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## **LEGAL HOTLINE Q & A OF THE WEEK**

GET THE FACTS: February 5, 2019

### **QUESTION:**

We represent Buyer. Buyer and Seller agree to extend closing by one day and also sign a rental agreement allowing Buyer to take early possession. Buyer's Broker receives the extension and rental agreement back from Listing Broker with only one of the Seller's initials. Discussion develops and ultimately, we did get the rental agreement back with both Sellers initials but Listing Broker insists extension is valid with only one set of initials. Which Broker is correct?

### **ANSWER:**

Buyer broker is correct. Any modification to terms of the PSA requires all signatures of all parties. In this case, the closing date extension modified the closing date provision of the PSA and required all signatures of all parties. Similarly, the rental agreement modified the possession date provision of the PSA and required all signatures of all parties.

The only time that a single signature from a multiple-person party will suffice is when the document being signed is a "notice". A notice is a document that requires no action from the receiving party in order for the document to be effective. For example, a notice of termination from the buyer based on the inspection contingency terminates the PSA without any response from seller. Because of that, a notice of termination based on the inspection contingency may be signed by only one buyer, even if there are multiple buyer's. Similarly, seller's notice of withdrawal of counteroffer is effective as soon as it is delivered to buyer with no need for buyer to respond or agree. Consequently, the notice of withdrawal of counteroffer can be signed by only one seller, even if the seller party includes more than one person.

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