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NEWSLETTER

NOTE: If you think your colleagues would benefit from this TIP, please forward it to them and ask them to reply to me by email for inclusion in this free Newsletter.

Also, if you have a topic you would like me to analyze and discuss, please email me and I would be glad to consider it in a future Newsletter

MID JUNE 2016 ISSUE

I often work on closings for multi-family properties where the contract does not contain a Multi-Family Rider or Addendum. As a result, legal problems relating to the tenancies arising before, during and after the closing must be dealt with without contractual guidance or authority.

Examples of some of these problems are security deposit discrepancies, removal of personal property thought to be owned by the landlord/seller, and rental payment questions.

Some, but not all, real estate firms have their own Addendum for multi-family properties. I am offering in this Newsletter my own version for your use if you like.

ADDENDUM TO CONTRACT FOR MULTI-FAMILY REAL ESTATE

Seller: _____

Buyer: _____

Property: _____ **Connecticut**

(1). DELIVERY OF DOCUMENTS: Seller shall delivery immediately after the signing of this contract a copy of all written leases and a document listing all oral leases including the monthly rent, security deposit, date monthly rent is due and the names of each tenant.

At the closing the Seller shall deliver to Buyer the following documents and items:

(a) A letter to each tenant to be sent to all tenants who occupy the Premises at the date of closing, advising them of 1) this transaction, 2) instructing them that the Buyer is the owner of the property and 3) directing them to make all future payments of rent to the Buyer.

(b) All original leases and other contracts, if any, relating to the Premises. Seller shall execute an Assignment of such leases and contracts to Buyer.

(c) All keys to the Premises.

(2). REPRESENTATIONS AND WARRANTIES: Seller hereby makes the following representations and warranties which shall be true on the date hereof and at closing, as though they were made at such time, which shall survive the delivery of the deed:

a) There are no leased items of personal property located on the premises.

b) There are no undisclosed rent concessions by the Seller or their agents to any tenant or occupant of the property which in any way affect the amount of rent, monthly or annually, to which the Seller is entitled under any written or oral lease.

c) Seller shall not enter into any new oral or written leases, nor extend or modify any existing oral or written leases for a period greater than one month nor enter into any contracts pertaining to the Premises prior to closing without the prior written consent of the Buyer.

d) Seller shall immediately notify Buyer in writing if any of the tenants should become delinquent in the payment of rent or other obligations due Seller.

e) Seller hereby represents that the security deposits and rental due under said leases have not and will not be assigned to others or encumbered or subject to liens at closing.

f) Seller represents that they have no knowledge of any claim, demand or cause of action that may be asserted against them arising from Seller's failure to perform obligations under any tenancy or agreement affecting the premises. Seller shall not apply any part or all of any security deposits against delinquent sums without the consent of the Buyer.

g) Each unit has been issued a certificate of occupancy

h) Other than disclosed in writing, no tenant or occupant is currently delinquent in the payment of any sum due the Seller.

(3) CONTINGENCY: Buyer's obligations hereunder are contingent upon the above representations and warranties being true at the date of closing.

(4) CLOSING STATEMENT: Seller will provide to Buyer prior to closing a statement setting forth the name of each tenant occupying the Premises, the monthly rental and the security deposit held by Seller together with the statutory interest earned thereon, and, at closing, an assignment of the security deposits and interest to the Buyer.

(5) MAINTENANCE OF PROPERTY: Seller agrees to maintain, repair and operate the Premises prior to closing in a businesslike manner in accordance with Seller's prior practices.

(6) ADJUSTMENTS AT CLOSING: If the monthly rent for any unit has not been paid within the nine-day statutory grace period or within the grace period established by the written lease, and remains unpaid at the time of closing, the rent for that unit shall not be adjusted between Seller and Buyer. The collector of the delinquent sum and the method of proration shall be determined at closing.

(7) PERSONAL PROPERTY: The following items of personal property in each unit are being sold to the Buyer at closing:
