

NVAR CONTINGENCIES/CLAUSES ADDENDUM TO SALES CONTRACT

This Addendum is made on _____, to a Sales Contract ("Contract") dated _____, _____ between _____ ("Purchaser") and _____ ("Seller") for the purchase and sale of the Property: _____.

The following provisions if initialed by the parties are incorporated into and made a part of this Contract:

1. CONTINGENCIES.

A. SALE OF THE PURCHASER'S PROPERTY AND KICK-OUT. This Contract is contingent until 9 p.m. _____ Days after the Date of Ratification ("Deadline") upon the sale of the Purchaser's property located at _____ ("Purchaser's Property").

If the Purchaser does not satisfy, amend or remove this contingency by the Deadline pursuant to sub-paragraph (iii) below, this Contract will become void.

(i) The Seller may continue to offer the Property for sale and accept bona fide back-up offers to this Contract until this contingency is satisfied or removed. If a back-up offer is accepted, the Seller will Deliver Notice to the Purchaser requiring that this contingency be removed or satisfied pursuant to subparagraph (iii) below not later than 9 p.m. _____ days after the Delivery of the Notice or this Contract will become void. If the Purchaser fails to satisfy or remove the contingency by the Deadline this Contract will become void.

(ii) The Purchaser's Property will be listed exclusively and actively marketed by a licensed real estate broker and entered into a multiple listing service within _____ Days after the Date of Ratification at a price not to exceed \$ _____.

(iii) The Purchaser may:

(a) Satisfy this contingency by Delivering to the Seller a copy of the ratified contract for the sale of the Purchaser's Property with evidence that all contingencies, other than financing and appraisal, have been removed or waived by the contingency Deadline.

-OR-

(b) Remove this contingency by Delivering to the Seller (1) Form #100 along with a letter from the lender stating that the financing is not contingent in any manner upon the sale and settlement of any real estate or obtaining a lease of any real estate and that the Purchaser has sufficient funds available for the down payment and closing costs necessary to complete Settlement; OR (2) Evidence of sufficient funds available to complete Settlement without obtaining financing.

(iv) If the Purchaser satisfies the requirements of subparagraph (iii) (a) above, this Contract will remain contingent upon the settlement of the sale of the Purchaser's Property. This paragraph will survive the satisfaction of the contingency for the sale of the Purchaser's Property. Settlement (under this Contract) may not be delayed more than _____ Days after the Settlement Date (specified in this Contract) without the parties' written consent. If a further delay is required to obtain coinciding settlements and the parties do not agree, then this Contract will become void. If at any time after the Date of Ratification the contract for the sale of the Purchaser's Property becomes void, the Purchaser will immediately Deliver Notice to the Seller together with evidence of such voiding, at which time either the Seller or the Purchaser may declare this Contract void by Delivering Notice to the other party.

B. SETTLEMENT OF PURCHASER'S PROPERTY. Settlement of this Contract is contingent upon the settlement of the contract for the sale of the Purchaser's property located at _____

_____ ("Purchaser's Property"). Settlement (under this Contract) may not be delayed more than _____ Days after the Settlement Date (specified in this Contract) without the parties' written consent. Seller will or will not accept an assignment of funds. If a further delay is required to obtain coinciding settlements and the parties do not agree, then this Contract will become void. If at any time after the Date of Ratification the contract for the sale of the Purchaser's Property becomes void, the Purchaser will immediately Deliver Notice to the Seller together with evidence of such voiding, at which time either the Seller or the Purchaser may declare this Contract void by Delivering Notice to the other party.

C. CONTINGENT ON THE SELLER PURCHASING ANOTHER HOME. This Contract is contingent until 9 p.m. _____ Days after the Date of Ratification to allow the Seller to obtain a ratified contract to purchase another home. This contingency will terminate at the Deadline and this Contract will remain in full force and effect unless the Seller delivers Notice, prior to the Deadline, to the Purchaser that this Contract is void.

D. GENERAL. This Contract is contingent until 9 p.m. _____ Days after the Date of Ratification ("Deadline") upon:

2. CLAUSES.

A. BACK-UP CONTRACT. This Contract is first back-up to another contract dated _____ between the Seller and _____ as the Purchaser.

This Contract becomes the primary Contract immediately upon Notice from the Seller that the other contract is void. All Deadlines contained in this Contract shall be measured from the Date of Ratification **OR** the date this Contract becomes primary. Additionally, the date of Settlement will be _____ Days after the date this Contract becomes primary. The Purchaser may void this back-up Contract at any time by Delivering Notice to the Seller prior to Delivery of Notice from the Seller that this Contract has become the primary Contract. If the other contract settles, this Contract will become void. The rights and obligations of the parties under the primary contract are superior to the rights and obligations of the parties to this back-up Contract.

B. "AS IS" PROPERTY CONDITION. The Property is sold in its "As Is" physical condition, to be determined as of the Contract Date, date of the home inspection Settlement Date **OR** other _____.

The Seller makes no representation or warranty, express or implied, as to the condition of the Property or any equipment or system contained therein. The Seller will have no obligation to make repairs to the electrical, plumbing, heating, air conditioning, or any other mechanical system, equipment or fixture. Smoke detectors will be installed and functioning as required by the laws or regulations of the appropriate jurisdiction.

The Property shall or shall not be delivered free and clear of trash and debris and broom clean.

The following clauses in this Contract are also hereby deleted (check all that apply):

- All clauses pertaining to termites and wood-destroying insects
- All clauses pertaining to Private Well and/or Private Sewage Systems
- All clauses pertaining to compliance with city, state or county regulations
- All clauses pertaining to compliance with Property Owner's or Condominium Owner's Associations

C. REAL ESTATE LICENSED PARTIES. The parties acknowledge that _____ is an

active or inactive licensed real estate agent in DC MD VA WV Other and is either the Buyer Seller or is related to one of the parties in this transaction.

D. POST-SETTLEMENT OCCUPANCY OPTION. Purchaser will allow the Seller to occupy the Property for up to _____ Days after Settlement. Seller must provide to the Purchaser a completed Post-Settlement Occupancy Agreement with dates and terms _____ Days before the Settlement Date or this option expires.

The Seller shall be responsible for:

the carrying costs of Purchaser (defined as Principal, Interest, Taxes and any Mortgage Insurance of the Specified Financing and the Hazard Insurance, HOA or Condo fees, if applicable, pro-rated accordingly) as calculated by the Settlement Agent at Settlement; **OR**

- \$ _____ per day.
- a flat fee in the amount of \$ _____.

The Security Deposit of \$ _____ will be held by _____.

E. UNREPRESENTED SELLER OR BUILDER AND PURCHASER'S BROKER. Upon Seller's irrevocable instruction, it is understood and agreed by all Parties that _____ (Selling Agent's name) of _____ (Selling Agent's firm) is acting as an agent solely representing the

Purchaser in this transaction ("Purchaser's Broker"). The Seller agrees to pay the Purchaser's Broker a payment of \$ _____ in cash or _____ % of the total sales price. The Settlement Agent is hereby irrevocably directed to deduct Purchaser's Broker fee from the Seller's proceeds of the sale at Settlement. The Parties acknowledge that the Purchaser's Broker relationship was disclosed to the Seller and/or Seller's agent prior to showing the Property to the Purchaser.

F. 1031 EXCHANGE (BUYER). This Property is being acquired to complete an IRC Section 1031 tax-deferred exchange pursuant to an exchange agreement. This Settlement will be coordinated with _____, Intermediary, who shall instruct Seller as to the manner Property shall be conveyed to Purchaser. There shall be no additional expense to Seller as a result of the exchange and Seller shall cooperate with Purchaser and Intermediary in the completion of the exchange.

G. 1031 EXCHANGE (SELLER). Seller and Purchaser agree to transfer the Property by utilizing an IRC Section 1031 tax-deferred exchange. Purchaser agrees to cooperate with Seller, at no expense or liability to Purchaser, in the completion of the exchange, including execution of all necessary documents, the intention of the parties being that the Seller utilizes Section 1031 to defer taxes by acquiring like-kind real estate through an exchange agreement established at Settlement. The parties will execute all necessary documents as determined by Intermediary at Settlement, which documents are prepared at Seller's expense.

Copies of any addenda, amendments, and Notices required by the Contract will be provided to the Brokers at the Brokers' addresses provided in the Contract. The parties agree that any such copies sent to the Broker will NOT constitute Delivery and will be for informational purposes only.

Except as modified by this Addendum, all of the terms and provisions of this Contract are hereby expressly ratified and confirmed and will remain in full force and effect.

SELLER:

_____/_____
Date Signature

_____/_____
Date Signature

PURCHASER:

_____/_____
Date Signature

_____/_____
Date Signature

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