

# Addendum to Contract for Residential Sale and Purchase



1 If initialed by all parties, the terms below will be incorporated into the Contract for Residential Sale and Purchase  
2\* between \_\_\_\_\_ ("Seller")  
3\* and \_\_\_\_\_ ("Buyer")  
4\* concerning the Property described as \_\_\_\_\_  
5\* \_\_\_\_\_

6\* (\_\_\_\_) (\_\_\_\_) - (\_\_\_\_) (\_\_\_\_) **I. Foreign Investment in Real Property Tax Act ("FIRPTA"):** If a seller of  
7 **U.S. real property** is a "foreign person" as defined by FIRPTA, Section 1445 of the Internal Revenue Code ("Code")  
8 requires buyer of the real property to withhold up to 15% of the amount realized by the seller on the transfer and remit  
9 the withheld amount to the Internal Revenue Service (IRS) unless an exemption to the required withholding applies or  
10 the seller has obtained a Withholding Certificate from the IRS authorizing a reduced amount of withholding.

- 11 (i) No withholding is required under Section 1445 of the Code if the Seller is not a "foreign person." Seller  
12 can provide proof of non-foreign status to Buyer by delivery of written certification signed under penalties  
13 of perjury, stating that the Seller is not a foreign person and containing Seller's name, U.S. taxpayer  
14 identification number and home address (or office address, in the case of an entity), as provided for in 26  
15 CFR 1.1445-2(b). Otherwise, Buyer shall withhold the applicable percentage of the amount realized by the  
16 Seller on the transfer and timely remit said funds to the IRS.
- 17 (ii) If Seller is a foreign person and has received a Withholding Certificate from the IRS which provides for  
18 reduced or eliminated withholding in this transaction and provides same to Buyer by Closing, then Buyer  
19 shall withhold the reduced sum required, if any, and timely remit said funds to the IRS.
- 20 (iii) If prior to Closing Seller has submitted a completed transaction to the IRS for a Withholding Certificate and  
21 has provided to Buyer the notice required by 26 CFR 1.1445-1(c) (2)(i)(B) but no Withholding Certificate  
22 has been received as of Closing, Buyer shall, at Closing, withhold the applicable percentage of the amount  
23 realized by Seller on the transfer and, at Buyer's option, either (a) timely remit the withheld funds to the IRS  
24 or (b) place the funds in escrow, at Seller's expense, with an escrow agent selected by Buyer and pursuant  
25 to terms negotiated by the parties, to be subsequently disbursed in accordance with the Withholding  
26 Certificate issued by the IRS or remitted directly to the IRS if the Seller's application is rejected or upon  
27 terms set forth in the escrow agreement.
- 28 (iv) In the event the net proceeds due Seller are not sufficient to meet the withholding requirement(s) in this  
29 transaction, Seller shall deliver to Buyer, at Closing, the additional Collected funds necessary to satisfy the  
30 applicable requirement and thereafter Buyer shall timely remit said funds to the IRS or escrow the funds for  
31 disbursement in accordance with the final determination of the IRS, as applicable.
- 32 (v) Upon remitting funds to the IRS pursuant to this Addendum, Buyer shall provide Seller copies of IRS Forms  
33 8288 and 8288-A, as filed.