**Addendum to Contract for Residential Sale and Purchase**

If signed by both parties, the terms below will become part of the Contract for Residential Sale and Purchase between __________________________ ("Seller") and __________________________ ("Buyer") for the property described as _________________________________________________________________.

(_____) (_____) - (_____) (_____). **I. Foreign Investment in Real Property Tax Act ("FIRPTA")**: Under FIRPTA, if a seller of U.S. real estate is a "foreign person" as defined by Section 1445 of the Internal Revenue Code ("Code"), the buyer must withhold up to 15% of the seller's proceeds from the sale and send it to the Internal Revenue Service (IRS). This requirement does not apply if an exemption exists under the Code or IRS regulations, or if the seller has obtained a Withholding Certificate from the IRS releasing the buyer from withholding. The seller may either certify that they are not a foreign person or provide proof of an IRS Withholding Certificate. The Code provides that:

(i) No withholding is required if the Seller is not a "foreign person." To prove this, the Seller may provide a signed affidavit, under penalty of perjury, stating they are not a foreign person and giving their U.S. taxpayer identification number and address (home address if an individual, business address if an entity), as allowed by 26 CFR 1.1445-2(b)(2). The Buyer can rely on this affidavit and is not required to withhold. The affidavit will be delivered to the closing agent and then sent to the IRS.

(ii) If the Seller is a foreign person but has received an IRS Withholding Certificate that reduces or eliminates withholding, the Seller can provide this Certificate to the Buyer before Closing. The Buyer will then withhold and send the reduced amount to the IRS, and any remaining funds will be released to the Seller.

(iii) If the Seller has applied for a Withholding Certificate before Closing and the IRS issues the Certificate within twenty (20) days after Closing:

- (a) Buyer will withhold the required amount and deliver the funds to the Closing Agent at Closing;
- (b) The Closing Agent will hold the funds in an interest-bearing escrow account (at Seller's expense);
- (c) Once the Certificate and written instructions signed by both Seller and Buyer are received, the Closing Agent will release the escrow funds (plus interest, minus escrow fees) as directed; and
- (d) If the Certificate is not received by Closing, Buyer must remit the withheld funds (plus interest, minus escrow fees) to the IRS.

(iv) If the Seller applied for a Withholding Certificate but the IRS has not issued it within twenty (20) days after Closing, the Buyer must send the withheld funds (without accounting for interest or escrow fees) to the IRS.

(v) If withholding is required, Buyer may withhold the necessary amount from Seller's proceeds. If the proceeds are not enough, the Seller must provide the additional funds needed. Buyer will then remit the withholding to the IRS along with the required IRS forms, or hold the funds in escrow until the IRS issues its final determination, if applicable. Once the funds are sent to the IRS under this Addendum, Buyer will provide Seller with copies of IRS Forms 8288 and 8288-A as filed.