PENSCO TRUST COMPANY

Regular Mail P.O. Box 26903, San Francisco, CA 94126 6903
Overnight 450 Sansome Street, 14th Floor, San Francisco, CA 94111 3306
www.PENSCOTrust.com T 800 969 4472 F 415 956 3016

Real Estate Purchase Checklist

Use this guide to assist you in purchasing real estate within your PENSCO Trust self-directed IRA or Solo(k)

When purchasing real estate within your retirement Account, you should exercise the same due care and diligence as if you were purchasing it personally. PENSCO Trust acts only as a passive custodian and gives no investment advice. We require an independent escrow.

Overview

Terms Defined:

- **The "IRA Owner" or "Solo(k) Participant"** are referred to as: "Account Holder"
- **"IRA" or "Solo(k) Plan"** are referred to as: "Account"

1. The Account Holder must read, approve and sign all documents before forwarding them to PENSCO Trust for the custodial signature. The signed documents will then be returned, along with the funds, to the identified escrow agent for closing.
2. All documents must be vested:
   For IRAs:
   PENSCO Trust Company Custodian FBO 'Account Holder Name' IRA 'PENSCO Account #'
   For Solo(k)s:
   PENSCO Trust Company Custodian of 'Plan Name' FBO 'Account Holder Name', 'PENSCO Account #'
3. PENSCO Trust Company's Tax ID: 02-0526633
4. Funds must be available in the Account before the contract is signed.
5. The initial deposit, any increased deposit or expense item, and all closing costs must be authorized for payment from the Account using our:
   ✓ *Investment Authorization Form for Non-Publicly Traded Investments*, and
   ✓ *Payment and Funding Instructions Form*
   The Account Holder should not make any deposits from their personal funds.
6. **Should you require financing** (a mortgage, deed of trust, seller carryback, loan assumption, etc.) either the note, or by separate agreement, **must be non-recourse.** In the event of default/foreclosure the lender can only look to the property as the sole source of repayment. The non-recourse lender cannot pursue other assets owned by the Account Holder or the Account.
7. Financing of an Account-owned property could result in taxes any the income (UDFI) and capital gain. Make sure to discuss this with a CPA or tax professional who is familiar with it, and who is able to file a 990-T Form for your Account.

Processing Requirements and Documentation

1. Proposed preliminary title report (or chain of title) with full property description (i.e. legal description and street address) ***(required)***
2. An independent escrow ***(required)***
3. Contract of sale, counter offers, escrow and closing documents, etc. These must all be drafted in the Account's name (see vesting instructions above), and be read and approved by the Account Holder. ***(required)***
   Note: Contract cannot be reassigned from the Account Holder (or from certain other related parties) to the Account, as this could be construed as a prohibited transaction.
4. Title Insurance policy ***(required)***
5. Phase I or Phase II Environmental report depending on circumstances ***(discuss with PENSCO Trust if you are not sure if you need this)***
6. If you obtain fire & liability insurance then forward a copy of it to PENSCO Trust ***(optional)***
7. Property appraisal ***(discuss with PENSCO Trust if you do not plan to provide this)***
8. *Payment and Funding Instructions Form (required)* Go to www.PENSCOTrust.com for all PENSCO Trust forms.
9. *Non-Public Investment Authorization Form (required)*
   Use to authorize funds leaving your Account for earnest money, deposits, balances due upon closing, etc. You may use the *Payment and Funding Instructions Form* alone for authorizing future expense payments related to the asset (i.e., property taxes, maintenance, etc.).
   Please note: When completing this form, "Name of Investment" = The address or legal description of the property.

If you have any further questions, please feel free to contact Client Services at 800-969-4472. You may find all of the above forms as well as additional educational material on real estate investing within a retirement account at www.PENSCOTrust.com.

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Route Code: PU10

Payment and Funding Instructions (If funding an investment, use this in conjunction with our *Investment Authorization Form*)

A STOP PAYMENT CANNOT BE PLACED UNTIL 4 BUSINESS DAYS HAVE ELAPSED FROM THE ISSUANCE OF THE ORIGINAL CHECK.

1. Account / Payment Information

PENSCO Trust Account # ________

Account Holder's First Name ________ Middle ________ Last ________ Suffix ________

Phone # ________ – ________

Purpose of Payment ________
e.g., "Membership in LLC," "Purchase Property," "Expense Payment")

Memo/Reference ________
Escrow #, APN #, Invoice #, Policy #, Account #

Name of Investment (i.e. name of asset, LLC, LP or C-Corp) ________

Amount $ ________

2. Payee Information

Payee's Name ________

Address ________

City ________ State ________ Zip Code ________ – ________

3. Funding Instructions Select method

☐ VIA WIRE (Wire instructions must be documented here, $30 fee for wires)

Bank Name ________

Bank Address ________

City ________ State ________ Zip Code ________

Phone # ________ – ________

ABA/Routing # ________

Bank Account # ________

Other Instructions ________

☐ VIA CHECK (No fee for regular mail and pick-up options, $18 fee for overnight mail)

Check One:

☐ Pick-Up By: ________
Printed Name

____
Signature (upon pick-up)

☐ Mail Check to Payee Address (above)

☐ Mail Check to:

Name ________

Address ________

City ________ State ________ Zip Code ________

☐ Overnight Check to Above Address (Physical Address only; Fee $18)

4. Authorization Must be authorized by either the Account Holder or a Designated Representative for the Account on file with PENSCO Trust Company.

I agree to release, indemnify, defend, and hold PENSCO Trust harmless for any claims arising out of this payment. This includes, but is not limited to, claims that this payment is not prudent, proper, legal, or diversified. I also understand and agree PENSCO Trust will not be responsible to take any action should the investment noted herein become subject to default, including fraud, insolvency, bankruptcy, or other court order or legal process. These *Payment and Funding Instructions* are further subject to all terms and conditions of the account holder's Custodial Agreement with PENSCO Trust and all applicable State and Federal laws.

AUTHORIZED BY:

☐ Account Holder
☐ Account's Designated Representative

____
Printed Name of Authorizing Party

________ ________
Signature (Required) Date

For Office Use Only:

Asset ID: ________ Tran Code: ________ FW Officer: ________ ☐ Additional Inv. ☐ Overnight

Processed By ________ Notes: ________ Date ________

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IRA Non-Public Investment Authorization

- ✓ Use this form to invest into non-publicly traded assets such as LLCs, LPs, Corporations, Real Property, Trust Deeds, etc.
- ✓ Must attach Payment and Funding Instructions Form (see www.PENSCOTrust.com, "Forms") and any other paperwork necessary for your investment.
- ✓ This form and most investment paperwork may be faxed.

1. Client Information

First Name ____ Middle ____ Last ____ Suffix ____

Account # ____ Social Security # ____ Phone # ____ Fax # ____

2. Investment Information

Choose One: ☐ Buy ☐ Sell Units/Shares: ____

Name of Investment (This might be the name of an LLC, LP or C-Corp) ____

Total Investment Amount $ ____

Additional Information: ____

✓ It is a good idea to first check and see if the Issuer of your chosen Investment has filed the Investment with PENSCO Trust. Once you have been assured that the fileing is either complete or in the progress, you may submit your investment paperwork.

To invest into an LLC, LP, or C Corp. please submit the following:

1. *IRA Non-Public Investment Authorization* (this form)
2. *Payment and Funding Authorization*
3. Subscription Agreement, Limited Partnership Agreement, Stock Purchase Agreement or any other agreement or form the investor is required to sign.
   - This will be provided to you by your Investment's Issuer
   - This Agreement must be drafted in the name of the Account (not in the Account Holder's name).

     For example, Agreement must be vested:

     PENSCO Trust Company Custodian FBO 'Account Holder Name' IRA 'PENSCO Trust Account #'
   - Agreement must be pre-signed (i.e. beside all Investor signature lines) by the Account Holder. PENSCO Trust will sign on the Investor signature lines as the Investor, on behalf of the investing Account.

✓ The above 3 items may be mailed or faxed to PENSCO Trust to initiate an investment within a PENSCO Trust Account.

MAIL:

Regular Mail:
P.O. Box 26903
San Francisco, CA
94126-6903

Overnight Delivery Only:
450 Sansome Street, Fl. 14
San Francisco, CA
94111-3306

OR FAX: 415-956-3016

3. Investment Acknowledgements

I understand that I am responsible (and PENSCO Trust Company and PENSCO, Inc. are not responsible) for selecting and reviewing the above investment(s) and for determining the suitability, nature, value, risk, safety and merits of any investment(s) that I authorize PENSCO Trust to make for my Account.

I understand that PENSCO Trust Company and PENSCO Inc. neither endorse nor recommend the above investment, and I therefore release and hold PENSCO Trust Company and PENSCO Inc. harmless from all claims arising out of making such investments.

I agree that any dispute regarding this investment shall be submitted to binding arbitration at JAMS in Boston, MA or San Francisco, CA at PENSCO Trust's discretion, and the prevailing party shall be entitled to recover all legal fees, reasonable costs and expenses. These shall be in addition to any award of damage or any other relief to which the prevailing party is entitled.

I represent that the above investment is not a prohibited transaction, as defined in the Internal Revenue Code and IRS and Department of Labor regulations.

I agree to follow any guidelines applicable to this investment guidelines as may be required by PENSCO Trust.

AUTHORIZED BY:

☐ Account Holder

☐ Account's Designated Representative

Printed Name of Authorizing Party ____

Signature (Required) ____ Date ____

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San Francisco, CA 94111-3306

Route Code: AR10

FAX TO: **REAL ESTATE**

Client Account: ☐☐☐☐☐

Attention:		From:	
Phone:	(800) 969-4472, Ext ________	Phone:	
Fax:	(415) 956-3016	Date:	
Re:		Pages:	(including cover)

☐ Urgent ☐ Confirm Receipt ☐ Review & Respond ☐ FYI, No Reply

COMMENTS:

Notice of Confidentiality

The information in this facsimile is privileged and confidential information intended solely for the use of the recipient and sender. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the said recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you receive this fax in error, please notify PENSCO Trust Company immediately by telephone, to arrange for the return of the documents.