

## INSTRUCTION SHEET FOR REAL ESTATE AGENTS

### *How to Complete the SIMULTANEOUS CLOSING ADDENDUM UAR FORM 30*

#### **(Buyer #1 DOES NOT Own the Property)**

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#### **THIS FORM IS DESIGNED FOR USE WHEN:**

- Buyer #1 has entered into a REPC (the 1<sup>st</sup> REPC) with the present Owner/Developer of the property;
- Prior to Buyer #1 closing the purchase with the Owner/Developer, Buyer #1 have located a buyer (“Buyer #2”) who wants to purchase the property from Buyer #1;
- Buyer #1 can enter into a new REPC (the 2<sup>nd</sup> REPC) with Buyer #2, that: (a) discloses to Buyer #2 that Buyer #1 DOES NOT own the property; (b) Buyer #1’s obligation to sell the property to Buyer #2 is subject to closing of the transaction between Buyer #1 and the Owner/Developer; and (c) the 2<sup>nd</sup> REPC addresses the critical issue of Change Orders.

### *Sample Transaction*

- Fred Smith is “Buyer #1”. Fred is represented by Tom at XYZ Realty.
- Big Time Construction, Inc. is the Owner/Developer. Big Time is represented by Jane at ABC Realty.
- Fred and Big Time have entered into a REPC (the 1<sup>st</sup> REPC) for \$1,500,000.
- Fred has deposited \$100,000 Earnest Money and \$50,000 in finish-upgrades.
- It is a “hot market” and before Fred even closes the purchase of the property from Big Time Construction, Fred has an opportunity to sell the property.
- John Doe is “Buyer #2”. John is represented by Jim Brown at QRS Realty.
- John wants to buy the property from Fred for \$1,800,000.00.
- Since Fred does not yet own the property, Fred wants to enter into a new REPC (2<sup>nd</sup> REPC) with John Doe.
- The 2<sup>nd</sup> REPC will be subject to Fred closing the purchase of the property with Big Time. Once Fred closes the 1<sup>st</sup> REPC, Fred can then close the 2<sup>nd</sup> REPC with John.
- Tom (Fred’s Agent) will represent Fred in completing the 2<sup>nd</sup> REPC.
- Jim (John’s Agent) will represent John in completing the 2<sup>nd</sup> REPC.
- Fred will be responsible to pay the brokerage fees for completing the closing of the 2<sup>nd</sup> REPC.
- In this example, Fred and Tom’s brokerage (XYZ Realty) negotiate a brokerage fee for closing of the 2<sup>nd</sup> REPC. The brokerage fee will be split evenly between XYZ Realty and QRS Realty.

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