

## Montgomery County Jurisdictional Addendum to Sales Contract

The Greater Capital Area Association of Realtors, Inc., has created a form entitled “Montgomery County Jurisdictional Addendum to Sales Contract” which includes certain notices and disclosures specific to Montgomery County, Maryland, and modifies certain provisions of the statewide contract form.

Summarized below is a brief description of the various provisions of this Addendum. It is essential that this Addendum be utilized with Montgomery County, Maryland transactions.

1. Master Plan Disclosures: Montgomery County law requires notice to the Buyer of the Buyer’s right to review the Master Plan for the area surrounding the property. The Master Plan shows the planned land uses, roads, parks and other public amenities. Master Plans are available at most libraries or through the County government.
2. Transfer and Recordation Taxes: This provision permits the parties to the Contract to negotiate and specify who is paying the recordation and transfer taxes, and identifies if the Buyer is a First Time Maryland Homebuyer.
3. Private Well and Septic: If the property is on a well/and or septic system, it provides which party will have an inspection performed and provides that if either system is defective, the Seller will pay the cost of correction of any deficiency.
4. Notices: All notices, disclosures and addenda must be in writing and are considered to be “given” at the time the notice is delivered to the party or that party’s agent.
5. Cooperative/Condominium Association Approval: This section requires the Seller to present the Contract to the Cooperative or Condominium Board in the event that the Board has a right of first refusal or the right to approve or disapprove the sale.
6. Foreign Investment Taxes – FIRPTA: Provides that if the Seller is a “foreign person” (non-resident alien of the U.S.A.), withholding of possible income taxes is required if the sales price is over \$300,000.00, or any price if the purchaser will not be an owner occupant.
7. Protection of Homeowners in Foreclosure Act Notice: Notice that if the Seller is 60 days or more in default on any mortgage Seller has the right to rescind the Contract within 5 days of receipt of a Statement About Tenancy, if the Seller is to remain in the property for any period of time following closing.
8. Disputes: In the event of a dispute among the parties, they agree to hold harmless the brokers and agents from liability as long as the dispute is not a result of the action of the broker or agents.
9. Void Contract: In the event that the Contract becomes void, the parties agree to execute an agreement of release of the Contract and the deposit. Wrongful refusal to execute such a release can subject the losing party to an award of attorney fees in favor of the prevailing party .
10. General Provisions: This Paragraph specifies that the terms of the contract survive settlement and contains provisions for compensation of the real estate brokers.
11. Definitions: The Paragraph defines “days” and the computation of time periods in the Contract, and reiterates that the sale is in the “as is” condition except as might be specified otherwise in the contract.

12. Performance: Settlement shall be held by the Settlement Company examining title for the Buyer. Seller agrees to pay a reasonable fee to Buyer's Settlement Company for services rendered on behalf of the Seller.
13. Financing: This section identifies if the Buyer is obtaining new or assuming existing financing, and whether it is Conventional, FHA or VA financing. The appropriate Financing Addendum should be utilized for the type of financing selected.
14. Property Maintenance and Condition: States that the property will be delivered free of trash and in substantially the same physical condition as of the Contract date or Home Inspection date, and reminds the Buyer of their right to conduct a Home Inspection.
15. Electronic Signatures: Authorizes the use of electronic signatures in accordance with the Uniform Electronic Transactions Act (UETA).
16. Settlement Entity: The Purchaser is given the option to specify the settlement company they wish to use to examine title and conduct the closing. Paragraph 16 is best completed by inserting the words "Village Settlements, Inc." in the blank!

Paragraphs 17-28 only apply to the Regional Contract

17. Maryland Non-Resident Seller: Advises that if the Seller is a non-resident of Maryland, there may be a withholding requirement for possible capital gains taxes.
18. Settlement Costs: This section informs the Buyer of their right to select a Settlement Company of their choice.
19. Seller Responsibility: Seller agrees to keep any mortgages against the property free of default.
20. Single Family Residential Real Property Disclosure Notice: Informs Buyers of their right to receive a Disclosure or Disclaimer Statement from Seller unless exempt.
21. Wetlands Notice: This provision informs a Buyer that if the property is in a wetlands, the U.S. Army Corps of Engineers must approve any building permit.
22. Guaranty Fund. Notice to Buyer: Informs the Buyers that they are protected up by the real estate Guaranty Fund up to \$25,000.00 in damages.
23. Home and/or Environmental Inspections: Buyers are afforded the opportunity to have a Home Inspection or Environmental Inspection. An addendum providing for such inspections is required if such an inspection is to be conducted.
24. Renovation, Repair and Painting of Property: Explains that if work is done to repair lead paint in the property, the work must be certified or performed by an EPA certified contractor.
25. Critical Areas Addendum: If the property is located in a "Critical Area" of the Chesapeake Bay, there may be significant restrictions and limitations on land use.
26. Notice to the Parties: The brokers and agents cannot assume responsibility for property condition matters.
27. Property Tax Notice 60 Day Appeal: Buyers have 60 days following settlement on their purchase to appeal the property tax assessment.
28. Deposit: The real estate broker is authorized to hold the initial deposit without negotiation until the Contract has been fully ratified.