



## **DUE DILIGENCE CONTINGENCIES ADDENDUM**

Prepared by: Agent \_\_\_\_\_  
Broker \_\_\_\_\_

Phone \_\_\_\_\_  
Email \_\_\_\_\_

**NOTE:** This form is used by a buyer agent when negotiating a purchase agreement offer for real estate which references attached further-approval contingency provisions permitting the buyer to terminate the agreement on discovery of unacceptable property conditions.

**DATE:** \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_, California.

*Items left blank or unchecked are not applicable.*

### **FACTS:**

1. This is an addendum to the following agreement:

- ☐ Purchase Agreement                      ☐ Counteroffer  
☐ Escrow Instructions                      ☐ \_\_\_\_\_

1.1 dated \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_, California,

1.2 entered into by \_\_\_\_\_, as the Buyer,

1.3 and \_\_\_\_\_, as the Seller,

1.4 regarding real estate referred to as \_\_\_\_\_.

### **DUE DILIGENCE CONTINGENCIES:**

2. Buyer and Buyer's representatives and consultants will not disclose to any third party the contents of any documentation or information provided by Seller or Seller's representatives to fulfill Seller's duties under this agreement.

3. In the event Buyer does not acquire ownership of the property, Buyer to return to Seller all items received from Seller or Seller's representatives.

4. Seller to hand Buyer copies, or make available for Buyer's review, each of the following checked items as soon as reasonably practicable after entry into this agreement.

- 4.1 ☐ Conditions of property disclosures prepared and signed by Owner, unless a Transfer Disclosure Statement (TDS) is provided for in the agreement. [See **RPI** Form 304 and 304-1]
- 4.2 ☐ An inspection of the property by prospective Buyer or consultants within \_\_\_\_ days after acceptance of the agreement unless a property inspection provision is otherwise provided for in the agreement. [See **RPI** Form 130]
- 4.3 ☐ Natural Hazard Disclosure (NHD) Statement and any geological reports relating to the property and possessed or known to Owner. [See **RPI** Form 314]
- 4.4 ☐ Unique Factors or Conditions affecting the property. [See **RPI** Form 308]
- 4.5 ☐ Solar equipment lease or bond lien disclosure and documentation concerning the solar equipment lease agreement.
- 4.6 ☐ Seller's Solar Collector notice disclosure(s). [See **RPI** Form 322]
- 4.7 ☐ Transfer Fee Disclosure Statement. [See **RPI** Form 304-2]
- 4.8 ☐ Operating income and expense records, the current year-to date and two preceding years' profit and loss statements (or schedule E) and capital expenditures for the property, and operating and capital budgets for this and the following year. [See **RPI** Form 306]
- 4.9 ☐ A Rental Income Rent Roll statement itemizing, by unit or space, the tenant's name, monthly rent amount including CAMs and other additional rent fees, rent due date, delinquencies and the amount in arrears, rental period and expiration date, any incentive rent-free arrangements and bonuses or discounts, utilities paid by landlord, security deposits and prepaid rent, furnishings supplied, broker fees due or to become due under the leases. [See **RPI** Form 352-1]
- 4.10 ☐ Tenant rental or lease agreements, including any riders, modifications or amendments and side agreements; any option rights to renew or extend, lease additional space or purchase the property; and any pre-expiration cancellation rights and penalty amounts. A tenant turn over report and an eviction report, by unit or space, for the current and two preceding years. [See **RPI** Forms 550, 551, 552 and 565]
- 4.11 ☐ Property management agreements and a list of employees including their compensation schedules, and leasing agent representation agreements to locate tenants. [See **RPI** Forms 590, 105.1 and 105.2]
- 4.12 ☐ Interview of individuals involved in the management and operations of the property and administration of the property's financial books and records.

- 4.13 ☐ Insurance policies in effect relating to the property and liability of Owner for its operations, premium statements, and any claims made under any insurance policy covering the property during the past \_\_\_\_\_ years, including claims made against building contractors.
- 4.14 ☐ Maintenance agreements, outstanding work orders and other service or supply agreements related to the operation of the property. [See **RPI** Form 324]
- 4.15 ☐ Utility, cable/TV, internet and phone bills, property and business tax bills, assessment statements for any rent control and special district improvement bonds.
- 4.16 ☐ Invoices and copies of advertising and marketing for units or spaces during the past two years, along with any marketing budget and plans for this year and next.
- 4.17 ☐ Warranties or guaranties on fixtures or components of the property improvements.
- 4.18 ☐ Existing appraisal reports, feasibility studies, and market studies relating to the value and rentability of the property.
- 4.19 ☐ Existing ALTA survey, topographical studies, plans and specification of improvements and engineering of the site.
- 4.20 ☐ Soil reports, pest control reports, Americans with Disabilities Act (ADA) compliance reports, structural or component reports by architects or contractors and other similar reports or studies.
- 4.21 ☐ Seller's Neighborhood Security Disclosure prepared by Owner setting forth criminal activity on or about the property during the past two years relevant to the security of persons and their belongings on the property, and any security arrangements undertaken or needed in response. [See **RPI** Form 321]
- 4.22 ☐ All government-related licenses, permits, mapping of the parcel, certificates of occupancy, building inspections, health and safety reports, environmental impact and conditions reports or studies known to Owner, and copies of relevant local zoning ordinances affecting the use or operation of the property.
- 4.23 ☐ Preliminary title report for the policy of title insurance, which Seller will cause escrow to hand Buyer as soon as reasonably possible after acceptance. [See **RPI** Form 277]
- 4.24 ☐ The note, trust deed or related documents for each monetary lien on the property to include any restrictions, limitations or conditions on occupancy, rents, use, encumbrance, conveyance or reconveyance.
- 4.25 ☐ Itemized inventory of the personal property, including any trade fixtures, owned or leased by Owner and used in the operation or maintenance of the property. [See **RPI** Form 256]
- 4.26 ☐ An estoppel certificate executed by each tenant affirming the terms of their occupancy, which Seller will hand Buyer prior to seven days before closing. [See **RPI** Form 598]
- 4.27 ☐ Disclosure by Owner of any other conditions not here itemized and known to Owner which might adversely affect the value, use and operations of the property.

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**Buyer: I agree to the terms stated above.**

Date: \_\_\_\_\_, 20\_\_\_\_

Buyer's Signature: \_\_\_\_\_

Buyer's Signature: \_\_\_\_\_

Buyer's Signature: \_\_\_\_\_

**Seller: I agree to the terms stated above.**

Date: \_\_\_\_\_, 20\_\_\_\_

Seller's Signature: \_\_\_\_\_

Seller's Signature: \_\_\_\_\_

Seller's Signature: \_\_\_\_\_