

SALE OR LEASE OF BUYER'S PROPERTY CONTINGENCY EXHIBIT " _____ "



2020 Printing

TRAINING COPY

This Exhibit is part of the Agreement with an Offer Date of _____ for the purchase and sale of that certain Property known as: _____, Georgia _____.

A. Buyer warrants that Buyer owns the real property located at _____, _____ (City), _____ (State) _____ (Zip Code) ("Other Property") and has taken or is taking the following actions to sell and /or lease the Other Property: ★ _____.

Must Fill in Date

B. This Agreement is contingent upon the occurrence of the following on or before _____ ("Contingency Period"). [Select 1. and/or 2. Any section not selected shall not be a part of this Agreement.]

- 1. Buyer closing on the sale of the Other Property;
- 2. Buyer entering into a lease of the Other Property with a lease term of at least _____.

C. In the event that the Contingency Period ends without either contingency referenced above being fulfilled, then, at that time, this Agreement shall terminate. Prior to Seller giving Buyer notice that Seller is exercising the Kick-Out Clause, as that term is explained below, the contingency or contingencies referenced above may be waived by Buyer upon notice to Seller. In such event, the Kick-Out Clause below shall no longer be a part of this Agreement, and Buyer shall have no obligation to deposit additional earnest money.

D. **Kick-Out Clause Explained.** A kick-out clause describes a situation where the seller of a property that is under contract continues to market it for sale to other buyers because the buyer's purchase is contingent on the sale or lease of other property owned by the buyer. If another buyer makes an offer to purchase the property that the seller wants to accept, the seller gives notice of the offer to the first buyer who must then timely submit an amendment to remove certain contingencies and possibly the Due Diligence Period from the agreement and in some cases pay additional earnest money to the seller. If the first buyer does not do these things within the pre-agreed time frame, the seller can then "kick-out" the first buyer, terminate that contract and sell the property to the second buyer. If the buyer meets the pre-agreed requirements of the kick-out clause, then the original contract remains in force subject to the terms of amendment signed by both parties.

Kick-Out Clause in this Transaction. Selection Option 1 or Option 2 below. If no option is selected, then this Agreement shall not be subject to a Kick-Out Clause.

Kickout is Better for Seller

Option 1. This Agreement IS subject to a Kick-Out Clause. In the event Seller receives a bona fide offer to purchase the Property that Seller would like to accept, then Seller shall give notice of the offer to Buyer. Buyer shall then have _____ hours after receipt of the notice to deposit with Holder additional earnest money of \$_____ and deliver to Seller an Amendment to this Agreement signed by Buyer in which Buyer agrees to remove from the Agreement the contingencies and/or Due Diligence Period provisions in the Agreement to the extent checked below. [Complete either (a) or (b) below. If neither is completed, then (a) is selected by default.]:

- (a) All Contingencies and the Due Diligence Period shall no longer be part of the Agreement.
- (b) The Contingencies and/or Due Diligence Period checked below shall no longer be a part of this Agreement.

- Sale or Lease of Buyer's Property Contingency;
- Due Diligence Period;
- Right to Request Repairs;
- any Financing Contingency;
- any Appraisal Contingency;
- Special Stipulation identified as: _____;
- Other: _____

Option 2. This Agreement IS NOT subject to a Kick-Out Clause. **Better for Buyer**

In the event Buyer does not deliver within the time period stated above: (1) the additional earnest money (if any referenced above) to Holder and (2) the above-referenced signed Amendment to Seller, then this Agreement shall terminate, and Buyer shall be entitled to a full refund of Buyer's earnest money. Notwithstanding any provision to the contrary contained herein, the removal of such checked provisions by Buyer from this Agreement shall not eliminate any rights in Contingencies or the Due Diligence Period benefitting Seller. Therefore, for example, Seller can still request a proof of funds from the Buyer even though the Agreement is no longer subject to a Financing Contingency. In the event that Buyer delivers the Amendment referenced above to Seller and the additional earnest money (if any referenced above) to Holder within the time period stated above, Seller shall execute the Amendment, return a copy of the same to Buyer and this Agreement shall otherwise remain in full force and effect subject to the Amendment.

Buyer's Initials: _____

Seller's Initials: _____