

GUIDELINES FOR COMPLETING DUE DILIGENCE REQUEST AND AGREEMENT FORM

INTRODUCTION: These guidelines are provided to assist agents in completing the Due Diligence Request and Agreement form (Standard Form #310-T) (the “Form”) on behalf of buyers and sellers. These guidelines include general comments about completion of the Form. However, situations will arise that are not covered by these guidelines. Agents should always remember that the firm’s broker-in-charge should be consulted if there is uncertainty regarding the proper completion of the Form.

As the “NOTE” appearing immediately under the caption of the Form indicates, this Form may be used in conjunction with the Agreement to Amend Contract form (Standard Form #4-T) in situations where the parties desire to memorialize any change to the Contract. For example, assume that the buyer and seller reach an agreement that the seller will make certain repairs to the Property and will also reduce the Purchase Price by an agreed-upon amount in lieu of making other repairs requested by the buyer. The parties may use this Form to memorialize their agreement regarding the repairs that the seller will make and use the Amendment to Contract form to memorialize their agreement regarding the change in the Purchase Price.

USE OF FORM: Use of this Form is not mandatory. It is designed to be used in connection with the Contract. Under paragraph 4 of the Contract, during the Due Diligence Period the Buyer may investigate the Property and the transaction contemplated by the Contract (“Buyer’s Due Diligence”). Based upon Buyer’s Due Diligence, the Buyer may request the Seller to take certain actions, including but not limited to the completion of requested repairs to the Property. This Form may be used by the Buyer to make such a request(s). If the Buyer and the Seller agree on what actions the Seller will take, this Form may also be used to put their agreement into writing.

GENERAL INSTRUCTIONS:

1. Type this Form if possible; otherwise print or write legibly in ink.
2. Fill in all blank spaces. If any space is not used, enter “N/A” or “None.”
3. Be precise. Avoid the use of abbreviations, acronyms, jargon, and other terminology that may not be clearly understood.
4. Every change, addition or deletion to the Form must be initialed and should be dated by both Buyer and Seller.
5. If numerous changes are made or if the same item is changed more than once, complete a new Form to avoid possible confusion or disputes between the parties.
6. Review all provisions with the parties. Advise the parties to consult their attorney if they have any question about the legal consequences of the Form or any particular provision.

SPECIFIC INSTRUCTIONS:

Property Address and Names: Insert either the “Street Address” or “Legal Description” from paragraph 1(c) of the Contract. Insert the name(s) of the Buyer and Seller as they appear in the Contract.

PARAGRAPH 1: Requests for Seller action by the Buyer should be listed in the blank space provided. Care should be taken to adequately describe each action that the Buyer is requesting the Seller to take (for example, “repair broken toilet seat in downstairs bathroom”). If the Seller disagrees with one or more items that the Buyer has listed, the Seller should strike such item(s) and date and initial the deletion(s) prior to signing and dating the Form and returning it to the Buyer. If the deletion(s) made by the Seller are acceptable to the Buyer, the Buyer should also initial and date the deletion(s).

“NOTE” (end of paragraph 1): It is important for the parties to understand that unless the parties agree otherwise, the execution of this Form by the parties does NOT extinguish the Buyer’s right to terminate the Contract for any reason or no reason prior to the expiration of the Due Diligence Period set forth in paragraph 1(j) of the Contract. Also per the NOTE, the Buyer should be advised to consult with the Buyer’s lender, if any, prior to the end of the Due Diligence Period if there is any question about whether any agreement reached using this Form will be acceptable to the lender since, following the expiration of the Due Diligence Period, the Buyer would not have the right to terminate the Contract and get any Earnest Money Deposit back based on the lender’s disapproval of the parties’ agreement.

PARAGRAPH 2: Release of Inspection Report: The Buyer should check the appropriate box to indicate whether the Buyer agrees to release any inspection reports to the Seller.

EXECUTION: All buyers named as “Buyer” in the Contract should sign and date the Form before it is delivered to the Seller. All sellers named as “Seller” in the Contract should sign and date the Form before it is returned to the Buyer. It is recommended that at least two originals of the completed and executed Form are needed, one for the Buyer and one for the Seller.

