

**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 in 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. Buyer should  
 14 retain their own experts for these responsibilities.

**DUE DILIGENCE ITEMS**

15 Note: Not all documents and information may be readily available to Seller. Buyers and Sellers should promptly determine what documents and  
 16 information can be reasonably provided within the Review Period (defined below). If obtaining any documents and information may be delayed, it is  
 17 suggested 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.

**1. BASIC INFORMATION**

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

**2. FINANCIAL INFORMATION**

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

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

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

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### 3. PROPERTY INFORMATION

- 33  Description of all assets currently associated with the Property to be excluded for this transaction.
- 34  Interior inspection reports of units/offices/rooms for 2+ Years
- 35  Latest survey and site plan
- 36  All floor plans and as-built plans
- 37  Latest appraisal
- 38  Latest engineering reports
- 39  Latest inspection reports (fire, building inspector, pest, dry rot, etc.)
- 40  All environmental audits and reports (including Phase I, II, and III, if any)
- 41  All verifications of presence/absence of underground storage tanks
- 42  Current inventory list of furniture, fixtures, and equipment
- 43  All operating licenses and permits
- 44  All notices from any governmental agency of any eminent domain proceeding or violation of law
- 45  All parking lot plans

### 4. PERSONNEL INFORMATION

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

### 5. MISCELLANEOUS INFORMATION

- 51  All pending lawsuits and claims threatened or made affecting the Property
- 52  All Americans with Disabilities Act plans, audits, reports, notices, or claims affecting the Property
- 53  All Fair Housing and/or Bureau of Labor and Industry claims and settlements affecting the Property

### 6. ADDITIONAL DUE DILIGENCE ITEMS

- 54  \_\_\_\_\_
- 55  \_\_\_\_\_
- 56  \_\_\_\_\_
- 57  \_\_\_\_\_
- 58  \_\_\_\_\_

### TIME REQUIREMENTS

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

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

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

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**LINES WITH THIS SYMBOL ◀ REQUIRE A SIGNATURE AND DATE**

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

68 **9. CONTINGENCY:** Section 8 of the Real Estate Sale Agreement describes the contingency associated with the Due Diligence Items.

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

**ADDITIONAL TERMS**

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

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

82 **13. ADDITIONAL PROVISIONS:** \_\_\_\_\_  
 83 \_\_\_\_\_  
 84 \_\_\_\_\_  
 85 \_\_\_\_\_  
 86 \_\_\_\_\_ For further Additional Provisions see Addendum \_\_\_\_\_

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

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

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

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

91 Buyer's Agent \_\_\_\_\_ Seller's Agent \_\_\_\_\_