



# BAY AREA ASSOCIATION OF REALTORS®



## ADDENDUM OF CLAUSES

ADDENDUM # \_\_\_\_\_

1. **PURCHASER'S HOME SALE CONTINGENCY:** This Contract is contingent upon a ratified Contract for the sale to Purchaser's home located at \_\_\_\_\_ by midnight, \_\_\_\_\_ and is further subject to the settlement of Purchaser's present home by midnight, \_\_\_\_\_. Purchaser's present home will be competitively priced according to a fair market evaluation with a multiple listed broker immediately upon acceptance of this contract. Should Purchaser fail to furnish seller with a copy of the executed exclusive right to sell listing agreement for Purchaser's home within five, (5) days of the date of this contract, this contract may be declared null and void by the seller and the earnest money deposit returned to the Purchaser upon signing of appropriate releases. In the event Purchaser's present home does not sell or settle within the above time period, this contract shall be declared null and void, written releases shall be immediately executed and the earnest money deposit shall be returned to Purchaser.

Initials for Purchaser's Home Sale Contingency \_\_\_\_\_

2. **KICK-OUT NOTICE:** Seller shall have the right to continue to offer the property for sale to procure any acceptable Contract. Should Seller receive such an acceptable written back-up Contract offer, then Purchaser shall be so notified by Seller's agent. In the event Purchaser does not waive in writing the condition making this offer contingent on the sale of Purchaser's Property at \_\_\_\_\_ within \_\_\_\_\_ hours from written notification to Purchaser or Selling Broker, then this agreement shall become null and void and all deposits returned to Purchaser upon signing of appropriate releases.

Further, Purchaser understands and hereby agrees that he may not remove this contingency unless he has received an acceptable written offer for his property containing no conditions or contingencies other than the standard financing contingency. Purchaser may provide evidence of reasonable financial ability acceptable to Seller to proceed with this Contract without regard to the sale of present home at any time, thereby waiving this provision.

Notice required to be given to Purchaser by this addendum shall be in writing and will be effective when notice is either (1) hand delivered or faxed to the Purchaser by the Listing Agent, Selling Agent, or Seller, or in the event this cannot be done, (2) notice will be mailed (with proof of mailing) to Purchaser at the following address:

Initials for Kick-out Notice \_\_\_\_\_

3. **PRELIMINARY LENDER APPROVAL:** Within five (5) banking days after ratification of this Contract, Purchaser shall provide Seller with a written statement from a lender of Purchaser's choice, reflecting the terms of the purchase money financing Purchaser has made application for, and also stating lender's preliminary opinion that based upon the financial information supplied by Purchaser, and subject to verification by lender, Purchaser appears to qualify for the financing being applied for. In the event Purchaser fails to provide Seller such statement, Seller shall have right to terminate this Contract in which event upon execution of Releases, all deposit monies paid hereunder by Purchaser shall be returned without obligation or liability on the part of either party.

Initials for Preliminary Lender Approval \_\_\_\_\_

4. **GIFT LETTER PROVISIONS:** The Purchaser agrees to provide the Seller, or Seller's agent, a gift letter in the amount of \_\_\_\_\_ within \_\_\_\_\_ days from final acceptance of this Contract. In the event the gift letter within the above specified time period, this Contract shall be declared null and void and all parties agree to execute written releases immediately, with the earnest money deposit returned to Purchaser. Purchaser acknowledges that lender will verify donor's funds for said gift. It is further agreed and understood that in the event that the Purchaser cannot deliver the funds required in the gift letter, the Purchaser's earnest money deposit shall be declared forfeited and this Contract declared null and void.

Initials for Gift Letter Provisions \_\_\_\_\_

5. **APPROVAL OF CONTRACT BY THIRD PARTY OR ATTORNEY:** This Contract is contingent upon a satisfactory review by \_\_\_\_\_ for Purchaser [ ] Seller [ ]. In the event the party requesting the review provides written notification to the other party on or before 6:00 p.m. \_\_\_\_\_ advising that, in the party's sole opinion, the subject Contract of Sale is not acceptable, this Contract shall immediately be null and void and, upon execution of Releases, all deposit monies paid hereunder shall be returned to Purchaser without further obligation or liability on the part of either party. In the absence of written notice by the reviewing party, pertaining to the aforesaid review by the date and time of this contingency, this Contract shall continue in full force and effect with all terms and conditions binding on all parties.

Initials for Approval of Contract by Third Party or Attorney \_\_\_\_\_

6. CLOSING COSTS PAID BY SELLER: Seller agrees to pay \$\_\_\_\_\_ of Purchaser's closing costs if acceptable to the lender. This amount shall be in addition to any fees Seller agrees to pay for points, transfer and recordation, or any temporary interest rate buy down as specified elsewhere in Contract or Addendums.

Initials for Closing Costs Paid by Seller \_\_\_\_\_

7. REAL ESTATE TRANSFER DISCLOSURE STATEMENT: Local county code allows Agricultural Operations. You may be subject to inconveniences of discomforts arising from such operations, including but not limited to noise, odors, fumes, dust, flies, the operation of machinery to any kind during any 24-hour period (including aircraft), the use of irrigation, vibration, the storage and disposal of manure, and the application by spraying or otherwise to chemical fertilizers, soil amendments, and pesticides. Jurisdictions have determined the inconveniences or discomforts associated with such agricultural operations shall not be considered to be an interference with reasonable use and enjoyment of land, if such operations are conducted in accordance with generally accepted agricultural management practices. Some counties have established a reconciliation committee to assist in the resolution of disputes which might arise between persons in this county regarding whether agricultural operations conducted on agricultural lands are causing an interference with the reasonable use and enjoyment of land or personal wellbeing and whether those operations are being conducted in accordance with generally accepted agricultural practices. If you have any questions concerning this policy or the reconciliation committee, please contact the local Planning Department for additional information.

Initials for Real Estate Transfer Discl. Statement \_\_\_\_\_

8. APPRAISAL ADDENDUM: It is understood and agreed by all parties that notwithstanding any other provisions of this contract, that if the above referenced property should not appraise for the contract sales price, then the sellers shall have the right to do the following: appeal said appraisal and in the event the appeal is successful all parties agree to proceed to settlement. If the appeal fails, then the sellers may, at their option, reduce the contract sales price to the appraised value and all parties agree to proceed to settlement. In the event the sellers refuse to reduce the contract sales price if the appeal fails, the buyers shall have the right to proceed to settlement or declare this contract null and void and have all of their deposit monies refunded immediately.

Initials for Appraisal Addendum \_\_\_\_\_

9. LICENSED AGENT:

- a. All parties to the Contract acknowledge and understand that \_\_\_\_\_ is a licensed real estate agent in Maryland and may share in the brokerage fee to be paid.
- b. It is recognized by all parties to this Contract that \_\_\_\_\_ is a licensed real estate agent in Maryland in Maryland and is related to \_\_\_\_\_ who is a party to this Contract.

Initials for Licensed Agent \_\_\_\_\_

10. TIME LIMIT: If this offer has not been accepted or countered by \_\_\_\_\_ (date) \_\_\_\_\_ (time) then it shall become null and void and deposit returned to Purchaser.

Initials for Time Limit \_\_\_\_\_

11. SECONDARY CONTRACT: Purchaser acknowledges and affirms that this is a Secondary or "Back-up" Contract which shall become the Primary Contract of Sale only in the event the existing Contract dated \_\_\_\_\_ by and between \_\_\_\_\_, \_\_\_\_\_ (Seller) and \_\_\_\_\_ (Purchaser), is declared null and void with Releases fully executed by the above named parties. In such event, Seller shall promptly give written notification to the Secondary Purchaser. Upon receipt of said notice, the Secondary Contract will be in full force and effect as the Primary Contract with all terms and conditions binding upon all the parties. It is expressly agreed and understood that at any time prior to receiving written notification from Seller or Seller's agent, Secondary Purchaser may give notice in writing that the Secondary Contract is no longer in force or effect and upon execution of Releases, all deposit monies paid hereunder shall be returned without further obligation or liability on the part of either party.

Initials for Secondary Contract \_\_\_\_\_

12. SUPERSEDE PRIOR WRITTEN CONTRACT: This Contract supersedes the prior Contract between the parties hereto dated \_\_\_\_\_. Purchaser and Seller authorize the escrow trustee holding earnest money deposit to apply all deposit monies being held under the earlier Contract to the present Contract. All parties agree that the aforementioned prior Contract shall be null and void as of the date of the signing hereof without requirements for the execution of any additional Releases.

Initials for Supersede Prior Written Contract \_\_\_\_\_

13. Insurance Addendum: This contract is contingent upon buyer obtaining standard insurance coverage on property at an amount not to exceed one half of one percent of the purchase price as the yearly premium. If the property is located in a flood plain, this contract is contingent upon Buyer being able to obtain a standard homeowners policy and a flood policy at a combined yearly rate not to exceed one percent of purchase price.

Buyer agrees to obtain an insurance quote within 7 days of contract acceptance, and shall have the option of canceling this contract if the quote exceeds the amounts stated above. Purchaser must request release from contract before the expiration of the 7 day period, or this contingency shall be automatically waived.

Initials for Insurance Addendum \_\_\_\_\_

14. LIKE KIND TAX-DEFERRED EXCHANGE - PURCHASE. It is the intent of Buyer to acquire Property as a replacement property in a Like Kind Tax-deferred Exchange under Section 1031 of the Internal Revenue Code (Exchange). Each reference to "Buyer" or "purchase" in Contract of Sale is stricken and replaced with the terms "Exchanger" or "exchange," as appropriate. Buyer/Exchangor may assign Contract of Sale to a Qualified Intermediary, solely for the purpose of completing Exchange, and shall deliver written notice to Seller when said assignment is made. Title shall be conveyed directly from Seller to Buyer/Exchangor in accordance with Revenue Ruling 90-34. Seller shall be held harmless by Buyer/Exchangor and Seller will incur no additional expense or liability as a result of this Like Kind Tax-deferred Exchange.

Initials for Like Kind Tax-deferred Exchange - Purchase \_\_\_\_\_

15. LIKE KIND TAX-DEFERRED EXCHANGE - SALE. It is the intent to Seller to transfer Property as part of a Like Kind Tax-deferred Exchange under Section 1031 of the Internal Revenue Code (Exchange). Each reference to "Seller" or "sale" in this Contract of Sale is stricken and replaced with the terms "Exchangor" or "exchange," as appropriate. Seller/Exchangor may assign Contract of Sale to a Qualified Intermediary, solely for the purpose of completing Exchange for other replacement property to be identified and acquired later by the Seller/Exchangor, and shall deliver written notice to Buyer when said assignment is made. Title shall be conveyed directly from the Seller/Exchangor to Buyer in accordance with Revenue Ruling 90-34. Buyer shall be held harmless by Seller/Exchanger, and Buyer will incur no additional expense or liability as a result of this Like Kind Tax-deferred Exchange.

Initials for Like Kind Tax-deferred Exchange - Sale \_\_\_\_\_

this addendum is made within the provisions of the original Contract between the parties and is a part thereof.  
Only those contingencies initialed apply to the Contract.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Seller Date

\_\_\_\_\_  
Witness

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Seller Date

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Witness

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Buyer Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Buyer Date