

## INSTRUCTION SHEET FOR REAL ESTATE AGENTS PAGE 1 OF 9

### *How to Complete the* **ASSIGNMENT & ASSUMPTION OF REPC (New Construction) – UAR FORM 28**

**(Owner/Developer Consent Required!)**

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- I. USE** this form *only* when:
- Buyer #1 has entered into a REPC with the present Owner/Developer of the property;
  - Buyer #1 wants to assign his position in the REPC to Buyer #2; *AND*
  - The Owner/Developer of the property **WILL ALLOW** Buyer #1 to assign his position in the REPC to Buyer #2.
- II. DO NOT USE** this form if the Owner/Developer **WILL NOT** allow an assignment of the REPC. In such case – consider use of the *Simultaneous Closing Addendum (UAR Form 30)*.

### *Sample Transaction*

- Fred Smith is “Buyer #1”. Fred is represented by Tom at XYZ Realty.
- Big Time Construction, Inc. is the Owner/Developer. Big Time is represented by Jane at ABC Realty.
- Fred and Big Time have entered into a REPC for \$1,500,000.
- Fred has deposited \$100,000 Earnest Money and \$50,000 in finish-upgrades.
- It is a “hot market” and Fred is willing to assign his position in the REPC for \$300,000 (the “Assignment Fee”).
- John Doe is “Buyer #2”. John is represented by Jim Brown at QRS Realty.
- John wants to take over (buy-out) Fred’s position in the REPC with Big Time.
- Big Time recognizes that it is a hot market; and Big Time is willing to let Fred assign his position in the REPC to John Doe...but only if Fred shares with Big Time some of the Assignment Fee.
- Big Time wants \$60,000 from Fred in order to approve the assignment.
- Tom (Fred’s Agent) will represent Fred in completing the assignment of REPC.
- Jim (John’s Agent) will represent John in completing the assignment.
- Fred and John enter into an Assignment & Assumption of REPC as follows: (a) the Assignment Deposit is \$25,000; (b) Fred has until October 21st to give disclosure documents to John; (c) John has until November 10th to finish his own due diligence; and (d) if John decides to go forward with the assignment, John must buy-out Fred’s position by November 30th.
- Fred will be responsible to pay the brokerage fees for completing the assignment of the REPC.
- In this example, Fred and Tom’s brokerage (XYZ Realty) negotiate a brokerage fee in the amount of 7% of the Total Assignment Price for the property. The brokerage fee will be split evenly between XYZ Realty and QRS Realty.

**CAREFULLY REVIEW THE ATTACHED SAMPLE ESTIMATE SHEETS & COMPLETED FORM**