NOVATION AGREEMENT

Real Estate Purchase Contract

1. PARTIES. This Novation Agreement ("Agreement") is made effective as of ______________________, 20____ ("Effective Date"), by and among ____ ("Seller"), ____ ("Original Buyer"), and ____ ("New Buyer"). Seller, Original Buyer, and New Buyer are together the "Parties."

2. ORIGINAL AGREEMENT. Seller and Original Buyer are parties to that certain Real Estate Purchase and Sale Agreement dated ____________________, 20____, together with all addenda, amendments, and extensions (collectively, the "Original Agreement"), for the purchase and sale of the real property located at: Street address: ____, City: ____________________, State of ____________________, ZIP: _____________ (the "Property"), at a purchase price of $____________________. Earnest money deposited under the Original Agreement, if any: $_____________ (the "Deposit"), held by ____ ("Escrow Agent").

3. NOVATION AND SUBSTITUTION. The Parties agree that, effective as of the Effective Date, New Buyer is substituted for Original Buyer as the buyer under the Original Agreement. New Buyer assumes and agrees to perform all duties, covenants, and obligations of the buyer under the Original Agreement, and is entitled to all rights, benefits, and remedies of the buyer, in each case as if New Buyer had been an original party to the Original Agreement. Seller expressly consents to this substitution and agrees to accept New Buyer's performance in place of Original Buyer's performance.

4. RELEASE OF ORIGINAL BUYER. Effective upon execution of this Agreement by all Parties, Seller fully, finally, and unconditionally releases and discharges Original Buyer from all duties, obligations, and liabilities under or arising out of the Original Agreement, whether arising before, on, or after the Effective Date. From and after the Effective Date, Seller will look solely to New Buyer for performance of the buyer's obligations under the Original Agreement, and Original Buyer will have no further liability to Seller or New Buyer with respect to the Original Agreement or the Property.

5. EARNEST MONEY. The Parties direct that the Deposit be handled as follows (check one):

- ☐ The Deposit will remain in escrow and be credited to New Buyer at closing, and New Buyer will reimburse Original Buyer $_____________ for the Deposit ☐ upon execution of this Agreement ☐ at closing through escrow.
- ☐ The Deposit will be refunded to Original Buyer, and New Buyer will deposit replacement earnest money of $_____________ with Escrow Agent within _____________ business days after the Effective Date.
- ☐ Other: ____

This Section is a joint written instruction to Escrow Agent, and Escrow Agent may rely on it in disbursing or re-designating the Deposit.

6. COMPENSATION TO ORIGINAL BUYER (OPTIONAL). ☐ If checked, in consideration of Original Buyer's efforts in identifying the Property, negotiating the Original Agreement, and facilitating this substitution, New Buyer will pay Original Buyer the sum of $____________________, payable at closing through escrow and shown on the settlement statement, or as otherwise directed in writing by Original Buyer and New Buyer. This sum is earned upon execution of this Agreement, and if the transaction fails to close due to New Buyer's default, New Buyer remains obligated for this sum. This sum will not be reduced by any amendment to the Original Agreement made between Seller and New Buyer after the Effective Date, and Seller and New Buyer will notify Original Buyer in writing of any such amendment made before this sum is paid.

7. RELEASE OF RECORDED MEMORANDUM. If Original Buyer recorded a memorandum of contract, affidavit, or similar instrument against the Property in connection with the Original Agreement, Original Buyer will execute and record a release of that instrument in the public records of the county where the Property is located within ______________ days after the Effective Date, at Original Buyer's expense.

8. ALL OTHER TERMS UNCHANGED. Except for the substitution of New Buyer for Original Buyer and the elections made in this Agreement, all terms and conditions of the Original Agreement remain unmodified and in full force and effect, including the purchase price, closing date, and all contingencies and deadlines, which apply to New Buyer as they applied to the buyer under the Original Agreement.

9. REPRESENTATIONS. Seller and Original Buyer each represent to New Buyer that, to their respective knowledge: (a) the Original Agreement is valid, in full force and effect, and in good standing; (b) no party to the Original Agreement is in default; and (c) the Original Agreement has not been amended or modified except as listed here:

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New Buyer acknowledges receiving a true, correct, and complete copy of the Original Agreement, including all addenda and amendments listed above. Original Buyer makes no representation or warranty regarding the condition, value, title, or suitability of the Property, and Original Buyer's total liability under this Agreement will not exceed any compensation actually received by Original Buyer under Section 6. Original Buyer further represents that it has acted solely as a principal on its own behalf in this transaction and not as a real estate broker, agent, or representative of any Party.

10. MISCELLANEOUS. This Agreement (a) together with the Original Agreement is the entire agreement of the Parties regarding its subject matter and supersedes all prior negotiations regarding the substitution; (b) may be amended only in a writing signed by all Parties; (c) is governed by the laws of the State of ______________________, without regard to conflict of laws principles; (d) is binding on the Parties and their heirs, successors, and permitted assigns; (e) may be signed in counterparts, and electronic or scanned signatures are effective as originals; (f) time is of the essence; and (g) if any provision is held unenforceable, the remaining provisions continue in effect. Notices may be delivered by email to the addresses below and are effective on transmission. This Agreement may be relied upon by Escrow Agent and any title or closing agent involved in the transaction.

11. ADDITIONAL TERMS.

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SELLER signature Date	SELLER printed name / entity, phone, email
______________________________	______________________________

ORIGINAL BUYER signature Date

ORIGINAL BUYER printed name / entity, phone, email

NEW BUYER signature Date

NEW BUYER printed name / entity, phone, email