

**INVESTMENT PROPERTY ADDENDUM**

1 Buyer(s) \_\_\_\_\_  
 2 Seller(s) \_\_\_\_\_  
 3 Property Address or Tax ID # \_\_\_\_\_  
 4 \_\_\_\_\_ (the "Property")

5 This Investment Property Addendum (this "Addendum") does not contain a complete list of all inspections, tests, information, feasibility studies, and  
 6 reports available or appropriate for this transaction. Others may be added in the Additional Due Diligence Items at Section 5 below.

7 The Real Estate Sale Agreement is contingent upon: (a) Buyer's satisfaction with the documents and information obtained from review of the Due  
 8 Diligence Items selected below (collectively "Due Diligence Items"); and (b) Buyer reaching written agreement with Seller for resolution of any  
 9 repairs, corrections, or other remedial action.

10 Unless otherwise agreed in writing, Due Diligence Items will be provided by Seller at Seller's expense. Except as modified herein, all provisions of  
 11 the Sale Agreement will remain in full force and effect.

12 Real estate agents are not qualified to perform inspections, conduct research, or otherwise provide any services relating to any due diligence items.  
 13 Nor are they qualified to render opinions on the reliability of any documents or information obtained from the due diligence items. Buyers should  
 14 retain their own experts for these responsibilities.

**DUE DILIGENCE ITEMS**

15 Not all documents and information may be readily available to Seller. Buyer and Seller should promptly determine what documents and information  
 16 can be reasonably provided within the Review Period (defined below). If obtaining any documents and information may be delayed, it is suggested  
 17 Buyer and Seller reach written agreement for an extension of time before expiration of the Review Period.

18 **SELLER WILL PROVIDE THE FOLLOWING DOCUMENTS AND INFORMATION TO BUYER:** The phrase "2+ Years" below means that Seller  
 19 will provide those documents and information for the calendar year to date and the two preceding calendar years.

20 **1. Basic Information**

- 21  Current rent roll with addresses, tenant names, rental rates, security deposits paid, and delinquencies
- 22  Delinquent rent reports for 2+ Years
- 23  Accounting of all current (i) prepaid rents; (ii) security, key, pet, & other deposits (refundable and nonrefundable)
- 24  Current utility, maintenance, and operating bills that will remain unpaid on closing
- 25  Current leases, rental agreements and tenant files
- 26  Profit and loss statements for 2+ Years
- 27  Balance sheets for 2+ Years
- 28  Capital expenditures for 2+ Years

29 **2. Financial Information**

- 30  Form 1040 Schedule E or comparable business schedule returns of entity owner for the past 2 years
- 31  Current property tax statements and assessments
- 32  Current operating contracts and service agreements
- 33  Current accounts receivable and payable
- 34  Copy of insurance policies and claims history for 2+ Years

35 **3. Property Information**

- 36  Description of all assets currently associated with the Property to be excluded for this transaction.
- 37  Interior inspection reports of units/offices/rooms for 2+ Years

Buyer Initials \_\_\_\_ / \_\_\_\_ Date \_\_\_\_\_

Seller Initials \_\_\_\_ / \_\_\_\_ Date \_\_\_\_\_

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- 38  Latest survey and site plan
- 39  All floor plans and as-built plans
- 40  Latest appraisal
- 41  Latest engineering reports
- 42  Latest inspection reports (fire, building inspector, pest, and dry rot, etc.)
- 43  All environmental audits and reports (including Phase I, II and III, if any)
- 44  All verifications of presence/absence of underground storage tanks
- 45  Current inventory list of furniture, fixtures, and equipment
- 46  All operating licenses and permits
- 47  All notices from any governmental agency of any eminent domain proceeding or violation of law
- 48  All parking lot plans

**4. Personnel Information**

- 50  Name of current employees, job descriptions, and files
- 51  All current payroll information
- 52  Employee handbooks and benefit booklets for 2+ Years
- 53  All employment contracts and agreements
- 54  All employment claims history related to Property and/or its operation

**5. Miscellaneous Information**

- 56  All pending lawsuits and claims threatened or made affecting the Property
- 57  All Americans with Disabilities Act plans, audits, reports, notices, or claims affecting the Property
- 58  All Fair housing and/or Bureau of Labor and Industry claims and settlements affecting the Property

**6. Additional Due Diligence Items**

- 60  \_\_\_\_\_
- 61  \_\_\_\_\_
- 62  \_\_\_\_\_
- 63  \_\_\_\_\_
- 64  \_\_\_\_\_

**TIME REQUIREMENTS**

65 **7. DOCUMENT DELIVERY PERIOD:** Time is of the essence. Seller will have \_\_\_\_ Business Days (five [5] if not filled in) after the date Buyer and  
 66 Seller have Signed and Delivered this Agreement in which to provide Buyer with all Due Diligence Items (hereinafter the "Document Delivery  
 67 Period"). If additional time is needed, Seller and Buyer should obtain a written extension.

68 **8. SELLER'S NOTICE OF UNAVAILABLE ITEMS:** If Seller is unable or unwilling to provide any Due Diligence Items to Buyer during the  
 69 Document Delivery Period, within \_\_\_\_ Business Days (four [4] if not filled in) after receipt of this Addendum, Seller will Notify Buyer in writing of the  
 70 specific documents or information that cannot or will not be provided. Buyer will have \_\_\_\_ Business Days (two [2] if not filled in) after receipt of  
 71 Seller's Notice to give Seller written Notice of termination of this transaction (the "Termination Period"). Buyer's right to timely terminate will apply  
 72 even if Seller has Signed and Delivered Buyer's offer before Notifying Buyer of documents or information that cannot or will not be provided. If  
 73 Buyer fails to give such written Notice to Seller within the Termination Period, Buyer's right to terminate will be deemed to have been waived for all  
 74 purposes.

Buyer Initials \_\_\_\_ / \_\_\_\_ Date \_\_\_\_\_

Seller Initials \_\_\_\_ / \_\_\_\_ Date \_\_\_\_\_

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75 **9. DOCUMENT REVIEW PERIOD:** Commencing on the next Business Day following the delivery of available documents to Buyer, Buyer shall  
 76 have \_\_\_\_ Business Days (five [5] if not filled in) thereafter to review the documents and any additional documents requested by Buyer (“Review  
 77 Period”). If Buyer notifies Seller, in writing, prior to 5:00 p.m. on the last day of the Review Period, of Buyer’s unconditional disapproval of any of the  
 78 documents provided, all Deposits will be promptly refunded to Buyer and this transaction shall be terminated. If Buyer fails to provide Seller with  
 79 written unconditional disapproval of the documents by 5:00 p.m. on the last day of the Review Period, Buyer shall be deemed to have approved  
 80 them.

81 **10. CONFIDENTIALITY:** Unless the parties agree otherwise, all documents and written information provided from Seller to Buyer will be deemed to  
 82 be confidential for all purposes, and will be promptly returned to Seller upon termination or expiration of this transaction. This confidentiality  
 83 provision will survive such termination or expiration of this transaction.

**ADDITIONAL TERMS**

84 **11. MATERIAL EVENTS OCCURRING BEFORE CLOSING:** If, after this Agreement is Signed and Delivered by all parties but before Closing, an  
 85 event occurs that materially affects the Property or its value (a “Material Event”), Seller will promptly deliver to Buyer all information and documents  
 86 relevant to the event. The term “Material Event” includes any actual or potential increase or decrease in tenancies, actual or potential evictions,  
 87 notices of claims, losses or liabilities, insurance claims, changes to vendor or supplier contracts, or any other similar material event, regardless of  
 88 whether actual financial damage could occur. If any Material Event involves the extension or termination of any vendor or supplier contracts,  
 89 accepting or terminating tenants, undertaking capital improvements, or any like matter, the effect of which could foreseeably survive the closing of  
 90 this transaction, Seller will first consult with Buyer before taking such action.

91 **12. FURTHER ASSURANCES:** If, within twelve (12) months after the closing of this transaction, Seller becomes aware of any Material Event not  
 92 previously disclosed to Buyer, Seller will promptly Notify Buyer in the same manner as described in Section 11 above. This provision will survive  
 93 Closing of this transaction.

94 **13. ADDITIONAL PROVISIONS:** \_\_\_\_\_  
 95 \_\_\_\_\_  
 96 \_\_\_\_\_  
 97 \_\_\_\_\_  
 98 \_\_\_\_\_ For further Additional Provisions see Addendum \_\_\_\_\_

99 Buyer \_\_\_\_\_ Date \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←

100 Buyer \_\_\_\_\_ Date \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←

101 Seller \_\_\_\_\_ Date \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←

102 Seller \_\_\_\_\_ Date \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←

103 Buyer's Agent \_\_\_\_\_ Seller's Agent \_\_\_\_\_