐ | ☐ | |
| 709 | Issue first quarterly report within 45 days of quarter-end | ☐ | ☐ | | ☐ | ☐ | |
| 710 | Initiate distribution schedule per operating agreement | ☐ | ☐ | | ☐ | ☐ | |
| 711 | Confirm K-1 preparation timeline and accountant engagement | ☐ | ☐ | | ☐ | ☐ | |
| 712 | Establish ongoing investor communication cadence | ☐ | ☐ | | ☐ | ☐ | |
| 713 | Schedule annual investor meeting or call | ☐ | ☐ | | ☐ | ☐ | |
| ● | **TERMINATION TRIGGERS AND RED FLAGS** | | | | | | |
| 715 | Identify delayed or incomplete delivery of due diligence materials | ☐ | ☐ | | ☐ | ☐ | |
| 716 | Identify financials that cannot be reconciled to tax returns within 5 percent | ☐ | ☐ | | ☐ | ☐ | |
| 717 | Identify occupancy declining more than 5 percent year-over-year without explanation | ☐ | ☐ | | ☐ | ☐ | |
| 718 | Identify single tenant representing more than 40 percent of revenue with expiration inside 24 months | ☐ | ☐ | | ☐ | ☐ | |
| 719 | Identify undisclosed capital needs greater than 5 percent of purchase price | ☐ | ☐ | | ☐ | ☐ | |
| 720 | Identify Recognized Environmental Conditions requiring Phase II | ☐ | ☐ | | ☐ | ☐ | |
| 721 | Identify unresolvable title defects or material easements | ☐ | ☐ | | ☐ | ☐ | |

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| # | Primary Column | Doc Required | Doc Received | Capital Project Notes | Follow Up Required | Follow Up Complete | Reference |
|---|---|---|---|---|---|---|---|
| 722 | Identify zoning non-conformance limiting renovation or expansion | ☐ | ☐ | | ☐ | ☐ | |
| 723 | Identify uninsurability or required coverage exceeding underwriting by more than 25 percent | ☐ | ☐ | | ☐ | ☐ | |
| 724 | Identify pending litigation, mechanic's liens, or unresolved code violations | ☐ | ☐ | | ☐ | ☐ | |
| 725 | Identify sponsor regulatory action, criminal history, or bankruptcy disclosure | ☐ | ☐ | | ☐ | ☐ | |
| 726 | Identify principal departure or key-person event during diligence | ☐ | ☐ | | ☐ | ☐ | |
| 727 | Identify any material misrepresentation in PPM or marketing materials | ☐ | ☐ | | ☐ | ☐ | |
| 728 | Identify pressure to waive contingencies or shorten due diligence | ☐ | ☐ | | ☐ | ☐ | |
| 729 | Identify discrepancies between seller-provided rent roll and tenant estoppels | ☐ | ☐ | | ☐ | ☐ | |
| 730 | Identify any incentive misalignment in the fee or waterfall structure | ☐ | ☐ | | ☐ | ☐ | |
| 731 | Identify financing terms that materially deviate from underwriting | ☐ | ☐ | | ☐ | ☐ | |
| 732 | Identify market or submarket fundamentals that have deteriorated during diligence | ☐ | ☐ | | ☐ | ☐ | |
| 733 | Identify any condition where downside IRR falls below acceptable threshold | ☐ | ☐ | | ☐ | ☐ | |
| 734 | If any of the above is present, formally escalate to investment committee before close | ☐ | ☐ | | ☐ | ☐ | |

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### Application of this framework

The items in this checklist represent the maximum scope of diligence considered when evaluating a commercial real estate acquisition. Not every item is performed on every transaction. The scope of diligence on any given acquisition is determined on a deal-by-deal basis based on the asset, transaction size, seller, lender requirements, availability and quality of prior third-party reports, time constraints, and a risk-versus-benefit assessment. The inclusion of any item is not a representation, warranty, or commitment that such item has been or will be performed on any particular acquisition.

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### Accredited investor verification

An "accredited investor" is generally defined under Rule 501(a) of Regulation D as an individual with annual income exceeding $200,000 (or $300,000 jointly with a spouse or spousal equivalent) in each of the two most recent years with a reasonable expectation of the same in the current year, an individual with a net worth exceeding $1,000,000 excluding primary residence, or an individual holding certain qualifying professional credentials. Entities meeting analogous standards may also qualify. Offerings conducted under Rule 506(c) require the issuer to take reasonable steps to verify accredited investor status under Rule 506(c)(2)(ii) prior to acceptance of any subscription.

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NEXT STEP

## Schedule a Call

Discuss how this diligence framework applies to opportunities you are evaluating.

**www.aptainvest.com/schedule-a-call/**