LION PARK
CAPITAL

2025

INVESTOR CHECKLIST

Get Ready for Your Multifamily Deal

A step-by-step preparation guide for passive investors

Valuable Financial Resource

www.lionparkcap.com

This material is for educational purposes only and is not investment advice.

ABOUT LION PARK CAPITAL

Lion Park Capital helps busy professionals build long-term wealth through passive multifamily real estate investments. We acquire institutional-quality properties in high-growth markets that benefit from strong job creation, population influx, and diversified economies.

With 2,172 units and $316 million of assets under management, our investors gain access to opportunities that deliver consistent cash flow, appreciation potential, and powerful tax advantages — without the stress of being a landlord.

Our mission is simple: to help you achieve financial freedom and build generational wealth through multifamily investing.

HOW TO USE THIS CHECKLIST

This guide is designed to help you prepare for your **first (or next) multifamily investment** with confidence. Passive investing doesn't mean uninformed investing — the best LPs (Limited Partners) ask the right questions, know their numbers, and fund on time.

Here's how to work through the checklist:

1. Clarify
- Define your goals, time horizon, and liquidity.
- Use the mini-calculations to back-solve your cash flow targets.
- Decide if you prefer steady income, growth, or a mix.

2. Verify
- Confirm your investor profile (accreditation status, risk tolerance, experience level).
- Check that you understand illiquidity, typical hold periods, and diversification needs.

3. Commit
- Learn how to vet operators, evaluate deals, and understand the key terms.
- Use the question lists to track responses from sponsors.
- Confirm fee structures, debt terms, reserves, and sensitivity assumptions.

4. Monitor
- After you invest, use the monitoring checklist to track quarterly updates, capex execution, and loan health.
- Reassess whether distributions are reinvested or used for expenses.

By the time you complete this checklist, you'll know:

1. **Your goals & liquidity.**
2. **Your investor profile.**
3. **The right questions to ask operators.**
4. **How to fund smoothly and on time.**

STEP 1 — CLARIFY GOALS, TIMELINE, AND LIQUIDITY

Why this matters: Before you invest a single dollar, you need to know what you're aiming for. Multifamily investing is flexible — it can generate steady income, create long-term equity growth, or balance both. But your goals dictate the right deals for you.

1. Cash Flow Goals

- Define: "I want $____ per month in passive income by ____ year."
- Math check: If your target is $5,000/month and deals average 7% annual yield, you'll need about **$860,000 invested** over time. (Formula: $860,000 ÷ 0.07 = $60,000 annualized).
- *Investor takeaway:* Knowing your number upfront helps you pace capital commitments across multiple deals.

2. Retirement Time Horizon

- Short-term (3–7 years): Suitable for those wanting earlier liquidity or partial retirement flexibility.
- Medium-term (10–15 years): Often focused on building enough passive income to replace a significant portion of W-2 earnings.
- Long-term (20+ years): Geared toward generational wealth transfer.

3. Risk Appetite

- Steady cash flow: Prefer stabilized assets that pay distributions early and consistently.
- Value-add upside: Comfortable with delayed but higher growth potential through renovations and NOI improvement.
- A mix: Balanced portfolio approach.

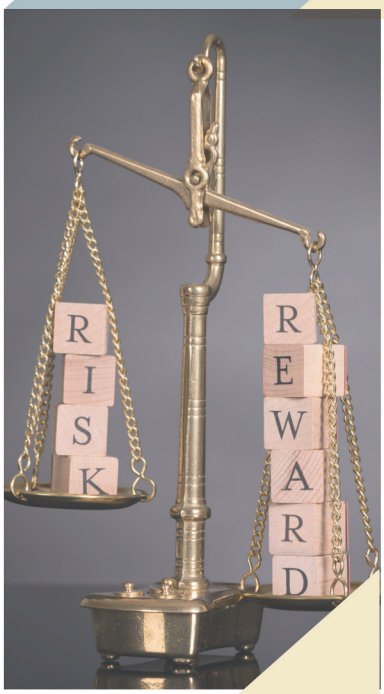
4. Liquidity Check

- Available investable cash today: $_____.
- Additional liquidity expected in 6–12 months: $_____.
- Emergency fund: Allocated for and confirmed (this should remain untouched).
- Investor takeaway: Multifamily investments are illiquid for 3–7 years. Don't invest funds you may need for near-term obligations.

How to use this step: Write your numbers in the blanks, run the quick cash flow back-solve, and categorize yourself (steady vs. growth vs. mixed). This gives you a personal investing "compass" before reviewing deals.

STEP 2 — CONFIRM YOUR INVESTOR PROFILE

Why this matters: Multifamily opportunities are governed by SEC rules and depend on your experience level, risk tolerance, and liquidity. Understanding your profile ensures you're looking at the right deals — and avoids surprises later.



1. Accreditation Status

- **Accredited Investor** — Income of $200,000+ ($300,000 joint) for two years with expectation to continue, or net worth of $1M+ (excluding primary residence).
  - *What this means:* You can participate in 506(c) offerings (widely marketed opportunities).
- **Non-Accredited Investor** — Does not meet the above.
  - *What this means:* You may still access 506(b) offerings, but usually only through established sponsor relationships.

2. Experience & Preferences

- New to private real estate: Focus on conservative deals with proven operators.
- Some experience: Diversify across stabilized and light value-add deals.
- Experienced: Comfortable with heavy value-add strategies or multiple operators.

3. Risk Alignment

- Illiquidity: Are you prepared for a 3–7 year hold period?
- Capital calls: While rare, could you contribute more if needed?
- Diversification: Will you spread capital across multiple deals, or concentrate it in one?

4. Check Size & Commitment Speed

- Define your typical investment amount (e.g., $50k, $100k).
- Consider how quickly you can fund once allocated — some deals require commitments within weeks.

👉 **How to use this step:** Write down your accreditation status, your experience level, and your target check size. This is your investor "profile snapshot." It helps you filter opportunities and communicate clearly with operators.

STEP 3 — VET THE OPERATOR (AND TRACK RESPONSES)

Why this matters:
As a passive investor, you're not running the property — the operator is. The quality of their track record, discipline, and communication will determine whether your capital grows or stalls. Your job is to ask the right questions, listen carefully to how they answer, and compare responses across operators.

1. Track Record & Experience

Ask: How long have you been operating in multifamily? How many full-cycle deals have you completed (bought, operated, and sold)? What were the actual returns compared to projections?

- *Strong answer:* "10+ years, 6 full-cycle deals, average IRR 15%, consistent distributions."
- *Red flag:* "We've acquired properties but haven't exited any yet," or "returns were below projections without clear reasons."

2. Assets Under Management (AUM) & Market Focus

Ask: How many units and markets are you currently operating in? Why those markets?

- *Strong answer:* 1,500+ units, focused on high-growth cities like Dallas, Phoenix, Atlanta — diversified across multiple employers and population inflows.
- *Red flag:* Operator concentrated in one market or one property type, especially if that market is oversupplied.

3. Deal Sourcing Approach

Ask: Where do your deals come from — brokered listings or off-market relationships?

- *Strong answer:* "We maintain broker relationships and secure ~30% off-market deals through repeat seller networks."
- *Red flag:* 100% reliance on public listings, with no competitive edge.

4. Underwriting Discipline

Ask: What assumptions do you use for rent growth, exit cap rate, and expenses? Do you run sensitivity scenarios?

- *Strong answer:* "We underwrite 2–3% rent growth vs. 4% market comps, stress exit cap +100 bps, and test downside cases with higher expenses."
- *Red flag:* Projections rely on aggressive rent growth or refinancing assumptions to make the deal work.

‘Once you know where an operator finds deals, the next question is how they run the numbers and protect investor capital. This is where underwriting discipline, execution plans, and alignment really separate strong operators from risky ones.’

5. Operating Plan & Property Management

Ask: What is the scope of value-add improvements? What is the budget per unit? Who manages the property day-to-day?

- *Strong answer:* “$7k/unit in renovations phased over 24 months, projected $150 rent bump, with a third-party management team and local boots on the ground.”
- *Red flag:* Vague renovation scope, unrealistic timelines, or reliance on inexperienced management.

6. Fee Structure & Alignment

Ask: How are fees structured (acquisition, asset management, disposition, promote)? How much of your own money is invested?

- *Strong answer:* Fees aligned with actual work (e.g., acquisition 2%, asset management 2% of **Effective Gross Income (EGI)**) and sponsor has meaningful “skin in the game.”
- *Red flag:* Fees stacked in favor of the operator regardless of performance, little or no GP co-investment.

7. Reporting & Investor Communication

Ask: How often do you provide updates, and in what format? Do you use an investor portal?

- *Strong answer:* Quarterly financials with occupancy, collections, capex progress, and distributions via a portal.
- *Red flag:* Sporadic updates, emailed spreadsheets, or lack of transparency.

8. Downside Planning

Ask: What happens if interest rates stay high? How do you handle a slower rent environment?

- *Strong answer:* “We cap floating-rate debt, hold 6 months of reserves, and model flat rent growth for downside cases.”
- *Red flag:* “We expect rents will keep climbing” or “We’ll refinance in year 3” without contingencies.

How to use this step:

- Write down operator responses in a side-by-side grid when comparing sponsors.
- Circle strong answers, flag vague ones, and ask follow-ups.
- Remember: *a great deal with the wrong operator is still a bad investment.*

STEP 4 — UNDERSTAND THE DEAL (QUICK DECODER)

Why this matters:
Even with a strong operator, each deal has its own assumptions, risks, and timelines. Understanding the basics of the business plan, debt, and return structure will help you separate solid opportunities from red flags — and give you confidence when you commit.

1. Hold Period

- Typical multifamily syndication hold: **3–7 years.**
- *Investor lens:* Ask yourself, "Am I comfortable not touching this money for the full term?" If you'll need liquidity sooner, the deal isn't a fit.

2. Preferred Return (the "Pref")

- Usually **6–8% simple annually.** This means investors get paid first, before profits are split with the sponsor.
- *Investor lens:* A pref aligns incentives — but remember, it's not guaranteed. If cash flow is lower early on, pref accrues and gets paid when the property stabilizes or sells.

3. Split / Promote Structure

- Common split: **70/30 (investors/sponsor) after the pref is met.**
- *Investor lens:* Fair splits balance rewarding the operator for performance while keeping most upside for investors. Be wary if the sponsor takes too much before you've hit return hurdles.

4. Fees

- Typical ranges:
  - Acquisition: 1–3% of purchase price.
  - Asset management: 1–2% of EGI.
  - Disposition: ~1% at sale.
- *Investor lens:* Fees are normal if tied to real work. Red flag if stacked so high the sponsor profits no matter what.

THE HAMILTON

NASHVILLE, MSA
232 UNITS | 1985 BUILD

Viking Capital presents The Hamilton, a 232-unit, light value-add multifamily community built in 1985 and located in Hendersonville, Tennessee—one of Nashville's most desirable and supply-constrained submarkets.

HIGHLIGHTS

- Just 18 miles from downtown Nashville, Hendersonville is a top-performing suburb with A-rated schools, strong demographics, and steady population growth—reaching 63,618 in 2023, a 3% increase since 2020.
- The Nashville MSA added over 31,000 residents in 2023—an average of 86 people per day—driven by strong migration trends.
- Limited new supply in the submarket creates a tight rental environment and supports long-term rent growth.
- With a muted development pipeline, The Hamilton stands out as one of the few available rental options in this high-demand area.
- Rents remain extremely competitive, offering opportunity for $300+ increases through washer/dryer installation while staying below market comps.
- Recent capital improvements include full interior renovations (2020) and new roofs (2024), minimizing near-term maintenance costs.
- Offered all-cash or with an assumable 4.889% fixed-rate loan, giving investors flexible entry into a stabilized, cash-flowing asset.

BUSINESS PLAN

After Viking Capital assumes management, our business plan for The Hamilton focuses on capturing immediate upside through strategic light value-add improvements. Current rents trail market comps by over $300. By installing in-unit washer/dryers and leveraging Hendersonville's strong rent growth, we anticipate a significant boost in NOI. With minimal deferred maintenance and recent renovations already completed, we expect to hold for 5 years and exit at an estimated valuation of $57,000,000—offering strong cash flow and a compelling equity multiple for investors.

Purchase	$41,250,000
Debt	$23,455,000
Total Equity	$17,795,000
Price Per Unit	$77,801
Interest Rate	4.89%
Entry Cap Rate	T-3 6.17%

	CLASS A	CLASS B	RESERVE CLASS
LP Equity	$1,800,000	$11,550,000	$4,445,000
Pref.	10%	7%	8%
Hold Period	4-7 Years	4-7 Years	4-7 Years
Equity Multiple	1.4x-1.7x	1.7x-1.9x	1.75x-2.0x
Avg. CoC	10%	6%	6%
AAR	10%	13%-17%	15%-19%

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5. Debt Terms

- Key metric: **Debt Service Coverage Ratio (DSCR) ≥ 1.25x.** This means NOI covers debt payments with a cushion.
- Ask if debt is fixed or floating. If floating, confirm caps or hedges are in place.
- *Investor lens:* Debt is the biggest risk factor in today's environment. Conservative assumptions protect your capital.

6. Reserves

- Look for **6+ months of operating reserves** and CapEx reserves (~$250/unit/year).
- *Investor lens:* Reserves are the safety net that buys time when challenges hit. No reserves = fragile plan.

7. Sensitivity Analyses

- Conservative underwriting should test:
  - Exit cap rate +50–100 basis points above entry.
  - Rents falling 5–10%.
  - Expenses rising 5–10%.
- *Investor lens:* Ask to see these tables. If the deal only works in the "perfect case," that's not conservative underwriting.

8. Business Plan & CapEx Scope

- Example: "$7k/unit in renovations, targeting $150 rent increase, phased over 24 months."
- *Investor lens:* Scope, budget, and timeline should make sense for the market. If projections show $300 rent bumps where comps only support $150, that's a red flag.

📌 **How to use this step:**

- Review the deal summary and PPM (Private Placement Memorandum) with these points in hand.
- Ask yourself: Do the terms align with my goals (cash flow vs. appreciation)? Do the assumptions feel realistic?
- Compare multiple deals side-by-side — structure often looks similar, but the details reveal discipline.

STEP 5 — BE READY TO FUND (ZERO STRESS)

Checklist:

☐ **Entity or Individual Setup**
Decide if you are investing as an individual, LLC, or as a trust. Have associated docs ready, such as EIN and trust documents.
Why: avoids delays once allocations open.

☐ **Gather KYC Documents**
Government ID, proof of address, and accreditation docs if applicable.
Why: compliance requirement for all investors.

☐ **Confirm Bank Wire Process**
Check daily limits, pre-authorize large transfers, and know your bank's process.
Why: prevents last-minute funding headaches.

☐ **Verify Wire Instructions**
Always pull from the secure investor portal and confirm by phone. Never from email.
Why: protects you from wire fraud (no exceptions).

☐ **Be Ready to Fund Quickly**
Know how many days you need (3–5 is typical). Don't reserve a spot unless you can fund it.
Why: deals move fast; readiness gets you allocations.

☐ **Understand Distribution Cadence**
Most operators pay quarterly and update at the same time. Ask when the first distribution is expected.
Why: sets realistic expectations for cash flow.

☐ **Save Investor Relations Contact**
Add the operator's email/phone to your contacts.
Why: avoids scrambling if questions come up.

Wire Safety: Always pull instructions from the **secure portal**. Call to verbally verify. **Never** accept changes via email.

AFTER YOU INVEST: WHAT TO TRACK

Your work doesn't end once you wire funds. Great LPs (Limited Partners) stay engaged by reviewing updates and tracking performance against the original business plan. Here's a simple monitoring checklist:

□ **Quarterly Reports Received & Reviewed**
Why: confirms the operator is communicating clearly and on schedule.

□ **Occupancy & Collections vs. Plan**
Why: high occupancy and consistent rent collections = stable cash flow.

□ **CapEx Execution vs. Schedule**
Why: renovations and upgrades must stay on budget/timeline for value-add plans to work.

□ **DSCR & Loan Covenant Health**
Why: debt coverage is the lifeline — strong DSCR means lower refinance/default risk.

□ **Key Performance Indicators (KPIs)**
Rent growth, renewal spreads, turn times, and bad debt.
Why: these metrics show if NOI growth assumptions are being met.

□ **Tax Docs (K-1) Received & Stored**
Why: required for your tax filing and helpful for portfolio tracking.

□ **Reinvest Plan in Place**
Why: decide in advance whether distributions go to expenses or new deals — compounding accelerates wealth.

Join the Lion Park Capital Investor Network

Get access to upcoming offerings, market updates, and case studies.

» Join Now »

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| Disclaimers (education only; private offerings carry risk; past performance not indicative of future results; speak with your tax/financial advisor).

THANK YOU

You're now equipped with the Investor Checklist — your roadmap to confidently evaluating opportunities.

At Lion Park Capital, our mission is simple:

To help busy professionals achieve financial freedom and build generational wealth through multifamily investing.

Next Steps:

- Join the **Lion Park Capital Investor Network** for early access to new offerings, market updates, and case studies.
- Use this checklist as a repeatable process with each investment you evaluate.
- Stay engaged by reviewing quarterly reports, monitoring KPIs, and reinvesting distributions with purpose.

Your goals. Our expertise. A proven path to generational wealth.

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GLOSSARY OF KEY TERMS

AUM (Assets Under Management) — The total value of real estate currently managed by an operator or firm.

Cap Rate (Capitalization Rate) — The ratio of a property's Net Operating Income (NOI) to its purchase price or value. Used to determine valuation.

CapEx (Capital Expenditures) — Funds used for major improvements (e.g., renovations, roofs, HVAC). Distinct from routine operating expenses.

DSCR (Debt Service Coverage Ratio) — A measure of a property's ability to cover debt payments with operating income. DSCR ≥ 1.25x is considered healthy.

EGI (Effective Gross Income) — Rental income plus other income (fees, parking, laundry) minus vacancy losses.

IRR (Internal Rate of Return) — The annualized rate of return on an investment, factoring in both cash flow and sale proceeds.

KYC (Know Your Customer) — Compliance process requiring ID, proof of address, and sometimes accreditation verification.

NOI (Net Operating Income) — Property income after operating expenses, before debt service and taxes. Key driver of property value.

Pref (Preferred Return) — A baseline return (often 6–8%) that must be paid to investors before profits are split with the sponsor.

Promote (Carried Interest) — The sponsor's share of profits above the preferred return, often structured as 70/30 (investors/sponsor).

Pro-Forma — Projected financial performance of a property, used in underwriting.

Soft Circle — An investor's non-binding expression of interest in a deal before formal commitment.

Subscription Agreement (or PPM) — Legal documents that outline terms of the investment, risks, and investor rights.

T-12 (Trailing Twelve Months) — The last 12 months of actual operating data, used to compare against pro-forma (projected) numbers.

Underwriting — The sponsor's financial analysis of a deal, including assumptions on rent growth, expenses, and exit value.