PENSCO TRUST COMPANY

**penscotrust.com**
takecontrol@pensco.com
866.818.4IRA(4472)

# REAL ESTATE INVESTMENT KIT

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## MAILING ADDRESS

Please return originals to:

| ***Regular Delivery*** | ***Overnight Delivery*** |
|---|---|
| P.O. Box 26903<br>San Francisco, CA 94126-6903 | 450 Sansome Street Floor 14<br>San Francisco, CA 94111-3306 |

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# Real Estate Purchase Checklist

- √ **Use this guide to assist you in purchasing real estate within your PENSCO Trust Account.**
- √ **When purchasing real estate within your retirement Account, you should exercise the same due 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" and "Solo(k) Participant" are referred to as: "Accountholder"**
- √ **"IRA" or "Solo(k) Plan" are referred to as: "Account"**

1. **The Accountholder 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 as follows:**
   - **For IRAs:** PENSCO Trust Company Custodian FBO 'Accountholder Name' IRA 'PENSCO Account #'
   - **For Solo(k)s:** PENSCO Trust Company Custodian of 'Plan Name' FBO 'Accountholder 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:**
   - √ ***Non-Public Investment Authorization* form, and**
   - √ ***Payment and Funding Instructions* form**

**The Accountholder 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 Accountholder 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 Accountholder. (required)
   ***Please note:*** *Contract cannot be reassigned from the Accountholder (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.***

PENSCO TRUST COMPANY

**Please return by:**

*Fax:* 415-956-3016

| *Regular Mail:* | *Overnight Delivery Only:* |
| --- | --- |
| P.O. Box 26903 | 450 Sansome Street, Fl. 14 |
| San Francisco, CA | San Francisco, CA |
| 94126-6903 | 94111-3306 |

# IRA Non-Public Investment Authorization

www.penscotrust.com
800-969-4472

- √ **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 to: 415-956-3016**

## 1. Accountholder Information

**Account #:** ______________________

______________________ ____ ______________________

**Accountholder's First Name** **M.I.** **Last**

**Social Security #:** __ __ __ – __ __ – __ __ __ __ **Primary Phone #:** _____ – _____ – _______ **Ext.:** _____

**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 filing 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 Instructions***
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 Accountholder's name).
     *For example, Agreement must be vested:*
     PENSCO Trust Company Custodian FBO 'Accountholder Name' IRA 'PENSCO Trust Account #'
   - **<u>Agreement must be pre-signed</u> (i.e. beside all Investor signature lines) <u>by the Accountholder</u>.**
     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:** | **Overnight Delivery Only:** | **OR FAX: 415-956-3016** |
| --- | --- | --- | --- |
| | P.O. Box 26903 | 450 Sansome Street, Fl. 14 | |
| | San Francisco, CA | San Francisco, CA | |
| | 94126-6903 | 94111-3306 | |

## 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 as may be required by PENSCO Trust.

**AUTHORIZED BY:**

☐ **Accountholder**

☐ **Account's Designated Representative**

______________________

**Printed Name of Authorizing Party**

→ ______________________ ____________

**Signature (Required)** **Date**

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# Payment and Funding Instructions

www.pensocotrust.com
800-969-4472

**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

**Account #:** ______________________

______________________ ____ ______________________
**Accountholder's First Name** **M.I.** **Last**

____ — ____ — ____
**Primary 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 if LLC, LP or C-Corp, see checklist for real property or notes)

$ ________ . ____
**Amount**

## 2. Payee Information

______________________
**Payee's Name**

**Address Type:** ☐ Home ☐ Business **Address:** ______________________

**City:** ______________________ **State:** ____ **Zip Code:** ________ — ____

## 3. Funding Instructions **Select method**

☐ **VIA WIRE** ☐ **VIA ACH**
($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 Accountholder 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 accountholder's Custodial Agreement with PENSCO Trust and all applicable State and Federal laws.

**AUTHORIZED BY:**

☐ **Accountholder**

☐ **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: ________