

ribbon

OFFER ADDENDUM

Property: _____

Seller: _____

Buyer: _____

This Ribbon Offer Addendum (this "**Addendum**") is made a part of the attached residential real estate purchase contract dated [REDACTED] (the "**Purchase Agreement**") for the Property, and commits Ribbon Home SPV II, LLC (together with its authorized designees, "**Ribbon**") to purchase the Property from Seller if the Buyer is unable to complete the purchase of the Property, subject to the terms and conditions below. **This Addendum does not impose any additional fees or costs on Seller, except for those Seller-paid closing costs expressly agreed to in the Purchase Agreement and reflected in Section 4(c) below.**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer, Seller and Ribbon agree to the following intending to be legally bound:

- 1. Waiver of Financial Contingencies.** As an inducement to Seller, Buyer and Ribbon waive any requirement contained in the Purchase Agreement that Buyer's purchase of the Property be contingent upon the sale of Buyer's current home or obtaining financing to purchase the Property (together, the "**Financial Contingencies**"). If Buyer is unable to purchase the Property by the agreed-upon Closing Date due to a failure of any Financial Contingency, Buyer agrees to notify Ribbon and Seller in writing no later than fourteen (14) days prior to the Closing Date.
- 2. Waiver of Appraisal Contingency; Appraisal Protection.** As an inducement to Seller, Buyer and Ribbon waive any requirement contained in the Purchase Agreement that the Property appraises for a certain value for the transaction to close on the Closing Date (the "**Appraisal Contingency**"). In addition, and to the extent that a lender-approved appraisal values the Property at a dollar amount below the Purchase Price set forth in the Purchase Agreement (the "**Maximum Ribbon Value**"), then Ribbon agrees to compensate the Seller for any shortfall between the Maximum Ribbon Value and the appraised value at no additional cost to Seller ("**Appraisal Protection**"). For example:

THE FOLLOWING IS AN EXAMPLE FOR EXPLANATORY PURPOSES ONLY

Property List Price:	Purchase Price / Maximum Ribbon Value:	Actual Appraised Value:
\$190,000	\$200,000	\$195,000
In this example, Ribbon will pay \$5,000 to the Seller to reduce the contract price to \$195,000 to match the appraised value and consummate the sale of the Property to the Buyer. Except for any Seller-paid closing costs that Seller has already agreed to pay under the Purchase Agreement (see Section 4 below), there is no additional cost to the Seller for Appraisal Protection.		

- 3. Back-Up Contract in Effect.** Upon Seller's and Ribbon's receipt from Buyer of a notification in accordance with Section 1 above, the Parties acknowledge and agree that Ribbon shall purchase the Property **if, and only if**, Buyer is unable to consummate the purchase of the Property by the Closing Date due to a failure of any Financial Contingency. In the event of a failure of the Appraisal Contingency, the Seller shall agree to a reduction in the Purchase Price as contemplated in Section 2 above, and Ribbon shall pay the applicable Appraisal Protection amount to Seller on the Closing Date. The terms and conditions set forth in the Purchase Agreement (inclusive of the Purchase Price) shall apply to Ribbon's all-cash purchase of the Property from Seller, **provided that** (i) Seller shall not be required to refund to Buyer any earnest money deposits, due diligence fees, or other similar amounts which are paid by Buyer and to be applied to the Purchase Price in the event Buyer closes on the purchase of the Property with Seller ("**Deposits**"), **and instead** (ii) Seller shall provide a credit to Ribbon equal to the amount of any such Deposits paid by Buyer.
- 4. Transaction Fee.** No later than on the Closing Date, Buyer must pay, or cause Seller to pay, a "**Transaction Fee**" to Ribbon in an amount equal to **2.4%** of the Purchase Price as compensation to Ribbon for providing a back-up cash offer to purchase the Property. The obligation to pay the Transaction Fee shall accrue at such time as any contingencies in the Purchase Agreement have been satisfied or waived. In addition, and as detailed in the Purchase Agreement, Buyer and Seller agree to the following:
 - If Buyer elects that any portion of the Transaction Fee be paid out of Seller-paid closing costs, then this amount must be reflected on the Seller's side of the closing statement as a separate distribution to Ribbon. For example, if the total Seller-paid closing costs are \$4,000.00, then the line items for the Seller paid closing costs would read as follows:

Line 1	Seller-paid closing costs of \$2,000.00 (credited to Buyer)
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Line 2	Seller-paid closing costs of \$2,000.00 (paid to Ribbon as approved by Buyer)
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- (b) If Buyer is able to close on the Property by the Closing Date, and Ribbon's back-up offer is therefore unnecessary to complete the sale of the Property, then the Transaction Fee will be reduced to 1%. The reduced Transaction Fee must still be paid to Ribbon no later than on the Closing Date. In the event of a reduction in the Transaction Fee, the entire amount of the reduction will be credited to Buyer's portion of the Transaction Fee only, and any amounts still remaining thereafter will be credited to the Buyer's closing costs and down payment. The Seller's portion of the Transaction Fee (i.e., the Seller-paid closing costs set forth in the Purchase Agreement) will not change under any circumstance. In all instances, the maximum Transaction Fee potentially payable to Ribbon must be shown on the Purchase Agreement and all addenda.
- (c) Accordingly, Buyer, Seller and Ribbon have agreed to allocate the Transaction Fee as follows:

Transaction Fee amount paid at closing: <input type="checkbox"/> \$ _____	Transaction Fee amount paid outside of closing: <input type="checkbox"/> \$ _____
1. Buyer's Total Portion of the Transaction Fee: 2.40% (\$ dollar amount)	
• Buyer's Portion of the Transaction Fee Paid with Deposits: 2.40% (\$ dollar amount)	
2. Seller's Portion of the Transaction Fee	0.00% (\$0.00)

Initials: Buyer _____ Seller _____ Ribbon _____

5. **Termination Rights.** Notwithstanding anything to the contrary in this Addendum, Buyer retains the right to terminate the Purchase Agreement, including this Addendum, due to an unsatisfactory physical inspection of the Property, or Seller's unwillingness to make any needed repairs to the Property (the "**Inspection Contingencies**"). Ribbon has the same rights, duties and obligations as Buyer under the Purchase Agreement, including without limitation the rights to terminate the Purchase Agreement, this Addendum and any obligations thereunder or hereunder pursuant to the Inspection Contingencies.
6. **Further Assurances.** Buyer, Seller and Ribbon each agree to execute and deliver such reasonable and appropriate additional documents, instruments or agreements as may be necessary to effectuate the purposes of the Purchase Agreement and this Addendum. Except as contemplated under this Addendum, all other terms of the Purchase Agreement shall remain in full force and effect.

THIS ADDENDUM SHALL AUTOMATICALLY EXPIRE AND BE OF NO FURTHER FORCE OR EFFECT IF RIBBON HAS NOT ACKNOWLEDGED RECEIPT OF A FULLY EXECUTED VERSION OF THIS ADDENDUM BEARING EACH PARTY'S SIGNATURE WITHIN THIRTY (30) DAYS AFTER THE PURCHASE AGREEMENT DATE.

IN WITNESS WHEREOF, each of Buyer, Seller, and Ribbon have caused this Addendum to be signed as of the date indicated below.

Buyer(s):

By: _____
Name: _____
Date: _____

By: _____
Name: _____
Date: _____

Seller(s):

By: _____
Name: _____
Date: _____

By: _____
Name: _____
Date: _____

Acknowledged and Agreed:

RIBBON:

By: _____
Name: _____
Date: _____