

Acquisitions

Project:			Units
Location:			Acres:
Kickoff Meeting Date:			Due Diligence Manager:
PRE-ACQUISITION - UP FRONT			
<i>The Property</i>	Assigned To	Completion Date	Comments
Name			
Description			
Location			
Region			
Submarket			
County			
Area Map			
City			
Number of Parcels			
APN(s)#:			
Address			
Cross Streets			
Site Plan/Floor Plans+A447			
Accessibility			
Frontage/Access Streets			
Traffic Counts - Cross-streets			
Distance to Freeway(s)			
Distance to Nearest Shopping			
Distance to Nearest Park			
Distance to Nearest Recreation Ctr.			
Distance to Nearest Transportation			
Bus/Ferry			
Rail			
Distance to Nearest Schools			
Elementary			
Middle			
High School			
Pre-school			
Private schools			
School District			
List of Units and bedroom types and count			
Address schedule			
Year Built			
Building square footages			
Public record search			
If conversion, City requirements			
Insurability of finished product			
<i>Nature of Seller</i>			
Owner			
Owner's Contact			
Motivation			
Date Purchased			
Estimated Equity			
Broker/Brokerage			
Commission/Responsibility			

Acquisitions

<i>Purchase Contract</i>			
Price (per acre, per unit, total)			
Time Frames			
LOI Signed			
Escrow Opened			
Initial Deposit			
Diligence Starts			
Diligence Ends			
Diligence Time Table			
Approval of diligence items			
Extensions			
Deposit Increased			
Deposit Hard/Non Refundable			
Escrow Closes			
Finalize ProForma			
Parcel Assembly			
Followup Diligence Materials			
Surviving Commitments			
New Entity Formation documents			
PAPA			
Escrow Company contact info			
Financial Summary			
Deposit amount			
Additional deposit			
Liquidated Damages			
Cash at close			
New/assumed note at close			
Tax considerations reviewed			
<i>Title Report</i>			
Title Company contact info.			
Obtain Preliminary Title Report			
Underlying docs			
Liens			
Trust Deed(s)			
Judgment Liens			
Restrictions			
CC&R's			
Architectural			
Assessments			
Easements			
Prescriptive Easements			
Drilling/Mineral Rights			
Rights of Way			
Parcel Assembly			
Surviving Commitments			
Legal Review			
Title Review notice letter			

Acquisitons

Property Taxes			
Assessed Value			
Tax Rate			
Delinquent Taxes			
Supplemental Taxes			
Mello Roos			
Tax Credits available			
Homeowners Association			
Status			
Name			
Dues			
Limitations			
Responsibilities			
Other			
Management Company Name/Contact			
Managaement Agreement			
General - Entitlements			
Jurisdiction			
General Plan			
General Plan Amendments			
Current Zoning			
Use			
Density			
Parking			
Variances (Granted/Required?)			
Adjacent Property Zoning			
Conditions of Approval			
Notices of Completion			
Building Permits			
Schedule of Assumed Liabilities			
Specific Plans (Existing/Required?)			
Development Agreements			
Existing/Required?			
Term			
Growth Issues - Management Policies			
Special Studies Zones			
Assessment Districts/Mello Roos			
Williamson Act			
Parcel Map			
Tentative Map			
Submitted			
Approved			
Vested?			
Condo Map			
Lot Line Adjustments?			
Community Faccilities District			
Affordable Housing issues			
City/County approvals			
Prevailing Wage			

Acquisitions

Land Plan			
Street Public or Private			
HOA/MHOA			
Gated			
Public Works			
Utilities			
Identify Suppliers			
Trash Service			
Electric Service			
Gas Service			
Cable TV Service			
Telephone Service			
Water District			
1. Verify Serviceability			
2. Verify Fees			
3. Verify main trunk lines			
4. Verify Reservoir requirements (reclaimed)			
Streets			
Sewer			
Storm Drains			
Flood Plain			
Elevation			
Marketing			
Comparables			
- Market Study Comparable			
- Specific Competitive Projects			
Competitors			
1. Product			
2. Amenities			
3. Specials			
Demographics			
Third Party Market Study			
Future Competition			
Source of Future Residents			
Employment			
- Distance to majors			
- Job Growth			
Home Prices			
Land Values			
Project Cost Estimates			
Building Hardcost			
Site Work			
Excavation and Grading			
Import/Export			
Hazardous Material Removal			
Landscape			
Hardscape			
Offsite Work			
Road Improvements			
Traffic Signals			
Bus Stops			
Utility Relocations			
CM Fee / General Conditions			
Fees/Permits			
Legal/Title/Closing Costs			

Acquisitons

FF&E Budget			
Financing Costs			
Project Development Schedule			
<i>Legal/Regulatory Compliance Status</i>			
Obtain files/records on pending legal action			
Lawsuits			
Other claims			
Review litigation & determine resolution-assignment			
ADA			
OSHA			
EEO			
Estoppel Certificates			
Historical Insurance Claims			

Acquisitions

PHYSICAL INSPECTION			
Physical Property	Assigned To	Completion Date	Comments
Walk Property/On Site Inspection			
Topo Map			
Aerial Photo			
Wetlands Present			
Endangered Species Habitat			
Former Land Use			
Confirm Subdivision Map is recorded			
Obtain ALTA Survey			
Confirm size of parcel			
Location of Easements			
Any Encroachments			
Soils Report			
Water Table/Wetlands			
Drainage Issues			
Special Requirements			
Flood Hazard			
Flood Plain			
On-site Stream System			
Landscape Assessment			
Vendor Review & Recommendation			
Special Requirements			
Irrigation Controller Chart/Diagram			
Waterscape Assessment			
Vendor Review & Recommendations			
Special Requirements			
Special Hazards			
Fault Zones / PML Evaluation			
Noise/Vibration			
Traffic			
Flight Patterns			
Neighbors			
Current Uses			
Future Development			
Electrical Power Lines			
Underground Utilities			
Cable Lines			
Lighting			
Water availability			
Sewer availability			
Gas lines			
Telephone lines			
Asphalt/Slurry Seal			
Sidewalks			
Trash pickup			

Acquisitons

Engineering			
Insurance Certificates			
EIR			
Traffic Study			
Acoustical Study			
Negative Declaration			
Mitigated Negative Declaration			
Environmental			
1. Toxics			
2. Water Table			
3. Oil Wells			
4. Soil Contamination			
Obtain Phase I Site Assessment			
Obtain Phase II (if necessary)			
Consultant Review - Phase I (II)			
Obtain Asbestos Survey			
Obtain Lead Paint Survey			
Public Report Status			
Soils & Geology			
Soils Report			
Water Table/Wetlands			
Creek Improvements			
Storm Water Management			
Drainage Issues			
Flood Hazard			
Flood Plain			
On Site Stream System			
NPDES Plan in place			
Proposal - Horizontal Controls			
Setbacks/FARs			
Road Improvements			
To Existing Roads			
Addition of New Roads			
Current Process to Permit Time-line			
Summarize reports			

Acquisitons

Building Department			
Fire Sprinklers			
Development permits and fees			
Other			
Fees			
Permit Requirements			
Building Approvals			
Status			
Conditions			
Separate checklist for City			
Project Design/Architecture			
Architectural Information			
As Built (City approved vs. as built)			
Code used for approval			
Code that will be used for permits			
Plot Plans/Floor plans			
Electrical			
Plumbing			
Mechanical			
Building Elevations			
Square Footage			
Boundaries			
Apartment layouts/floor plans			
Remodel/rehab history			
Parking Facilities			
Number and type of stalls			
Assignment to residents/rental units			
Excess Parking			
Garages			
RV Storage			
Consultant Detail Cost			
Fencing/Wall Plan			
Reconciliation			
Summary of Physical Inspection			
Collate Vendor/Staff Reports			
List major cost items			
Identify overbudget cost items			
Confirm Market Lease Rent Assumptions			
List Title or Legal Issues Outstanding			
Summary of Document Inspection			
Prepare Proforma Expense Budget			
Prepare Proforma Market Rent Schedule			
Prepare Project Development Budget			
Compare Pre/Post Diligence Returns			
Approve/Disapprove Diligence			
Approve/Disapprove Title/Legal Issues			
Present DD Findings to BG/BB			
Present to Shea's			

Acquisitions

Third Party Vendors/Reports			
Phase I Report - Contractor			
Budget Cost			
Inspection Date			
Report Due Date			
Architectural Baseline Report			
Budget Cost			
Inspection Date			
Report Due Date			
Archeology Report			
Budget Cost			
Inspection Date			
Report Due Date			
Asbestos Survey - Contractor			
Budget Cost			
Inspection Date			
Report Due Date			
Hazardous Material - Contractor			
Budget Cost			
Inspection Date			
Report Due Date			
Soils Survey - Contractor			
Budget Cost			
Inspection Date			
Report Due Date			
ALTA Survey - Contractor			
Budget Cost			
Inspection Date			
Report Due Date			
Planning Liaison			
Budget Cost			
Inspection Date			
Report Due Date			
Civil Engineer			
Budget Cost			
Inspection Date			
Report Due Date			
Architect			
Budget Cost			
Inspection Date			
Report Due Date			
Traffic Engineer			
Budget Cost			
Inspection Date			
Report Due Date			
Acoustic Consultant			
Budget Cost			
Inspection Date			
Report Due Date			
Arborist			
Budget Cost			
Inspection Date			
Report Due Date			

Acquisitons

Landscape - Contractor			
Budget Cost			
Inspection Date			
Report Due Date			
Pools & Spas - Contractor			
Budget Cost			
Inspection Date			
Report Due Date			
Lakes/Streams/Flood - Contractor			
Budget Cost			
Inspection Date			
Report Due Date			
Roofing & Decks - Contractor			
Budget Cost			
Inspection Date			
Report Due Date			
Stairs & Landings - Contractor			
Budget Cost			
Inspection Date			
Report Due Date			
Mechanical Systems - Contractor			
Budget Cost			
Inspection Date			
Report Due Date			
Heating & HVAC - Contractor			
Budget Cost			
Inspection Date			
Report Due Date			
Pest Control - Contractor			
Budget Cost			
Inspection Date			
Report Due Date			
Termite Report			
Budget Cost			
Inspection Date			
Report Due Date			
Structural Engineering - Contractor			
Budget Cost			
Inspection Date			
Report Due Date			
Lead Based Paint Study			
Budget Cost			
Inspection Date			
Report Due Date			
Lead Based Paint O&M plan			
Mold Inspection			
Budget Cost			
Inspection Date			
Report Due Date			
Seismic Report			
Budget Cost			
Inspection Date			
Report Due Date			
ADA Survey			

Acquisitons

Physical Buildings/Systems/Equipment			
Physical Inspection			
Unit by Unit			
Audit Remodeled Units			
Unit condition/Equipment			
Measure Sampe Each Floorplan			
Leasing Office/Amenities			
Laundry Rooms			
Decks, Landings & Stairs			
Evaluate condition			
Audit Repair Records			
Determine Level of Repair (%)			
Propose alternative Repair/Replacement			
Evaluate roofing (waterproofing)			
Age, condition			
Replacement schedule			
Streams/Ponds/Creeks			
Condition			
Maintenance Budget			
Pools & Spas			
Condition			
Maintenance Budget			
Structural Engineering			
Fire Alarm Systems Inspection			
Fire Standpipe Systems Inspection			
Fire Hydrants Inspection			
Emergency Generator Inspection			
1999, 2000, 2001 REAC Inspection			
Pest Control Inspection Report			
Obtain Report			
Prepare Budget			
Mechanical Systems			
Condition			
Potential Upgrades			
Maintenance/replacement Budget			
Heating/Air Conditioning			
Condition			
Maintenance Budget			
Compile Specifications Inventory			
Equipment (HVAC/Boilers/Water heaters)			
Appliances			
Destructive Testing			
Window corners			
Plate line at windows			
Plate below sliding glass			
Party wall common corners (plans vs. existing)			
All possible water penetration points			
System check			
HVAC			
Electrical			
Boilers			
Water Heaters			
Gas			
Exterior surfaces			
Foundations			
Gutters			
Fencing			

Acquisitions

OPERATIONS AUDITING			
<u>Document Review</u>	Assigned	Completion	Comments
	To	Date	
Obtain/Review Previous Mgmt. records			
Management Agreement			
Rent Roll			
Current Budget			
Profit & Loss statements (2 yrs)			
Balance Sheets (2 yrs)			
50059's			
Collections			
Delinquencies			
Prepayments			
Security Deposits (pet and other)			
Vacancies			
Lease Renewals			
Lease form			
Rent Increases			
Move-out notices			
Move-out list - 12 mos.			
Corporate Suites List			
Existing Appraisal, if available			
Evidence of Insurance			
Correspondence			
Staffing			
Salaries/Bonuses			
Apartments allowance			
Paid Utilities			
Union Fees, if applicable			
Broker/leasing commissions			
Obtain financial records from owner			
Use Agreements			
Parking Leases			
Current Operating Budget			
Tax Bills			
Prior year's operating statements			
Prior years paid invoices			
Perform Lease Audit			
Perform Capital Audit			
Utility Account Numbers			
Perform Utility Audit			
Capital Schedules			
Forecasts			
Licenses and Permits			
Warranties			
Employee Payroll			
Security Deposit schedule			
Current HAP Contracts			
Original HAP Contracts			
Laundry Contract			
Cable TV Contract			
Security Contract			
Exterminator Contract			
Other Services Contracts			
Occupancy Certificates			
Schedule of Personal Property			
Emergency Contact List			
Espoppel Certificates			
Tenant Improvement Allowance			
Waiting List			
Negotiated Energy Contracts			
Mold Log			

Acquisitons

Work Orders			
Water Intrusion/remediation			
Outstanding Litigation information			
<i>Maintenance</i>			
Review current maintenance operations/procedures			
Review turnover process			
Painting (in-house or contract)			
Carpet Cleaning			
Crime Report			
Local Police number			
Janitorial (common areas - in-house or contract)			
<i>Reports Provided by Seller</i>			
Obtain list of reports			
Assign review responsibility			
Affordable Housing issues			
Section 8 tenants			
<i>Leasing/Marketing Information</i>			
Verify Fair Housing Compliance			
Obtain copy of Current Marketing Program			
Review current marketing program			
Specials, Concessions, Loss leaders			
Preview Models/Make Recommendations			
Review current advertising programs/materials			
Advertising			
Promotions			
Renewal Program			
Resident Retention Program			
Collateral materials			
Obtain/Review current market survey data			
Obtain/Review all demographic & resident profile data			
Traffic Trends			
Review/confirm comparable properties			
Existing competition			
Future competition			
Review current leasing policies & procedures			
<i>Reconciliation</i>			
Summary of Physical Inspection			
Collate Vendor/Staff Reports			
List maintenance items needing immediate attn.			
Confirm post closing major capital items			
Confirm Audit Information			
Confirm Market Lease Rent Assumptions			
List Title or Legal Issues Outstanding			
Summary of Document Inspection			
Prepare Proforma Expense Budget			

Acquisitons

Prepare Proforma Market Rent Schedule			
Prepare Post Closing Captial Budget			
Revise Proforma Summary of Operations			
Compare pre/post Diligent Returns			
Approve/disapprove Diligence			
Approve/disapprove Title/Legal Issues			
Estimate pricing			
Insurance Information			
Notices 30-60-90-180 day			
Right of First Refusal			