

**NOTICE
TO BUYER AND SELLER
READ THIS NOTICE BEFORE SIGNING THE CONTRACT**

The law requires real estate brokers to give you the following information before you sign this contract. It requires us to tell you that you must read all of it before you sign. The purpose is to help you in this purchase or sale.

1) As a real estate broker, I represent:

- ☐ the seller, not the buyer; ☐ the buyer, not the seller;
☐ both the seller and the buyer; ☐ neither the seller nor the buyer.

The title company does not represent either the seller or the buyer.

2) You will not get any legal advice unless you have your own lawyer. Neither I nor anyone from the title company can give legal advice to either the buyer or the seller. If you do not hire a lawyer, no one will represent you in legal matters now or at the closing. Neither I nor the title company will represent you in those matters.

3) The contract is the most important part of the transaction. It determines your rights, risks, and obligations. Signing the contract is a big step. A lawyer would review the contract, help you to understand it, and to negotiate its terms.

4) The contract becomes final and binding unless your lawyer cancels it within the following three business days. If you do not have a lawyer, you cannot change or cancel the contract unless the other party agrees. Neither can the real estate broker nor the title insurance company change the contract.

5) Another important service of a lawyer is to order a survey, title report, or other important reports. The lawyer will review them and help to resolve any questions that may arise about the ownership and condition of the property. These reports and survey can cost you a lot of money. A lawyer will also prepare the documents needed to close title and represent you at the closing.

6) A buyer without a lawyer runs special risks. Only a lawyer can advise a buyer about what to do if problems arise concerning the purchase of this property. The problems may be about the seller's title, the size and shape of the property, or other matters that may affect the value of the property. If either the broker or the title company knows about the problems, they should tell you. But they may not recognize the problem, see it from your point of view, or know what to do. Ordinarily, the broker and the title company have an interest in seeing that the sale is completed, because only then do they usually receive their commissions. So, their interests may differ from yours.

7) Whether you retain a lawyer is up to you. It is your decision. The purpose of this notice is to make sure that you have the information needed to make your decision.

Seller

Buyer

Seller

Buyer

Date

Date

Name of Listing Agency

Name of Selling Agency

Prepared by:

Name: _____

Agency: _____

Buyer's
Initials: _____

Seller's
Initials: _____

KEVINDECOSTA.COM

**IMPORTANT: ALL INSERTIONS MADE TO THE FOLLOWING DOCUMENT MUST BE
UNDERLINED AND ALL DELETIONS MUST SHOW STRIKE THROUGH. DO NOT MAKE CHANGES
UNLESS THEY SHOW THESE MARKINGS.**

CONTRACT FOR SALE

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Buyer's
Initials: _____

Seller's
Initials: _____

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Buyer's
Initials: _____

Seller's
Initials: _____

IMPORTANT: ALL INSERTIONS MUST BE UNDERLINED AND ALL DELETIONS MUST SHOW STRIKE THROUGH. DO NOT MAKE CHANGES UNLESS THEY SHOW THESE MARKINGS

THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS.

CONTRACT FOR SALE

(Approved Plain Language Agreement adopted by and for the exclusive use of the Ocean City Board of REALTORS. Approval of a consumer contract by the Attorney General only means that simple, understandable and easily readable language is used. It is not an approval of the contract's terms or legality. Underlined items are not part of the Approved Plain Language Agreement.)

This Contract for Sale is entered into on the date the last party signs this Contract.

BETWEEN

_____, referred to as the "Seller",

and

_____, referred to as the "Buyer".

The words "Buyer" and "Seller" include all Buyers and Sellers listed above, including their heirs, personal representatives, successors and assigns. This Contract is binding upon all parties who sign it and all who succeed to their rights and responsibilities.

1. **PURCHASE CONTRACT.** The Seller agrees to sell and the Buyer agrees to buy the property described in this Contract.

2. **PURCHASE PRICE.** The purchase price is: \$ _____

3. **PROPERTY.** The property to be sold consists of: (a) the land and all the buildings, other improvements and fixtures on the land; (b) all the Seller's rights relating to the land; and (c) all personal property specifically included in the Contract. If the property is a condominium unit, the property to be sold consists of: (a) all rights and obligations of the Seller as a unit owner set forth in the condominium documents referred to in paragraph 44 below; and (b) all personal property specifically included in the Contract. The real property to be sold is commonly known as _____ in the _____ of _____, County of _____, and State of New Jersey. It is shown on the municipal tax map as Lot _____ in Block _____.

4. **PAYMENT OF PURCHASE PRICE.** The Buyer will pay the purchase price as follows:

- (a) Initial deposit paid by the Buyer within 7 days after the Buyer receives a fully signed copy of this Contract \$ _____
- (b) Additional deposit due by within 7 days of final acceptance \$ _____

- (c) Mortgage amount \$ _____
(d) Cash, official bank check or certified check at closing \$ _____
(e) Total purchase price \$ _____

5. **DEPOSIT MONIES.** All deposit monies will be held in trust by _____.

6. **MORTGAGE CONTINGENCY.** The Buyer's obligation to complete this Contract depends on the Buyer getting a written commitment of an established mortgage lender, or the Seller, as the case may be, to make a mortgage loan or loans on the property in the principal amount of \$ _____. The Buyer shall promptly apply in writing for these loans using the Buyer's best efforts and the Seller agrees to fully cooperate with the Buyer in all aspects of the financing. The Buyer shall supply all necessary information and fees asked for by the lender. The commitment(s) must be received by the Buyer on or before _____; however, this date shall be extended automatically, in the event the lender requires more time, by a period of up to ten (10) business days (not counting Saturdays, Sundays and state and federal holidays), but not past the date of closing. The terms of the commitment(s) must be at least as favorable to the Buyer as the following:

- A. Type of Mortgage(s): ☐ Conventional ☐ FHA ☐ VA
☐ Assumption ☐ Seller take back
☐ Other _____
- B. Amount of Loan(s): \$ _____
- C. Interest Rate: _____
- D. Length of Mortgage(s): ____ years, with monthly payments based on a ____ year payment schedule or any adjustable rate mortgage of the Buyer's choice.
- E. Points: The Buyer agrees to pay ____ points for a total of \$ _____. The Seller agrees to pay _____ points for a total of \$ _____.

Should the Buyer not receive the written commitment(s) by the above date, as may be extended above, then either party may cancel this Contract upon written notice to the other party and all deposit money will be returned to the Buyer unless the commitment(s) date is further extended by Buyer and Seller. The Buyer, at his option, can waive this mortgage contingency at any time.

Notwithstanding any other provisions of this Contract to the contrary, in the event a mortgage commitment has been obtained pursuant to this paragraph and the lender needs additional time to satisfy the Federal Consumer Finance Protection Bureau closing requirements or the Truth in Lending Act Regulation "Z" requirements then the closing date shall be extended by a period of up to ten (10) business days (not counting Saturdays, Sundays and state and federal holidays) for the sole purpose of facilitating the lender's compliance with such requirements.

Any mortgage commitment(s) signed by the Buyer will satisfy this mortgage contingency. In the event the Buyer is applying for a Seller take back mortgage, the Buyer shall provide any and all financial statements as requested by the Seller to Seller within 10 days of the signing of this Contract by the last party. The Seller shall then have a period of 5 days to review the financial statements. If the Seller chooses not to accept the Buyer's application for take back financing, the Seller shall notify the Buyer in writing within 5 days after receipt of the financial statements; otherwise, the Seller shall offer the Buyer financing in accordance with the terms set forth above. All Seller take back financing shall include reasonable provisions for the payment

of hazard and flood insurance and real estate taxes. The mortgage documents shall also carry a late charge of 5% for any periodic payment more than 10 days late.

7. **THE CLOSING OF TITLE** shall be on _____, at _____ o'clock, or before with mutual consent of Buyer and Seller, which time is of the essence. (Performance by the Buyer and Seller within the time specified in the Contract is essential or the party failing to perform within said time shall be in default under the Contract.) The closing will be held at _____.

8. **BUYER FINANCIALLY ABLE TO CLOSE.** The Buyer represents that the Buyer will have sufficient cash available (together with the mortgage referred to in this Contract) to complete this purchase.

9. **TITLE.** The title shall be marketable and insurable at regular rates by any reputable title insurance company to be selected by the Buyer; and shall be free and clear of encumbrances, including municipal liens and assessments and liability for assessments for improvements now constructed. The title is to be subject to all existing restrictions of record. However, the Seller guarantees there are no restrictions in any Deed or plans of record affecting the property which would prohibit its current use or occupancy. Notwithstanding the foregoing, if the State of New Jersey claims riparian ownership to a portion of the property, either the Buyer or the Seller may cancel this agreement upon written notice to the other party. Upon such cancellation all deposit money shall be returned to the Buyer with no further liability between the parties.

10. **TYPE OF DEED.** The Seller will give the Buyer an affidavit of title, and if the Seller is a corporation, a proper resolution authorizing the sale. A deed is a written document used to transfer ownership of property. In this sale, the Seller agrees to give Buyer a properly executed "Bargain and Sale Deed, covenant as to grantor's acts," which the Buyer agrees to accept.

11. **SELLER FINANCIALLY ABLE TO CLOSE.** The Seller represents that the Seller is financially able to transfer free and clear marketable and insurable title to the Buyer at closing in accordance with the terms of this Contract. The Seller represents that any liens or encumbrances on the property shall be removed at or before closing and that Seller has the financial ability to do so.

12. **PERSONAL PROPERTY AND FIXTURES.** Fixtures are items permanently attached to a building or other real property so that they become a part of it. All plumbing, heating and lighting fixtures, as well as all other permanent fixtures, together with cooking ranges, storm sash, screens, shades and awnings, if any, and all trees and shrubbery now on the premises, unless specifically excepted in this agreement, are included in this sale and purchase price. The Seller warrants and represents that all appliances, including any air conditioning units, sold with the property shall be in reasonable working condition at the time of closing. The following items are also specifically included:

13. **PHYSICAL CONDITION OF THE PROPERTY.** This property is being sold "as is". Other than as set forth in this paragraph, the Seller does not make any claims or promises about the condition or value of the property included in this sale. The Buyer has inspected the property and relies on this inspection and any rights which may be provided elsewhere in the Contract. The Buyer does not rely on any representations made by the named REALTORS, their agents or the Seller other than those of the Seller contained in this paragraph. The Seller agrees to maintain the property until closing, subject to ordinary wear and tear. The Seller does guarantee that the roof shall be free of leaks and that all plumbing, heating and electrical systems shall be in working order at the time of final settlement. The Seller further states, that to the best of Seller's knowledge, there are currently no major structural defects in any building located on the property, but Seller

DOES NOT GUARANTEE the condition of any building on the property AFTER the deed has been delivered to the Buyer at the closing.

14. **INSPECTION OF THE PROPERTY.** The Seller agrees to permit the Buyer to inspect the property at any reasonable time before closing.

15. **ZONING LAWS.** The Seller represents to the best of Seller's knowledge that the present use of the building is permitted under present zoning laws. The property may include a nonconforming use or structure that is permitted under the present zoning laws. This means that a building on the property or the use of the property was permitted at the time it was built or the use began and its continued use or existence is permitted even though there have been subsequent changes in the zoning laws which would not allow it to be built or used in that manner now. The Seller will pay for and obtain Certificate of Occupancy, Certificate of Land Use Compliance, Zoning Compliance Certificate or other similar document required by law and will arrange and pay for all inspections required to obtain such document. The Seller must make a good faith effort to apply for the Certificate or approval, but the Seller is not required to modify the property or to apply for zoning variance relief to obtain the Certificate or approval. The Seller shall obtain the Certificate or approval within fifteen (15) days of the date the Seller receives a fully executed copy of the Contract. If the Seller does not receive the Certification or approval and notify Buyer of same within the fifteen (15) day period, either the Buyer or the Seller may terminate this Contract. Upon such termination, all deposit monies then held shall be immediately returned to the Buyer and this Contract shall be null and void and neither party shall have any further liability to the other.

16. **NEW JERSEY HOTEL AND MULTIPLE DWELLING HEALTH AND SAFETY ACT.** If the New Jersey Hotel and Multiple Dwelling Health and Safety Act applies to the property, the Seller represents that the property complies with the requirements of the Act as of the day of last inspection, but this representation does not extend to minor repairs or decoration.

17. **RIGHT TO CURE.** If the property is in violation of the New Jersey Hotel and Multiple Dwelling Health and Safety Act as of the day of last inspection, if applicable, the Seller will be notified and given 30 days to make it comply. If the property does not comply after that date, the Buyer may cancel this Contract or give the Seller an extension of time for compliance.

18. **TERMITE INSPECTION.** The Buyer, at his own expense, shall have the property inspected by a reputable termite inspection company for termites and/or other wood-boring insect infestation or damage from same. The inspection must be completed and the Seller notified of the results within ____ days after the last party has affixed his signature to this Contract, unless this Contract is subject to a mortgage contingency clause, then the Seller shall be notified of the inspection results within a days after the Buyer's commitment. If the inspection reveals the presence of such insects or any damage from the same, the Seller shall, at the Seller's expense, have the premises exterminated by a reputable exterminating company and/or the damage repaired, providing proof that the premises are free of termites or other wood-boring insects at the time of settlement. In the event that the cost of extermination and/or repair exceeds the sum of \$2,000.00, Seller may declare this Contract null and void and advise the party holding the deposit monies to return all monies to the Buyer unless the Buyer elects to take the premises in its existing condition, at which time the Seller will provide a credit to the Buyer of \$2,000.00 at the time of settlement.

19. **NOTIFICATION REGARDING OFF-SITE CONDITIONS.**

A. For Resales: (Applies only if the property sold is not new construction). NOTICE ON OFF-SITE CONDITIONS: Pursuant to the New Residential Construction Off-site Conditions Disclosure Act, P.L. 1995, c.253 the clerks of municipalities in New Jersey maintain lists of off-site conditions which may affect the value of residential properties in the vicinity of the off-site condition. Purchasers may examine the lists and are encouraged to independently investigate the area surrounding this property in

order to become familiar with any off-site conditions which may affect the value of the property. In cases where a property is located near the border of a municipality, purchasers may wish to also examine the list maintained by the neighboring municipality.

- B. For New Construction: (Applies only if the property sold is new construction). NOTIFICATION REGARDING OFF-SITE CONDITIONS: Pursuant to the "New Residential Construction Off-Site Conditions Disclosure Act," P.L.1995, c.253 (C46:3C-1 et seq.) sellers of newly constructed residential real estate are required to notify purchasers of the availability of lists disclosing the existence and location of off-site conditions which may affect the value of the residential real estate being sold. The lists are to be made available by the municipal clerk of the municipality within which the residential real estate is located and in other municipalities which are within one-half mile of the residential real estate. The address(es) and telephone number(s) of the municipalities relevant to this project and the appropriate municipal offices where the lists are made available are listed below. Purchasers are encouraged to exercise all due diligence in order to obtain any additional or more recent information that they believe may be relevant to their decision to purchase the residential real estate. Purchasers are also encouraged to undertake an independent examination of the general area within which the residential real estate is located in order to become familiar with any and all conditions which may affect the value of the residential real estate. The purchaser has five (5) business days from the date the contract is executed by the purchaser and the seller to send notice of cancellation of the contract to the seller. The notice of cancellation shall be sent by certified mail. The cancellation will be effective upon the notice of cancellation being mailed. If the purchaser does not send a notice of cancellation to the seller in the time or manner described above, the purchaser will lose the right to cancel the contract as provided in this notice.

MUNICIPALITY Ocean City

ADDRESS 12th Haven Avenue

TELEPHONE NUMBER (609)525-9400

20. **LEAD-BASED PAINT DOCUMENT ACKNOWLEDGEMENT.** (Applies to dwellings built prior to 1978.) Buyer acknowledges receipt of the EPA pamphlet entitled "*Protect Your Family From Lead In Your Home*". Moreover, a copy of the document entitled "*Disclosure of Information and Acknowledgement of Lead-Based Paint and Lead-Based Paint Hazards*" has been fully completed and signed by Buyer, Seller and Broker(s) and is appended to this Agreement as Addendum "A" and is a part of this agreement.

21. **LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARD CONTINGENCY CLAUSE.** (This paragraph is applicable to all dwellings built prior to 1978. The law requires that unless the Buyer and Seller agree to a longer or shorter period, Seller must allow Buyer a ten (10) day period within which to complete the inspection and/or risk assessment of the property. Buyer, however, has the right to waive this clause in its entirety.)

This Agreement is contingent upon an inspection and/or risk assessment (the "Inspection") of the Property by a certified inspector/risk assessor for the presence of lead-based paint and/or lead-based paint hazards. The inspection shall be ordered and obtained by the Buyer at the Buyer's expense, within ten (10) calendar days after termination of the Attorney Review Period set forth in Section 33 of this Agreement (the "Completion Date"). If the Inspection indicates that no lead-based paint or lead-based paint hazard is present at the Property, this contingency clause shall be deemed null and void. If the Inspection indicates that lead-based paint or lead-based paint hazard is present at the Property, this contingency clause will terminate at the time set forth above unless within five (5) days from the Completion Date the Buyer delivers a copy of the inspection and/or risk assessment report to the Seller and Broker(s) and: (a) advises Seller and Broker(s), in writing, that Buyer is voiding this Agreement; or (b) delivers to Seller and Broker(s) a written amendment

(the "Amendment") to this Agreement listing the specific existing deficiencies and corrections required by the Buyer. The Amendment shall provide that the Seller agrees to (a) correct the deficiencies; and (b) furnish the Buyer with a certification from a certified inspector/risk assessor that the deficiencies have been corrected before the date of closing. The Seller shall have ____ days after receipt of the Amendment to sign and return it to the Buyer or to send a written counter-proposal to Buyer. If Seller does not sign and return the Amendment or fails to offer a counter-proposal, this Agreement shall be null and void. In the event Seller offers a counter-proposal, Buyer shall have ____ days after receipt of the counter-proposal to accept it. If the Buyer fails to accept the counter-proposal within the time provided, this Agreement shall be null and void.

22. **HOUSE INSPECTION.** The Buyer is hereby granted the right, at the Buyer's sole cost and expense, to have the property inspected by a reputable home inspection company to determine the overall condition of the property, the structural integrity of all improvements (including the foundation, pilings and bulkhead, if any), the adequacy and operational status of the plumbing, heating, electrical and air conditioning and mechanical systems at the property, to determine if there are any structural defects and to determine the existence of any water leaks at the property. If the Buyer chooses to have this inspection, the inspection must be completed and a report issued within fifteen (15) days from the date the Buyer received a fully executed copy of the Contract. If the results of the inspection are in any manner unsatisfactory to the Buyer, the Buyer may, in the Buyer's sole discretion, either:

- 1) terminate this Contract by written notice to the Seller within fifteen (15) days from the date the Buyer received a fully executed copy of the Contract; or
- 2) the Buyer may deliver to the Seller the inspection report and a list of unsatisfactory items within the fifteen (15) day inspection period. If the Buyer and Seller do not resolve, in writing, the unsatisfactory items, the Buyer may terminate this contract by written notice to the Seller within twenty (20) days from the date the Buyer received a fully executed copy of the Contract.

In the event the Buyer terminates this Contract in accordance with this paragraph, all deposit monies then held shall immediately be returned to the Buyer and this Contract shall be null and void and neither party shall have any further liability to the other; provided however, if the Seller has not yet received a copy of the inspection report, the Seller may request same from the Buyer and the deposit shall not be returned to the Buyer and the Contract is not terminated until the Seller's receipt of the report. In the event the Buyer does not obtain the report within the fifteen (15) day period or does not serve written notice of termination within the time period required, this paragraph shall have no further force and effect and the Buyer shall only be entitled to rely on such other rights with respect to the condition of the property as are elsewhere set forth in this Contract.

23. **ENVIRONMENTAL REPRESENTATION.** The Seller represents to the best of Seller's knowledge and belief that the property and this transaction are in compliance with all federal, state, county and municipal environmental rules and regulations and there are no hazardous or toxic materials, substances or gases on the property, nor are there any underground storage tanks on the property, nor have any prior underground storage tanks been removed or closed in place. The Buyer may inspect the property to determine the existence of any underground fuel storage tanks or hazardous or toxic materials, substances or gases on the property. Said inspection must be by a reputable inspection company and must be completed within 15 days from the date the Buyer receives a fully executed copy of the Contract. The Buyer is not authorized, without the prior written approval of the Seller, to disturb, alter or modify in any manner improvements or landscaping during this inspection. If the results of this inspection indicate the existence of an underground fuel storage tank at the property or any hazardous or toxic materials, substances or gases on the property, the Buyer may terminate this Contract by written notice to the Seller within the 15 day period. In the event the Buyer terminates this Contract in accordance with this provision, all deposit monies then held shall immediately be returned to the Buyer and this Contract shall be null and void and neither party shall have any further liability to the other

so long as the Seller was not aware of the existence of the underground fuel storage tank, or the hazardous or toxic materials, substances or gases at the property.

24. **RISK OF LOSS.** The risk of loss or damage to the property by fire or otherwise, excepting normal wear and tear, is on the Seller until the Closing. If there is damage, the Buyer can proceed with the closing and either: (a) require the Seller repair the damage before the closing; or (b) instead of repair by the Seller, make a proper deduction for the estimated cost of repair from the purchase price. In addition, either the Seller or the Buyer may cancel this Contract if the estimated costs of repair are more than 10% of the purchase price.

25. **ASSESSMENTS.** Certain municipal improvements, such as sidewalks and sewers, may result in a municipality charging property owners to pay for the improvement. These charges are called assessments. All assessments which may be imposed by the municipality for public improvements which have been completed as of the date of this Contract are to be paid in full by the Seller or credited to the Buyer at closing.

26. **ADJUSTMENTS AT CLOSING.** Real estate taxes, rents, water and sewer charges, and any existing mortgage to be assumed by the Buyer, insurance premium, if any, are to be apportioned as of the date of actual closing of title. If the property is heated by fuel oil, the Buyer will purchase the fuel in the tank on the closing date at the then-current price as calculated by the supplier.

27. **COMMISSION CLAUSE.** The Seller agrees to pay a commission of _____ to _____ for their service in effecting this sale, which the Seller agrees to pay at the time of final settlement with the passing of the deed. The Seller directs the settlement clerk to deduct the commission from the proceeds of the sale. If the Seller accepts forfeiture of deposit monies as liquidated damages, or on account of the purchase price, he agrees to pay the agent per listing of the deposit monies. If the Seller fails to fulfill his part of the Contract after it has been accepted, he will pay the agent the full commission specified herein.

28. **RECORDING OF CONTRACT.** This Contract shall not be recorded in the office of the County Clerk or in any other office or place of public record. If the Buyer records this Contract or permits the same to be recorded, the Seller may, at his option, elect to treat this act as a breach of this Contract.

29. **POSSESSION.** At the closing, the Buyer will be given possession of the property. No tenant will have any right to the property unless otherwise agreed in this Contract by the Seller and the Buyer. This Contract is subject to the following leases:

Any leases entered into after the signing of this Contract must be signed by the Buyer and the Seller.

30. **NO RELIANCE ON OTHERS.** This Contract is entered into on the knowledge of the parties as to the value of the land and whatever buildings are upon the property and not on any representations made by the Seller, the named REALTOR(s) or their agents as to character or quality.

31. **NO ASSIGNMENT.** This Contract shall not be assigned without the written consent of the Seller. This means that the Buyer may not transfer his rights to buy the property to anyone else.

32. **CANCELLATION OR DEFAULT OF CONTRACT.** If the Buyer does not make settlement in accordance with the terms of this Contract, all deposit monies may be retained by the Seller either on account of the purchase price or as compensation for the damages and expenses which the Seller has incurred. If the Seller elects to consider deposit monies as compensation for damages, this Contract shall be canceled without further liability to either party except as the Seller may be liable to REALTOR(S) for commission or other payment.

In the event that the Seller does not perform in accordance with this Contract, or the Seller is unable to deliver marketable title, and the Buyer is unwilling to accept such title as the Seller can make, then the Buyer has the choice of demanding the return of all deposit monies, together with reasonable costs incurred for examination of title, survey and mortgage application fees or bringing any action in court to which the Buyer may be entitled.

In the event settlement is not held in accordance with this Contract, or any dispute arises in which the parties cannot agree as to the disposition of deposit monies, it is agreed that _____ shall act as Escrow Agent and shall retain the monies in escrow until the parties otherwise agree or a determination is made by the courts. Additionally, when a dispute arises as to the disposition of deposit monies under this Contract, the third party holding such deposit monies may unilaterally deposit the disputed funds in the Superior Court of New Jersey pursuant to the court rules and laws of the State of New Jersey.

33. **ATTORNEY REVIEW.** 1. Study by Attorney. The Buyer or the Seller may choose to have an attorney study this Contract. If an attorney is consulted, the attorney must complete his or her review of the Contract within a three-day period. This Contract will be legally binding at the end of this three-day period unless an attorney for the Buyer or the Seller reviews and disapproves of the Contract.

2. Counting the Time. You count the time from the date of delivery of the signed Contract to the Buyer and the Seller. You do not count Saturdays, Sundays or legal holidays. The Buyer and the Seller may agree in writing to extend the three-day period for attorney review.

3. Notice of Disapproval. If any attorney for the Buyer or the Seller reviews and disapproves of this Contract, the attorney must notify the Broker(s) and the other party named in this Contract within the three-day period. Otherwise, this Contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) by fax, email, personal delivery or overnight mail with proof of delivery. Notice by overnight mail will be effective upon mailing. The personal delivery will be effective upon delivery to the Broker's office. The attorney may also, but need not, inform the Broker(s) of any suggested revision(s) in the Contract that would make it satisfactory.

34. **COMPLETE AGREEMENT.** This Contract is the entire and only Contract between the Buyer and Seller. This Contract cancels any previous Contracts between the Buyer and Seller. This Contract can only be changed by a contract in writing signed by both the Buyer and the Seller. The Seller states that he has not made any other contract to sell the property to anyone else. No representations have been made by any of the parties, REALTOR(S) or their agents other than as set forth in this Contract.

35. **EASEMENTS.** An easement is a privilege or right a person may have to use the land of another person. An example of this would be a right of way. Unless set forth otherwise in this paragraph, the Seller represents there are no existing easements affecting this property which would unreasonably interfere with the present use of the Property.

36. **CLOSING COSTS AND TRANSFER FEES TO BE PAID BY THE BUYER AND SELLER.** Seller shall pay for the drawing of the deed and the transfer fee required of the Seller by law, but all searches, title insurance and other conveyancing expenses, including the transfer fee required by law of the Buyer, are to be paid by the Buyer. Where the Purchase Price is in excess of One Million Dollars (\$1,000,000.00), the law requires the Buyer to pay a transfer fee of 1% of the entire Purchase Price. The Seller shall also pay, if applicable, the estimated New Jersey Gross Income Tax payment required by law at the time of closing. This Income Tax payment may be required of non-resident individuals, estates or trusts and may not be less than

2% of the Purchase Price. Standard and customary settlement or closing fees charged by the agent conducting the closing shall be paid one-half by the Buyer and one-half by the Seller.

37. **COUNTERPARTS AND/OR FACSIMILE SIGNATURE.** This Contract may be executed in any number of counterparts, including counterparts transmitted by telecopier or FAX, any one of which shall constitute an original of this contract. When counterparts or facsimile copies have been executed by all parties, they shall have the same effect as if the signatures to each counterpart or copy were upon the same document and copies of such documents shall be deemed valid as originals. The parties agree that all such signatures may be transferred to a single document upon the request of any party.

38. **FLOOD HAZARD AREA.** Buyer acknowledges that the property may be within a flood hazard area, and Buyer waives any rights Buyer may have to cancel this Contract for this reason. If the property is located in a flood hazard area, the Buyer acknowledges that existing flood hazard areas, as well as flood insurance and construction requirements may be subject to change in the future. Notwithstanding any other provisions of this Contract, the parties agree that the Buyer's review of the condition of the property under the house inspection contingency in this Contract shall include any and all matters relating to current and future flood hazard areas and flood insurance. The Buyer understands that the real estate broker, broker-salesperson or salesperson has no special training or expertise with respect to flood hazard area analysis or flood insurance issues. The Buyer is advised to obtain independent experts to review flood hazard areas and flood insurance issues.

39. **SMOKE DETECTOR, CARBON MONOXIDE ALARM AND PORTABLE FIRE EXTINGUISHER COMPLIANCE.** The Seller, at Seller's sole expense, shall obtain and produce at settlement a certificate evidencing that the property complies with the requirements of the Uniform Fire Safety Act as supplemented by New Jersey Statutes Annotated 52:27D-198.1. This law requires that the property contain smoke-sensitive alarm devices in specified areas and that no sale or change of occupancy is permitted without obtaining a certificate evidencing compliance with the Act. The Seller will also comply with any and all requirements with respect to carbon monoxide inspection and carbon monoxide sensitive alarm devices. In addition, the Seller shall comply with portable fire extinguisher legal requirements (CSDCMAPFEC).

40. **NOTICES.** All notices under this Contract must be in writing. The notices shall be delivered or mailed to the other party at the address written in this Contract or their REALTOR, or to that party's attorney.

41. **AIRPORT SAFETY ZONE.** The Air Safety and Zoning Act of 1983 requires buyers of certain properties to be notified that the property being purchased may be located in an Airport Safety Zone. The Buyer acknowledges that in the event this property is located in an Airport Safety Zone as delineated under this Act, the Buyer has received and acknowledged written notice of this fact from the Realtor.

42. **MEGAN'S LAW STATEMENT.** Under New Jersey Law, the county prosecutor determines whether and how to provide notice of the presence of convicted sex offenders in an area. In their professional capacity, real estate licensees are not entitled to notification by the county prosecutor under Megan's Law and are unable to obtain such information. Upon closing, the county prosecutor may be contacted for such further information as may be disclosable to you.

43. **CONVERSION TO CONDOMINIUM.** In the event the property is part of a two unit building which the Seller intends to convert to the condominium form of ownership prior to the closing, the Buyer acknowledges that the Buyer has received the appropriate disclosure notice prior to execution of this Contract as required by the New Jersey Department of Community Affairs and state law.

44. **CONDOMINIUM REVIEW.** Seller shall provide to the Buyer a copy of the Master Deed, By Laws and Rules and Regulations for the condominium together with all exhibits and amendments as recorded in

the county clerk's office. The Seller shall also provide to the Buyer a copy of the current budget of the condominium and a statement of current common expense fees together with outstanding or anticipated assessments. Upon receipt, the Buyer shall have a period of ten (10) days to review the documents. If the Buyer does not approve of the documents or current financial status of the condominium, the Buyer shall so notify the Seller in writing within the ten (10) day period and the Contract shall then be null and void whereupon all deposit money shall be returned to the Buyer with no further liability between the parties. If the Buyer does not issue a notice of disapproval within the time period, the Buyer is deemed to have accepted the financial status and the documents and the Buyer is bound by the provisions contained in these documents. The parties agree to make an adjustment at closing for all common expenses or assessments to become due during the calendar year. Such charges will be apportioned based upon the period of ownership of each party during that year. Notwithstanding and in addition to the foregoing, in the event the Master Deed or any other document contains a right of first refusal of a third party to purchase the Property, the Seller may cancel this Contract upon written notice to the Buyer that the third party has exercised the right of first refusal.

45. **AGENCY DISCLOSURE.** In New Jersey, real estate licensees are required to disclose how they intend to work with buyers and sellers in a real estate transaction. The Buyer and the Seller acknowledge that they have been informed by the REALTOR(S) of the four business relationships available between Buyers/Sellers and REALTOR(S) and that the REALTOR(S) have delivered a Consumer Information Statement on New Jersey Real Estate Relationships as required under the law.

46. **DECLARATION OF LICENSEE BUSINESS RELATIONSHIP(S).**

A. BHHS Fox and Roach, REALTORS and Kevin Decosta
[Name of Firm] [Name of Licensee]
as its authorized representative(s), are working in this transaction as (indicate one of the following):

☐ Seller's Agent ☐ Buyer's Agent
☐ Disclosed Dual Agent ☐ Transaction Broker

B. Information supplied by _____ has indicated that it is operating in this transaction as a:

☐ Seller's Agent ☐ Buyer's Agent
☐ Disclosed Dual Agent ☐ Transaction Broker

C. If the agent is acting as a disclosed dual agent, the parties acknowledge execution and delivery of a separate writing which confirms each party's informed consent to the agent acting as a Disclosed Dual Agent in this transaction.

47. **SELLER'S DISCLOSURE.** The Seller (check one): has ☐ has not ☐ provided a Property Condition Disclosure Statement in accordance with N.J.A.C. 13:45A-29.1. If provided, the Buyer has acknowledged receipt of this statement at or prior to the execution of this Contract. The Buyer understands that although the real estate broker, broker-salesperson or salesperson visually reviewed the property to ascertain the accuracy of the information disclosed by the Seller, the real estate broker, broker-salesperson or salesperson is not a home inspector, engineer, architect, environmental specialist or mechanical contractor. While a real estate broker, broker-salesperson or salesperson is trained as a licensee under the License Law of the State of New Jersey, such persons have no special training or experience with respect to the complexities pertaining to the multitude of structural, topographical and environmental components of the property. They have no special training, knowledge or experience with regard to discovering and/or evaluating physical defects including structural defects, roof, basement, mechanical equipment such as heating, air conditioning, electrical systems, sewage, plumbing, exterior drainage, termite and other types of infestation or damage caused by such infestation or environmental conditions such as underground storage tanks, lead or other pollutants or hazards

in the soil, water or air, including mold. The Buyer has been advised to obtain independent experts to inspect and review the property and all aspects of this transaction.

48. **COMPLIANCE WITH BULK SALES RULES.** The New Jersey Bulk Sales Law is applicable to certain real estate transaction. The Buyer may be liable for taxes of the Seller if this law is applicable and the Buyer has not notified the New Jersey Division of Taxation and obtained a tax clearance certificate. Generally, this law states that the Bulk Sale requirements do not apply to the sale of a simple dwelling house if the Seller is an individual, estate or trust. A "simple dwelling house" includes a one or two family building, a unit in a housing cooperative or a unit in a condominium. It does not include a structure containing more than two residential units or containing, in accordance with the tax assessor's records, a commercial property, including, or in addition to, a residential unit. This law does not apply to the sale of a seasonal rental unit if the Seller is an individual, estate or trust. A "seasonal residential unit" includes a time share or dwelling unit rented for a term of not more than 125 consecutive days for residential purposes. If the law applies to this transaction, Seller agrees to complete its portion of and deliver to Buyer the New Jersey Tax Form C-9600 (Notification of Sale, Transfer or Assignment in Bulk) and the Asset Transfer Tax Declaration. Buyer shall have the right to use said forms to notify the New Jersey Division of Taxation of this sale and transfer of assets, whereupon Seller agrees to comply with all requirements of said Division of Taxation as a condition precedent to Closing. In the event that the necessary clearance is not received from the New Jersey Division of Taxation prior to Closing, Buyer may hold back from the purchase price such amount as shall be specified by the New Jersey Division of Taxation. Such money shall be held in escrow by Buyer's designee until such time as Buyer shall receive a tax clearance letter. Upon receipt of such tax clearance letter, the money shall be released from escrow and immediately paid to Seller. However, if the Division of Taxation advises that Seller is obligated to pay tax amounts, Seller shall immediately forward such amounts to the Division of Taxation in order to satisfy all tax obligations of Seller and shall send a copy of payment and cover letter to Buyer. Failure to do so shall be cause for Buyer to direct the escrow agent to pay the Division of Taxation from the escrowed amount, and seek any other appropriate remedies. The Seller indemnifies the Buyer for any state tax liability.

49. **NEW HOME WARRANTY.** In the event the property was constructed within the last ten (10) years and a New Home Warranty was issued with respect to the property pursuant to New Jersey law, the Seller shall transfer the balance of such warranty to the Buyer at closing.

50. **REAL ESTATE AGENTS AND BROKERS TO RECEIVE CLOSING DISCLOSURE DOCUMENTS.** Buyer and Seller agree that real estate agents and brokers involved in this transaction will be provided with the Closing Disclosure documents and any amendments to those documents at the same time as the Consumer Financial Protection Bureau requires that those documents be provided to the Buyer and Seller.

51. **CALENDAR DAYS.** The provisions of this agreement call for a party to act within a certain period of days. All references to "days" in this Contract refer to calendar days and not business days unless the Contract clearly indicates otherwise (for example, paragraph 33 and the attorney review provisions).

52. **FIRPTA.** The Seller certifies, under oath and penalties of perjury, that the Seller is not a "foreign person" under the Internal Revenue Code Section 1445. The Seller shall also provide an affidavit to this effect at closing which includes the Seller's name, U.S. taxpayer identification number and home address (or office address, in the case of an entity).

IN WITNESS WHEREOF, the parties have signed their names and placed their seals on the dates appearing alongside their names.

561 _____
562 Witness _____ Date signed _____ BUYER _____
563 _____
564 _____
565 Witness _____ Date signed _____ BUYER _____
566 _____
567 _____
568 Witness _____ Date signed _____ SELLER _____
569 _____
570 _____
571 Witness _____ Date Signed _____ SELLER _____
572 _____
573 _____
574 This Plain Language Contract approved June 2017 is the only version of this contract now approved by the Ocean City Board of REALTORS®.

REAL ESTATE BROKER INFORMATION

Listing Firm REC License ID

Listing Agent REC License ID

Address

Office Telephone Fax Agent Cell Phone

E-mail

Participating Firm REC License ID

Participating Agent REC License ID

Address

Office Telephone Fax Agent Cell Phone

E-mail

Buyer's
Initials: _____

Seller's
Initials: _____