

## SOUTHERN MARYLAND CLAUSES ADDENDUM TO MAR RESIDENTIAL/LAND CONTRACT OF SALE

ADDENDUM # \_\_\_\_\_ dated \_\_\_\_\_ Contract of Sale dated \_\_\_\_\_, between  
 Buyer(s) \_\_\_\_\_  
 and Seller(s) \_\_\_\_\_  
 for Property known as: \_\_\_\_\_

**THE FOLLOWING PARAGRAPHS APPLY ONLY IF BOTH BUYER(S) AND SELLER(S) INITIALS APPEAR TO THE LEFT:**

1. **CLOSING COSTS PAID BY SELLER** – Seller agrees to pay at settlement the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), as a contribution toward Buyer's closing costs including, but not limited to, Buyer(s) portion of State and local transfer taxes, recordation taxes, recordation fees, lenders and owners title insurance, prepaid items, lender discount points, any and all lender fees and Broker transaction fees of Buyer(s). Prepaid items shall include, but not be limited to, mortgage insurance, mortgage interest, fire and extended co-premiums, real estate taxes, homeowner association and condominium mandatory fees, and advance escrows for these items.


Seller's contribution toward Buyer's closing costs shall be in addition to and not in lieu of or in substitution for the payment by Seller at settlement of Seller's portion of State and local transfer taxes as provided in paragraph 24 of the Contract. The allocation of Seller's closing costs contribution shall be applied toward Buyer's closing cost at the discretion of Buyer, but in no event shall such allocation exceed the sum stated above.

2. **DISCLOSURE OF LICENSEE STATUS:**  
 Buyer  Seller  hereby discloses that he/she is a Maryland real estate licensee.  
 \_\_\_\_\_, who is a Maryland real estate licensee involved in this transaction, is related to the Buyer  Seller .


3. **PRELIMINARY LENDER'S APPROVAL** – The Contract of Sale is conditional on the Buyer(s) obtaining written preliminary lender's approval within \_\_\_\_\_ (\_\_\_\_\_) days of acceptance of the Contract of Sale. Approval must be based upon lender's written verification of satisfactory tri-merged credit report, verification of funds to close and verification of employment. If such approval is not obtained in the above specified time period, Seller may declare the Contract of Sale null and void and all deposits shall be disbursed in accordance with the Deposit paragraph of the Contract of Sale.


**HOME WARRANTY:** Company Name: \_\_\_\_\_ \$ \_\_\_\_\_  
 Paid by:  Buyer  Seller


5. **SELLER'S PURCHASE OR LEASE CONTINGENCY** – Buyer and Seller acknowledge that the Contract of Sale is conditioned upon and expressly subject to, Seller's purchase of lease of another home, including (if a purchase) final lender commitment. Should Seller not enter into an enforceable Lease or Contract of Sale and receive final loan commitment for purchase of Seller's new home within \_\_\_\_\_ (\_\_\_\_\_) days after the Date of Acceptance of the Contract of Sale, then Seller or Buyer, upon written notice, may declare the Contract of Sale null and void, and in such event, all deposit monies shall be disbursed in accordance with the Deposit paragraph of the Contract of Sale.


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6. **BUYER'S CONTINGENCY FOR SALE, SETTLEMENT OR LEASE OF OTHER REAL ESTATE:** The Contract is contingent upon the sale, financing, settlement, or lease, as initialed below, of Buyer's existing home or other real estate, known as: \_\_\_\_\_  
 ("Buyer's Property") and Buyer's delivery to Seller of written documentation of such event as initialed below within the time period specified. **Only these sections below (A, B, C) initialed by both Buyer and Seller shall apply to this Addendum.**


- A. The Contract is contingent upon the Buyer entering into a written contract of sale for purchase of Buyer's **Property on or before** \_\_\_\_\_ (Date).
- B. The Contract is contingent upon the contract purchaser of Buyer's Property receiving written financing commitment for purchase of Buyer's Property on or before \_\_\_\_\_ (Date).
- C. The Contract is contingent upon:  
 the settlement of Buyer's Property on or before \_\_\_\_\_ (Date).  
**OR** the execution of a written Lease Agreement for Buyer's Property on or before \_\_\_\_\_ (Date).

If the above initialed event(s) do(es) not occur (and/or) if Seller has not received appropriate documentation by the date specified, either Buyer or Seller, upon written notice to the other, may declare the Contract null and void and of no further force and effect and, in such event, all Deposit(s) shall be disbursed in accordance with the Deposit(s) paragraph of the Contract.

If Buyer's Property is not under a contract of sale or written lease agreement at time of execution of the Contract, Buyer's Property shall be listed for sale or lease as initialed in C above, with a licensed real estate broker who is a member of a multiple listing service, and evidence of the listing shall be delivered to Seller within \_\_\_\_\_ (\_\_\_\_\_) days from the Date of Contract Acceptance. If evidence of the listing is unsatisfactory to Seller, Seller, upon written notice to Buyer within \_\_\_\_\_ (\_\_\_\_\_) days of receipt of Buyer's evidence, may declare the Contract null and void and of no further force and effect and, in such event, all Deposit(s) shall be disbursed in accordance with the Deposit(s) paragraph of the Contract.

Buyer may not remove this contingency unless Buyer obtains a written financing commitment or other documentation demonstrating the financial ability of Buyer to settle on the Property without regard to the sale, settlement, and/or lease of Buyer's Property and provides such financing commitment or other documentation to Seller. Seller, at Seller's sole discretion, shall determine whether the commitment or documentation is satisfactory evidence of Buyer's financial ability to complete settlement of the Property. If in the event Seller determines that such commitment or documentation as provided by Buyer is not satisfactory, Seller, upon written notice to Buyer within \_\_\_\_\_ (\_\_\_\_\_) days of receipt of Buyer's financing commitment or other documentation, may declare the Contract null and void and of no further force and effect and, in such event, all Deposit(s) paragraph of the Contract.


7. **SETTLEMENT TO COINCIDE WITH BUYER'S TRANSACTION:** -- Settlement under the Contract of Sale shall coincide with the settlement of Buyer's home at \_\_\_\_\_.


8. **SETTLEMENT TO COINCIDE WITH SELLER'S TRANSACTION:** -- Settlement under the Contract of Sale shall coincide with settlement of Seller's new home at \_\_\_\_\_.


9. **KICKOUT CLAUSE** – Seller reserves the right to continue to offer the Property for sale in order to obtain other offers. In the event Seller receives another written offer which Seller desires to accept, Seller shall immediately notify Buyer, in writing, that Buyer shall have 72-hours to remove the contingency regarding sale, settlement or lease of other property. Seller shall not be obligated to provide Buyer with evidence of receipt of another offer. The 72-hours shall commence when the written notice is delivered in person or by facsimile, first class mail, electronic communication, including e-mail or any other means permitted by law, to Buyer or Buyer's agent. If Buyer fails to remove the contingency in writing or fails to respond within the 72-hour period, the Contract shall be null and void and of no further force and effect and the deposit shall be disbursed in accordance with the Deposit(s) paragraph of the Contract. If Buyer elects to remove the contingency, Buyer shall do so in a written Addendum delivered to Seller

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or Seller's agent within the 72-hour period together with a financial statement or other financial information, satisfactory to Seller, to demonstrate Buyer's financial ability to complete settlement without the sale, settlement or lease of any other property owned by Buyer. Seller, at Seller's sole discretion, shall determine whether the financial statement or information provided by Buyer is satisfactory evidence of the Buyer's financial ability to complete settlement on the Property.

**10. KICKOUT CLAUSE FOR CONTINGENCIES OTHER THAN PROPERTY SALE** – Seller reserves the right to continue to offer the property for sale in order to obtain other offers. In the event Seller receives another written offer which Seller desires to accept, Seller shall immediately notify Buyer, in writing, that Buyer shall have 72-hours to remove the contingency regarding sale, settlement or lease of other property. Seller shall not be obligated to provide Buyer with evidence of receipt of another offer. The 72-hours shall commence when the written notice is delivered in person or by facsimile to Buyer or Buyer's agent. If Buyer fails to remove the contingency in writing, or fails to respond within the 72-hour period, the Contract shall be null and void and of no further force and effect and the deposit shall be disbursed in accordance with the Deposit(s) paragraph of the Contract. If Buyer elects to remove the contingency, Buyer shall do so in a written Addendum delivered to Seller or Seller's agent within the 72-hour period together with a financial statement or other financial information, satisfactory to Seller, to demonstrate Buyer's financial ability to complete settlement without the sale, settlement or lease of any other property owned by Buyer. Seller, at Seller's sole discretion shall determine whether the financial statement or information provided by Buyer is satisfactory evidence of the Buyer's financial ability to complete settlement on the Property. In the event Buyer cannot or will not remove the contingency regarding \_\_\_\_\_,

then the Contract of Sale shall be null and void and all deposit monies shall be disbursed in accordance with the Deposit(s) paragraph of the Contract of Sale. Buyer understands and agrees that Buyer may not remove the referenced contingency unless Buyer provides written evidence satisfactory to Seller that Buyer can proceed to settlement as otherwise provided.

**11. PRE-SETTLEMENT OCCUPANCY** – Seller Agrees to grant occupancy to Buyer in accordance with the attached Pre-Settlement Occupancy Agreement, which is made a part of the Contract of Sale, Seller and Buyer acknowledge that they have read and signed the attached Pre-Settlement Occupancy Agreement and understand its terms and provisions.

**12. POST-SETTLEMENT OCCUPANCY** – Buyer agrees to allow Seller to remain in possession of the Premises in accordance with the terms of the attached Post-Settlement Occupancy Agreement, which is made a part of the Contract of Sale. Seller and Buyer acknowledge that they have read and signed the attached Pre-Settlement Occupancy Agreement and understand its terms and provisions.

**13. TITLE SUBJECT TO AN EXISTING LEASE** – Buyer agrees to take title to the property subject to an existing lease. Buyer acknowledges that buyer has received a copy of said lease and has read the lease and is fully familiar with all the covenants, terms and conditions of the lease. Any and all security deposits plus interest shall be transferred to Buyer at settlement. Seller shall not negotiate new leases on the Property without the written consent of Buyer.

**14. RE-WRITTEN AGREEMENT BETWEEN BUYER AND SELLER** – The Contract of Sale supersedes the written Contract of Sale that Buyer and Seller entered into on \_\_\_\_\_; and Buyer hereby authorizes \_\_\_\_\_, Broker, to apply all deposits paid by Buyer under the previous Contract of Sale to the Contract of Sale.

**15. TRANSFER OF DEPOSIT** – It is understood that the amount of the deposit reflected in the Contract of Sale is currently held by \_\_\_\_\_, Broker, and that \$ \_\_\_\_\_ is the total amount of any and all deposits received from Buyer by \_\_\_\_\_, Broker, who is hereby authorized by Buyer to transfer the above-referenced deposit to the Contract of Sale.

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16. **GIFT OF FUNDS CONTINGENCY** – The Contract is contingent on the ability of the Buyer to obtain a gift of cash in the amount of \$ \_\_\_\_\_. At Seller's sole discretion, Seller shall accept as evidence of the gift (specific manner of validating existence of gift, e.g., deposit slip, letter, etc.) \_\_\_\_\_.


Evidence of the gift, in compliance with paragraph #2 above and approved in writing by Lender, will be provided to Seller, by Buyer, within \_\_\_\_\_ (\_\_\_\_) days from the Date of Contract Acceptance. Buyer agrees to comply with any lender regulations that may require the transfer and deposit of funds to Buyer's account or escrow account prior to settlement. In the event evidence of said gift specified in paragraph #2 above is not provided to Seller as specified in paragraph #3 above, or if Seller, at Seller's sole discretion is not satisfied with the evidence of the gift, then Seller, at Seller's sole option may declare the Contract null and void; and all Deposit(s) shall be disbursed in accordance with the Deposit(s) paragraph(s) of the Contract.

17. **RIGHT TO FARM ORDINANCE – CALVERT, CHARLES AND ST. MARY'S COUNTIES** – If the Property being purchased or leased is located in Calvert, Charles or St. Mary's Counties, the transferor is required, prior to or upon transfer of the Property, to provide Buyer or Lessee with a Real Estate Transfer Disclosure Statement advising the Buyer or Lessee of the existence of the respective County's Right to Farm Ordinance, which Statement is required to be in such form as required by the laws of the respective County.


Real Estate Transfer Disclosure Statement attached:  Yes  No

18. **SECONDARY CONTRACT – (Primary Contract of Sale has NO Kickout Clause)** – Buyer acknowledges the Contract of sale is accepted as first back-up to a pre-existing Contract of Sale and will become the primary Contract of Saler only upon the receipt by Seller of a written release of the pre-existing Contract of Sale. Buyer reserves the right to terminate the Contract of Sale upon written notice to Sellter until such time as Buyer has been notified in writing that the Contract of Sale has become the primary Contract of Sale on the Property.


19. **SECONDARY CONTRACT – (Primary Contract of Sale contains a Home Sale Contingency AND a Kickout Clause)** – Buyer acknowledges that the Contract of Sale is accepted as a first back-up to a pre-existing Contract of Sale on the Property and will become primary only upon notification that the pre-existing contract has been released in writing. Buyer reserves the right to terminate the Contract of Sale upon written notice to Seller at any time until such time as Buyer has been notified in writing that the Contract of Sale has become the primary Contract of Sale. Buyer acknowledges that the pre-existing Contract of Sale is also a contingent contract with a kick-out notification provision which shall NOT be activated by Seller unless and until Buyer under the Contract of Sale removes in writing, to the satisfaction of Seller, this Buyer's contingency regarding the sale of Buyer's property.


20. **SUBJECT TO RELEASE** – The Contract of Sale is subject to  (Buyer)/  (Seller) being released in writing from a prior real estate sales contract not later than midnight \_\_\_\_\_. Should  (Buyer)/  (Seller) not be released in writing by the above date and time, the Contract of Sale shall be null and void and all deposits shall be disbursed in accordance with the Deposit(s) paragraph of the Contract of Sale.


21. **PRIVATE ROAD MAINTENANCE AGREEMENT** – The Contract of Sale is contingent upon Seller's providing a copy of a Private Road Maintenance Agreement to Buyer within \_\_\_\_\_ (\_\_\_\_) days from Date of Acceptance of the Contract of Sale. Said Agreement shall contain the names of all owners sharing the private road to the Property. Should Seller not deliver the Agreement in the above time period or if the Agreement is delivered without the required names, or in the event said Agreement is unacceptable to Buyer, Buyer may declare the Contract of Sale null and void by written notice to Seller within five (5) days of receipt of said Agreement, and all deposits shall be disbursed in accordance with the Deposit(s) paragraph of the Contract of Sale.


22. **RECEIPT OF PRIVATE ROAD MAINTENANCE AGREEMENT** – Prior to the execution of this Addendum, Buyer acknowledges receiving and reviewing a copy of the recorded or proposed Road Maintenance Agreement and has no objection to the terms of said Agreement.


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 23. **ROAD CONSTRUCTION** – Seller agrees to construct, at Seller’s expense, a road to subject property in accordance with County/State specifications. If road is not installed by \_\_\_\_\_, then the Contract of Sale may, at the option of Buyer upon written notice to Seller, become null and void and of no further legal effect, and all deposit monies shall be disbursed in accordance with the Deposit(s) paragraph of the Contract of Sale.


 24. **TIME LIMIT** – If acceptance of this offer or a counter-offer to this offer does not occur on or before \_\_\_\_\_, the Contract of Sale offer shall become null and void and the Deposit(s) shall be returned to Buyer.


 25. **THIRD PARTY APPROVAL** – The Contract of Sale is subject to approval by \_\_\_\_\_ (the “Third Party”). (  ) Buyer/(  ) Seller, as indicated, shall deliver written notice of disapproval to the other party within \_\_\_\_\_ (\_\_\_\_\_) days from the Date of Contract Acceptance. In the event of such notice, the Contract of Sale shall become null and void and of no further force and effect, and the earnest money deposit shall be returned to Buyer in accordance with the Deposit(s) paragraph of the Contract of Sale. In the event notice of disapproval is not delivered within the specified time period, this contingency shall be deemed satisfied and removed, and the Contract of Sale shall remain in full force and effect. No notice of approval is required.


 26. **LIKE KIND TAX-DEFERRED EXCHANGE – PURCHASE** – It is the intent of Buyer to acquire this Property as a replacement property in a Like Kind Tax-Deferred Exchange under Section 1031 of the Internal Revenue Code (Exchange). Each reference to “Buyer” or “purchase” in the Contract of Sale is stricken and replaced with the terms “Exchangor” or “exchange”, as appropriate. Buyer/Exchangor may assign the Contract of Sale to a Qualified Intermediary, solely for the purpose of completing Exchange, and shall deliver written notice to Seller when said assignment is made. Title shall be conveyed directly from Seller to Buyer/Exchangor in accordance with Revenue Ruling 90-34. Seller shall be held harmless by Buyer/Exchangor and Seller will incur no additional expense or liability as a result of this Like Kind Tax-Deferred Exchange.


 27. **LIKE KIND TAX-DEFERRED EXCHANGE – SALE** – It is the intent of Seller to transfer this Property as part of a Like Kind Tax-Deferred Exchange under Section 1031 of the Internal Revenue Code (Exchange). Each reference to “Seller” or “sale” in the Contract of Sale is stricken and replaced with the terms “Exchangor” or “exchange,” as appropriate Seller/Exchangor may assign the Contract of Sale to a Qualified Intermediary, solely for the purpose of completing exchange for other replacement property to be identified and acquired later by the Seller/Exchangor, and shall deliver written notice to Buyer when said assignment is made. Title shall be conveyed directly from the Seller/Exchangor to Buyer in accordance with Revenue Ruling 90-34. Buyer shall be held harmless by Seller/Exchangor, and Buyer will incur no additional expense or liability as a result of this Exchange.


 28. **SUITABILITY/FEASIBILITY FOR BUYER’S PURPOSE** – Buyer shall secure, at Buyer’s expense and risk, satisfactory feasibility studies to determine whether the Property is acceptable for Buyer’s intended use as \_\_\_\_\_ (type of use). In the event Buyer, in Buyer’s sole discretion, determines the contemplated use is not feasible, Buyer may terminate the Contract of Sale by delivery of written notice to Seller within \_\_\_\_\_ (\_\_\_\_\_) days from the Date of Contract Acceptance, and all deposit(s) shall be disbursed in accordance with the Deposit(s) paragraph of the Contract of Sale.

29. **AGRICULTURALLY ASSESSED PROPERTY/MANDATORY SLUDGE NOTICE** – *If subject property is agriculturally assessed, Buyer is given the following notice:*


 UNDER SECTION 9-241 OF THE ENVIRONMENTAL ARTICLE OF THE ANNOTATED CODE OF MARYLAND, THE DEPARTMENT OF THE ENVIRONMENT IS REQUIRED TO MAINTAIN PERMANENT RECORDS REGARDING EVERY PERMIT ISSUED FOR THE UTILIZATION OF SEWAGE SLUDGE, INCLUDING THE APPLICATION OF SEWAGE SLUDGE ON FARM LAND. A PROSPECTIVE BUYER HAS THE RIGHT TO ASCERTAIN ALL SUCH INFORMATION REGARDING THE PROPERTY BEING SOLD UNDER THIS TRANSACTION.

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30. **PERMITS** – This Agreement is subject to the Purchasers ability to obtain (or verification they can obtain) the issuance of all permits necessary to construct a home suitable to the Purchasers prior to \_\_\_\_\_.  
The cost to obtain all permits shall be at the expense of Purchasers. If permits cannot be obtained, this Agreement may become null and void at the Purchasers option and the deposit refunded.

31. **PROOF OF VALID PERC TEST** – This Agreement is contingent upon the Purchasers receiving from the Seller written evidence of a recorded perc test from the Department of Health of \_\_\_\_\_ County within \_\_\_\_\_ (\_\_\_\_\_) days of acceptance of this Agreement. Should Purchasers not obtain satisfactory perc test results, this Agreement may become null and void at Purchasers option and the deposit will be refunded.

32. **CONTINGENT UPON PERC** – This Agreement is contingent upon the Purchasers, at Purchasers expense, obtaining from the Department of Health of \_\_\_\_\_ County a valid perc test satisfactory to Purchasers at a location acceptable to Purchasers within \_\_\_\_\_ (\_\_\_\_\_) days of acceptance of this Agreement. Should Purchasers not obtain satisfactory perc test results, this Agreement may become null and void at Purchasers option and the deposit will be refunded.

33. **INOPERABLE SEPTIC** – Purchasers acknowledge that the septic system serving this property does not function properly, and all repairs and expense required to correct same, including the installation of a new system, are the sole responsibility of the Purchaser.

34. **UNPOTABLE WELL** – Purchasers acknowledge that the well serving this property does not pass potability tests, and all repairs and expenses required to correct same, including the installation of a new system, are the sole responsibility of the Purchaser.

**All other terms and conditions of the Contract of Sale remain in full force and effect.**

Buyer Date

Seller Date

Buyer Date

Seller Date



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