

# Due Diligence Checklist

## Property Information

- \_\_\_\_\_ Updated/Existing ALTA Survey/Site Plan
- \_\_\_\_\_ Legal Description
- \_\_\_\_\_ Environmental Report (Phase I/II)
- \_\_\_\_\_ Property Condition Report
- \_\_\_\_\_ ADA Report
- \_\_\_\_\_ Mechanical/Engineering Reports
- \_\_\_\_\_ Structural Report/Roof Report
- \_\_\_\_\_ Infrared Survey
- \_\_\_\_\_ Preliminary Title Report
- \_\_\_\_\_ Floor Plans (indicating: tenant location and square footage)
- \_\_\_\_\_ Space Measurement Studies (CAD drawing & detail of gross, usable and rentable sq. ft.)
- \_\_\_\_\_ Property Warranties (roof, mechanical, etc.)
- \_\_\_\_\_ Status of Deferred Maintenance Issues
- \_\_\_\_\_ Status on All Ongoing Capital Improvement (Construction Contract)
- \_\_\_\_\_ Vendor Service Contracts/Summary (including: union contract)
- \_\_\_\_\_ Description of Security/Life Safety Systems
- \_\_\_\_\_ Certificate of Occupancy/Building Permits (Fire Panel, Elevator, etc.)
- \_\_\_\_\_ Detailed Parking Schedule
- \_\_\_\_\_ List of All Code Violation
- \_\_\_\_\_ Association Documents
- \_\_\_\_\_ Land Lease

## Tenant Information

- \_\_\_\_\_ Detailed Rent Roll Showing Rental Increases and All Other Charges
- \_\_\_\_\_ Leases, Amendments, Commencement Letters, Letter Agreements, Lease Abstracts, Sub-Leases, etc.
- \_\_\_\_\_ Standard Lease Form
- \_\_\_\_\_ Pending Leases and Correspondence
- \_\_\_\_\_ Landlord/Tenant Correspondence
- \_\_\_\_\_ Tenant Financials
- \_\_\_\_\_ Tenant Insurance Certificates
- \_\_\_\_\_ Schedule of Historical Tenant Improvement Costs and Concessions
- \_\_\_\_\_ Historical Occupancy Report
- \_\_\_\_\_ List of All Tenants with Outstanding TI's & LC's indicating owner/tenant obligations
- \_\_\_\_\_ List of Tenants with Scheduled Rent Concessions

## **Financial Information**

- \_\_\_\_\_ Detailed Operating Statements (2005, 2006, YTD 2007)
- \_\_\_\_\_ 2007 Detailed Operating Budget
- \_\_\_\_\_ Detailed CAM Reconciliation/Expense Recovery Worksheets (2005, 2006 and all existing base year)
- \_\_\_\_\_ List of Current Operating Expense Billing Details and Monthly Tenant Invoices
- \_\_\_\_\_ Real Estate Tax Bill (two year)
- \_\_\_\_\_ Real Estate Tax Appeals
- \_\_\_\_\_ Historical and Budgeted Capital Expenditures/Tenant Improvement
- \_\_\_\_\_ Loan Documents – Notes, Loan Agreements, Current Balance/Payment Info
- \_\_\_\_\_ Utility Bills for last 24 month
- \_\_\_\_\_ Utilities Contract
- \_\_\_\_\_ Recent A/R Report
- \_\_\_\_\_ Prior Month Tenant Statement
- \_\_\_\_\_ General Ledger for 2006 and YTD 2007
- \_\_\_\_\_ Security Deposit Ledger and List of Letters of Credit
- \_\_\_\_\_ Detail of All Allocated Salaries (including all accrued vacation and sick pay)

## **General Information**

- \_\_\_\_\_ Personal Property Inventory List
- \_\_\_\_\_ Tool Inventory List
- \_\_\_\_\_ Litigation Pending or in Progress
- \_\_\_\_\_ List of Insurance Claims in the Last 5 Years
- \_\_\_\_\_ Broker Leasing and Commission Agreement
- \_\_\_\_\_ City Development Agreement
- \_\_\_\_\_ Property Management Agreement

## **Appendix B**

### **DUE DILIGENCE DOCUMENT CHECKLIST**

#### **Property Information**

- \_\_\_\_\_ Updated/Existing ALTA Survey/Site Plan
- \_\_\_\_\_ Recent Environmental Report (Phase I/II)
- \_\_\_\_\_ Recent Property Condition Report
- \_\_\_\_\_ Recent ADA Report
- \_\_\_\_\_ Recent Mechanical/Engineering Reports
- \_\_\_\_\_ Recent Structural Report/Roof Report
- \_\_\_\_\_ Recent Infrared Survey
- \_\_\_\_\_ Preliminary Title Report
- \_\_\_\_\_ Floor Plans (indicating: tenant location and square footage)
- \_\_\_\_\_ Space Measurement Studies (CAD drawings & detail of gross, usable and rentable sq. ft.)
- \_\_\_\_\_ Property Warranties (roof, mechanical, etc.)
- \_\_\_\_\_ Status of Deferred Maintenance Issues
- \_\_\_\_\_ Status on All Ongoing Capital Improvements
- \_\_\_\_\_ Vendor Service Contracts/Summary (including: union contract)
- \_\_\_\_\_ Description of Security/Life Safety Systems
- \_\_\_\_\_ Certificates of Occupancy/Building Permits (Fire Panel, Elevator, etc.)
- \_\_\_\_\_ Detailed Parking Schedule
- \_\_\_\_\_ List of All Code Violations
- \_\_\_\_\_ Association Documents
- \_\_\_\_\_ Land Lease

#### **Tenant Information**

- \_\_\_\_\_ Detailed Rent Roll Showing Rental Increases and All Other Charges
- \_\_\_\_\_ Leases, Amendments, Commencement Letters, Ltr. Agreements, Lease Abstracts, Sub-Leases, etc.
- \_\_\_\_\_ Landlord/Tenant Correspondence
- \_\_\_\_\_ Tenant Financials
- \_\_\_\_\_ Schedule of Historical Tenant Improvement Costs and Concessions
- \_\_\_\_\_ Historical Occupancy Report
- \_\_\_\_\_ List of All Tenants with Outstanding TI's & LC's

## **Financial Information**

\_\_\_\_\_ Detailed Operating Statements (Past three years & YTD)  
\_\_\_\_\_ Current Year Detailed Operating Budget  
\_\_\_\_\_ Detailed CAM Reconciliation/Expense Recovery Worksheets (Past Two Years)  
\_\_\_\_\_ List of Current Operating Expense Billing Details and Monthly Tenant Invoices  
\_\_\_\_\_ Real Estate Tax Bills (two years)  
\_\_\_\_\_ Real Estate Tax Appeals  
\_\_\_\_\_ Historical and Budgeted Capital Expenditures/Tenant Improvements  
\_\_\_\_\_ Loan Documents – Notes, Loan Agreements, Current Balance/Payment Info  
\_\_\_\_\_ Utility Bills for last 24 months  
\_\_\_\_\_ Recent A/R Report  
\_\_\_\_\_ General Ledger for last 12 months  
\_\_\_\_\_ Security Deposit Ledger and List of Letters of Credit  
\_\_\_\_\_ Detail of All Allocated Salaries (including all accrued vacation and sick pay)

## **General Information**

\_\_\_\_\_ Personal Property Inventory List  
\_\_\_\_\_ Tool Inventory List  
\_\_\_\_\_ Litigation Pending or in Progress  
\_\_\_\_\_ List of Insurance Claims in the Last 3 Years

## Appendix C

### TENANT QUESTIONNAIRE

**Date:** \_\_\_\_\_

**Tenant:** \_\_\_\_\_

**Suite:** \_\_\_\_\_

Dear \_\_\_\_\_ (Tenant):

As you may know, we are in the process of acquiring the building and would appreciate your cooperation in answering the following questions, so that we can complete our due diligence analysis for this property:

1. How long have you been working in the building?
2. Why did your company select this building versus other buildings?
3. Has the landlord been generally responsive in meeting your needs?
4. Do you currently have any disputes with the landlord?
5. Do you have any outstanding service request?
6. What is the most common service request you make to the landlord?
7. Is your suite generally too hot, too cold or comfortable most of the time?

8. Are there any water leaks? Have there been any water leaks?
8. Have there been any unusual odors?
10. Have there been any power outages?
11. Are the hallways generally kept clean and neat?
12. Are the bathrooms kept clean?
13. Does the janitorial service adequately clean your suite?
  
14. Is the exterior of the building kept clean and neat?
15. Do you feel safe walking to your car in the evening?
16. What do you like about the location of your offices? What do you dislike?
17. Can you always find a parking space?
18. What additional amenities or services would you like added to the building?
19. What improvements would you like added to your suite?
20. Is your suite “crowded”? Do you need more or less space?
21. Is your current business expanding, contracting or staying about the same?
22. If your lease came up for renewal now, would you consider staying in the building?
23. Do you anticipate remaining in the building once your lease expires?
24. Any problems with the elevator?
25. Any problems with HVAC?
26. Any problems with the plumbing?

We would like to thank you for your cooperation. If you have any suggestions or requests to make your offices more comfortable and productive, please let us know.

Sincerely,

# Appendix D

PRORATA SHARE: _____ BASE YR AMOUNT: _____ /SF COMMENTS: (Additional factors such as Admin fee, Caps, Gross Up, etc.) _____	EXPENSE STOP: _____ /SF EXPENSE CEILING: _____ /SF EXPENSE CAP: _____
_____	
ELECTRICITY: IS ELECTRICITY SEPARATE WITH A DIFFERENT BASE YEAR? _____ PRORATA SHARE: _____ BASE YR AMOUNT: _____ /SF COMMENTS: (Additional factors such as Admin fee, Caps, Gross Up, etc.) _____	BASE YEAR: _____ EXPENSE STOP: _____ /SF EXPENSE CEILING: _____ /SF EXPENSE CAP: _____

TENANT IMPROVEMENTS/ALLOWANCES:	
TI / SQ FT: _____ TI - total: _____ (total amt)	
COMMENTS: _____	
OUTSTANDING TIS: _____	
REFURB ALLOWANCE: _____	

COMMISSIONS					
COMMISSION RATE (Structure): _____					
	DUE ON EXECUTION	PERCENT	\$ DUE ON COMMENCEMENT	PERCENT	TOTAL
PAYABLE TO LANDLORD'S BROKER:	_____	_____	_____	_____	_____
PAYABLE TO TENANTS BROKER:	_____	_____	_____	_____	_____
TOTAL:	_____	_____	_____	_____	_____

OPTIONS:	
	DATE OF NOTICE
RENEWAL: _____	_____
EXPANSION: _____	_____
1ST OFFER/REFUSAL: _____	_____
TERMINATION: _____	_____
OTHER: _____	_____

INSURANCE:			
INSURANCE AGENCY: _____	PHONE #: _____	FAX #: _____	
AGGREGATE: \$ _____	WORKERS COMPENSATION: \$ _____		
EXCESS LIABILITY UMBRELLA: \$ _____	EXPIRATION DATE: \$ _____		
EXCESS LIABILITY AGGREGATE: \$ _____			

**OTHER MISC. NOTES:** (including any specific restrictions, reference lease paragraphs)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PREPARED BY: \_\_\_\_\_

POSITION: \_\_\_\_\_















