

LEASEHOLD PROPERTY ADDENDUM

This Leasehold Property Addendum is made a part of the Agreement for Purchase and Sale, ("Agreement"), dated _____, 20____, by and between _____, (Buyer) and _____, (Seller), for the sale of the property located at _____ (Property). The Buyer and Seller agree as follows:

IF ANY NAMES, RENTS, NUMBERS OR DATES WERE NOT COMPLETED IN THIS ADDENDUM, IT MEANS THAT THEY WERE NOT YET AVAILABLE AT THE TIME THE AGREEMENT WAS PREPARED. THE BUYER SHOULD VERIFY ALL NAMES, RENTS, NUMBERS AND DATES BY REFERRING TO THE LEASE. IN THE EVENT OF ANY DISCREPANCY BETWEEN THE INFORMATION PROVIDED IN THIS ADDENDUM AND THE LEASE, THE LEASE WILL CONTROL.

- 1. The Property Is Leasehold.** The Buyer is aware and understands that the Property is leasehold as indicated in Paragraph 2 of the Agreement. It is not fee simple. The leasehold estate was created by a Lease. The Lease contains the terms, provisions, covenants and agreements between the Lessor and the Lessee and generally controls the rights and obligations of the parties. The Buyer is aware and understands that the Property is subject to all of the terms, conditions, provisions, covenants, obligations and agreements contained in the Lease. The statement "Lease of Record" is incorporated by reference in the blank space of Paragraph 2(d) of the Agreement.

The Seller is the holder of the Lessee's interest in the Lease (or is the Purchaser under an Agreement of Sale concerning such interest). The Buyer is purchasing the remaining term of the Lease. The Lessor is _____, (and the Lease No. (if any) is _____). The Seller's interest in the Lease will be transferred to the Buyer by way of an Assignment of Lease. The Lessor's consent to the transfer may be required. If the Lessor's consent is required, this sale will be contingent upon obtaining such consent. The Seller and the REALTORS® in this transaction have no control over the Lessor's consent procedures and timing.

2. **Basic Lease Terms.** The Lease rent usually varies over time. The following Lease rents are provided for the Buyer's reference, but should be independently verified by referring to the Lease:

\$ _____ per _____ until _____ , 20 ____ ,

\$ _____ per _____ until _____ , 20 ____ ,

\$ _____ per _____ until _____ , 20 ____ ,

\$ _____ per _____ until _____ , 20 ____ ,

\$ _____ per _____ until _____ , 20 ____ .

The Lease rent will be renegotiated on _____ , 20 ____ , (Renegotiation Date). This means that the Lease rent after the Renegotiation Date is not fixed or already agreed upon. The Lease contains the terms applicable to such renegotiation.

The Lease expires on _____ , 20 ____ , (Expiration Date). This means that the Buyer's right to possess the Property will end on the Expiration Date unless the Lease is extended, the buyer purchases the Lessor's fee simple interest, or other arrangements are made. The REALTORS® in this transaction can give no advice about this matter and do not represent that the Lease may be extended, that the Lessor's interest may be purchased, or that other arrangements may be made.

The Lease probably contains a "Reversionary Clause" or "Surrender Clause" which describes what will happen on the Expiration Date, including the disposition of any improvements on the Property. The Buyer should take great care to understand these clauses, as well as all of the other terms, conditions, provisions, covenants, obligations and agreements of the Lease.

3. A. **Current Fee Offering.** If the fee simple title is currently being offered, the parties should address the issue as a Special Term in paragraph 8 of the Agreement.

B. **Possible Fee Conversion.** The Buyer is advised to monitor the status of the possibility of conversion of the Property to fee simple now or in the future, and to check with the owner's association (if any) to see if there is an ongoing or planned lease/fee conversion action. The REALTORS® in this transaction can only advise that the Buyer keep informed, and are not representing that the Lessor will offer the fee simple title for sale now or in the future.

4. **Lease Document.** This paragraph contains the Buyer's receipt of the Lease. The term "Lease" includes any and all amendments to the Lease. Select either A, B, or C, as applicable, by placing a check on the appropriate line. Delete the paragraphs which are not selected by drawing a diagonal line through those paragraphs. One box must be checked.

A. **The Lease has been received, reviewed, approved and accepted by the Buyer.** The Buyer hereby acknowledges that the Buyer has received and reviewed a copy of the Lease and approves of and accepts all of its terms, conditions, provisions, covenants, obligations and agreements, including, but not limited to, the Lease rents, Renegotiation Date, Expiration Date and Reversionary Clause or Surrender Clause (as applicable).

B. **The Lease will be provided to the Buyer for the Buyer's review, approval and acceptance.** Within _____ (_____) calendar days of acceptance of this Agreement, the Seller agrees, at the Seller's sole cost and expense, to deliver to the Buyer a copy of the Lease. This offer is contingent upon the Buyer's review, approval and acceptance of the Lease within _____ (_____) calendar days of receipt from the Seller; provided, however, that such approval will be deemed to be given unless written notice of disapproval is given within such time. If written notice of disapproval is given within such time, this contract shall be null and void and all deposits shall be immediately returned to Buyer, less the amount of any escrow expenses or fees chargeable to the Buyer. Thereafter, neither the Buyer, the Seller, nor any REALTORS® shall have any further rights, obligations or liabilities under this Agreement.

If the Buyer approves of and accepts the Lease (note: the failure to disapprove within the time designated constitutes approval and acceptance), the Buyer agrees to accept all of its terms, conditions, provisions, covenants, obligations and agreements, including, but not limited to, the Lease rents, Renegotiation Date, Expiration Date and Reversionary Clause or Surrender Clause (as applicable).

- C. **Alternative arrangements which have been made with respect to the Lease**
(continue as a Special Term as necessary).

5. **Recommendation of Legal Advice.** The Buyer should consult an attorney about any legal questions the Buyer may have about this Addendum and the Lease, especially the Lease renegotiation and reversionary or surrender terms, if applicable. By signing this Addendum, the Buyer agrees and acknowledges that the Buyer is not relying on the REALTORS® in this transaction for any legal advice about the Lease, and that the Buyer has been advised to contact an attorney.

6. **The Term "Lease".** As used in this Addendum, the term "Lease" means and includes the Lease and any amendments to the Lease. The term "Lease" also means and includes the terms "Sublease", "Apartment Lease", "Condominium Conveyance Document", "Proprietary Lease", and other leasehold terms, as applicable.

The undersigned acknowledge receipt of a completed copy of this Leasehold Property Addendum, and agree to all of its terms and conditions.

(Date)

(Date)

BUYER

SELLER

BUYER

SELLER