

# BUYING YOUR HOME MASSACHUSETTS DISCLOSURES



GRANTHOMES  
REAL ESTATE

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# Commonwealth of Massachusetts

## BOARD OF REGISTRATION OF REAL ESTATE BROKERS AND SALESPERSONS

[www.mass.gov/dpl/boards/re](http://www.mass.gov/dpl/boards/re)

### MASSACHUSETTS MANDATORY REAL ESTATE LICENSEE-CONSUMER RELATIONSHIP DISCLOSURE

#### THIS IS NOT A CONTRACT

This disclosure is provided to you, the consumer, by the real estate licensee listed in this disclosure.

#### THE TIME WHEN THE REAL ESTATE LICENSEE MUST PROVIDE THIS NOTICE TO THE CONSUMER:

All real estate licensees must present this form to you at the first personal meeting with you to discuss a specific property. In the event this relationship changes, an additional disclosure must be provided and completed at that time.

#### CONSUMER INFORMATION AND RESPONSIBILITY:

If you are a buyer or seller, you can engage a real estate licensee to provide advice, assistance and representation to you as your agent. The real estate licensee can represent you as the seller (Seller's Agent) or represent you as the buyer (Buyer's Agent), or can assist you as a Facilitator.

All real estate licensees, regardless of the working relationship with a consumer must, by law, present properties honestly and accurately, and disclose known material defects in the real estate.

The duties of a real estate licensee do not relieve consumers of the responsibility to protect their own interests. If you need advice for legal, tax, insurance, zoning, permitted use, or land survey matters, it is your responsibility to consult a professional in those areas. Real estate licensees do not and cannot perform home, lead paint, or insect inspections, nor do they perform septic system, wetlands or environmental evaluations.

Do not assume that a real estate licensee works solely for you unless you have an agreement for that relationship.

For more detailed definitions and descriptions about real estate relationships, please see page 2 of this disclosure.

#### THE SELLER OR BUYER RECEIVING THIS DISCLOSURE IS HEREBY ADVISED THAT THE REAL ESTATE LICENSEE NAMED BELOW IS WORKING AS A:

Check one:  Seller's agent  Buyer's agent  Facilitator

If seller's or buyer's agent is checked above, the real estate licensee must complete the following section:

Check one:  Non-Designated Agency

The real estate firm or business listed below and all other affiliated agents are also working as the agent of the  Seller  Buyer

Designated Agency

Only the licensee named herein represents the  Seller  Buyer (designated seller agency or designated buyer agency). In this situation any other agents affiliated with the firm or business listed below do not represent you and may represent another party in your real estate transaction.

By signing below, I, the real estate licensee, acknowledge that this disclosure has been provided to the consumer named herein:

<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Broker <input type="checkbox"/> Salesperson	<input type="text"/>
<i>Signature of Real Estate Licensee</i>	<i>Printed Name of Real Estate Licensee License #</i>		<i>Today's Date</i>
<input type="text"/>	<input type="text"/>		<input type="text"/>
<i>Name Real Estate Brokerage Firm</i>	<i>Brokerage Firm Real Estate License #</i>		
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller	<input type="text"/>
<i>Signature of Consumer</i>	<i>Printed Name of Consumer</i>		<i>Today's Date</i>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller	<input type="text"/>
<i>Signature of Consumer</i>	<i>Printed Name of Consumer</i>		<i>Today's Date</i>

Check here if the consumer declines to sign this notice.

## TYPES OF AGENCY REPRESENTATION

### SELLER'S AGENT

A seller can engage the services of a real estate licensee to act as the seller's agent in the sale of the seller's property. This means that the real estate agent represents the seller, who is a client. The agent owes the seller client undivided loyalty, reasonable care, disclosure, obedience to lawful instruction, confidentiality and accounting. The agent must put the seller's interests first and attempt to negotiate price and terms acceptable to their seller client. The seller may authorize sub-agents to represent him/her in marketing its property to buyers, however the seller should be aware that wrongful action by the real estate agent or sub-agents may subject the seller to legal liability for those wrongful actions.

### BUYER'S AGENT

A buyer can engage the services of a real estate licensee to act as the buyer's agent in the purchase of a property. This means that the real estate agent represents the buyer, who is a client. The agent owes the buyer client undivided loyalty, reasonable care, disclosure, obedience to lawful instruction, confidentiality and accounting. The agent must put the buyer's interests first and attempt to negotiate price and terms acceptable to their buyer client. The buyer may also authorize sub-agents to represent him/her in purchasing property, however the buyer should be aware that wrongful action by the real estate agent or sub-agents may subject the buyer to legal liability for those wrongful actions.

### (NON-AGENT) FACILITATOR

When a real estate licensee works as a facilitator that licensee assists the seller and/or buyer in reaching an agreement but does not represent either the seller or buyer in the transaction. The facilitator and the broker with whom the facilitator is affiliated, owe the seller and buyer a duty to present all real property honestly and accurately by disclosing known material defects and owe a duty to account for funds. Unless otherwise agreed, the facilitator has no duty to keep information received from a seller or buyer confidential. Should the seller and/or buyer expressly agree, a facilitator relationship can be changed to a seller or buyer client relationship with the written agreement of the person so represented.

### DESIGNATED SELLER'S AND BUYER'S AGENT

A real estate licensee can be designated by another real estate licensee (the appointing or designating agent) to represent a buyer or seller, provided the buyer or seller expressly agrees to such designation. The real estate licensee once so designated is then the agent for that buyer or seller who becomes the agent's client. The designated agent owes the buyer client or seller client, undivided loyalty, reasonable care, disclosure, obedience to lawful instruction, confidentiality and accounting. The agent must put their client's interests first, and attempt to negotiate price and terms acceptable to their client. No other licensees affiliated with the same firm represent the client unless otherwise agreed upon by the client. In situations where the appointing agent designates another agent to represent the seller and an agent to represent the buyer in the same transaction, then the appointing agent becomes a dual agent. Consequently, a dual agent cannot fully satisfy the duties of loyalty, full disclosure, obedience to lawful instructions, which is required of a seller or buyer agent. Only your designated agent represents your interests. Written consent for designated agency must be provided before a potential transaction is identified, but in any event, no later than prior to the execution of a written agreement for purchase or sale of residential property. The consent must contain the information provided for in the regulations of the Massachusetts Board of Registration of Real Estate Brokers and Salespeople (Board). A sample consent to designated agency is available at the Board's website at [www.mass.gov/dpl/re](http://www.mass.gov/dpl/re).

### DUAL AGENT

A real estate licensee may act as a dual agent representing both the seller and the buyer in a transaction but only with the express and informed written consent of both the seller and the buyer. A dual agent shall be neutral with regard to any conflicting interest of the seller and buyer. Consequently, a dual agent cannot satisfy fully the duties of loyalty, full disclosure, obedience to lawful instructions, which is required of a seller or buyer agent. A dual agent does, however, still owe a duty of confidentiality of material information and accounting for funds. Written consent for dual agency must be provided before a potential transaction is identified, but in any event, no later than prior to the execution of a written agreement for purchase or sale of residential property. The consent must contain the information provided for in the regulations of the Massachusetts Board of Registration of Real Estate Brokers and Salespeople (Board). A sample consent to dual agency is available at the Board's website at [www.mass.gov/dpl/re](http://www.mass.gov/dpl/re).

**EXCLUSIVE BUYER AGENCY AGREEMENT**  
[With Consent To Designated Agency and Consent To Dual Agency]



This Exclusive Buyer Agency Agreement is made between \_\_\_\_\_  
("BUYER") and \_\_\_\_\_ ("BROKER"). In consideration of the mutual  
promises set forth below, BUYER and BROKER agree as follows:

1. Exclusive Buyer Agency. BUYER grants to BROKER the exclusive right to locate or procure real property acceptable for purchase/lease by BUYER. BUYER further agrees to refer all potentially acceptable real property to BROKER during the term of this Agreement and agrees to notify all other real estate agents who communicate with BUYER of BROKER'S exclusive agency relationship with BUYER. The final decision whether or not a property is acceptable for purchase shall be solely within the discretion of BUYER.

2. Term Of Agency . The term of this Agreement shall be from \_\_\_\_\_ to \_\_\_\_\_, unless extended verbally or in writing or terminated by completion of the purpose or by agreement.

3. Broker's Services/Duties. BROKER agrees to use reasonable efforts to locate real property acceptable to BUYER and to assist BUYER to negotiate terms and conditions of a contract acceptable to BUYER for the acquisition of the real property (the "Contract"). The Contract may consist of an accepted offer, purchase and sale agreement, option, deed, exchange agreement, lease or similar instrument. BROKER agrees to assist in locating properties, arrange showings, analyze financing alternatives, give advice concerning real estate practices and procedures, assist in negotiations, arrange inspections requested by BUYER and coordinate activities throughout the process. BUYER agrees that such services do not constitute a guarantee or warranty concerning any real property. BUYER agrees that BROKER has not been retained as an attorney, inspector, home inspector, pest/termite inspector, septic inspector, surveyor or to determine the condition of the real property and has not been retained to provide legal advice, to provide an opinion concerning lawfulness of current or anticipated uses, to perform a title search or to act as a mortgage broker. BUYER agrees that BROKER shall have no duty to disclose any matter or condition outside the boundaries of the real property being considered for purchase, including, but not limited to, present conditions and anticipated changes in the neighborhood where the property is located. BROKER recommends that an attorney and other professionals be hired for such services as BUYER deems appropriate and that BUYER personally investigate particular matters which may be of importance, including, but not limited to, neighborhood composition, the level of crime and presence of sex offenders. BROKER agrees to preserve confidential information of BUYER, making disclosure of confidential information solely to the extent necessary to establish BUYER'S financial qualifications. BROKER represents that BROKER is duly licensed as a real estate broker by the Commonwealth of Massachusetts. BUYER is advised that sellers or sellers' representatives are not required to treat the existence, terms or conditions of an offer as confidential, unless a confidentiality agreement has been made with the seller before submission of an offer. BUYER acknowledges that the BUYER'S agent represents other prospective buyers who may be interested in the same property as BUYER. BUYER agrees that it will not constitute a breach of duty for the BUYER'S agent to introduce another prospective buyer to such a property or to assist them with a purchase. BROKER shall maintain confidentiality of material information of each buyer. Should either party file a claim for violation of General Laws Chapter 93A, the prevailing party (including any agent of the BROKER) shall be entitled to recover reasonable attorneys' fees and costs, but no fees and costs shall be recovered in the event that a tender of settlement was made in advance of suit, but rejected, and the court or arbitrator determines that the rejected tender was reasonable in relationship to the injury actually suffered.

4. Buyer's Duties. BUYER agrees to work exclusively with BROKER during the term of this agreement. BUYER agrees to conduct all negotiations with the knowledge and assistance of BROKER. BUYER agrees to cooperate with BROKER by providing relevant personal and financial information and to cooperate in scheduling and attending showings. BUYER agrees to advise BROKER of any interest in purchase or lease of real property about which BUYER was previously advised by any other person. BUYER shall provide any lender's letter of pre-approval or pre-qualification to BROKER within seven (7) days of receipt. BUYER agrees not to attend any open house without advance notice and approval of BROKER and agrees to advise each listing broker at each open house of BUYER'S agency relationship with BROKER. BUYER represents that BUYER is not subject to any earlier agency agreement with any other broker or any protection period. BUYER understands that this agreement does not relieve BUYER of the duty to exercise due diligence for BUYER'S own protection, including the duty to investigate any information of importance to the BUYER. BUYER further understands and agrees that BROKER may show other prospective buyers properties in which BUYER may be interested.

5. Broker's Compensation. BUYER agrees to pay BROKER:

(a) Retainer. BUYER shall pay BROKER a retainer in the amount of \$ \_\_\_\_\_ upon signing this Agreement as compensation for professional counseling, consultation, and research. Such retainer is non-refundable and shall  shall not  be credited against any Success Fee.

(b) Success Fee. The parties agree that compensation equal to \_\_\_\_\_ (*insert percent of purchase price or other amount*) shall be due BROKER upon successful completion of this Agreement or in the event that, within \_\_\_\_\_ days following the term of this Agreement, BUYER or any person acting for or with BUYER purchases, leases or otherwise acquires an interest in the real property after becoming aware of the availability of the real property or receiving information about the real property during said term. The parties agree that BROKER shall first seek compensation, if any, offered by the listing agent or otherwise from the transaction (listing broker/seller). If obtained, such amount shall be credited to the amount of the Success Fee. If such fee cannot be obtained in whole or in part from the transaction, BUYER agrees to pay BROKER the Success Fee, due at the time set for closing.

(c) All fee disputes, claims or controversies arising out of or related to this Agreement shall, upon demand of either party, be submitted for binding arbitration, to the local association/board of REALTORS® or, in the event the association/board declines to hear the matter, to the American Arbitration Association (AAA) or, upon mutual agreement, to another dispute resolution service. The REALTOR® arbitration proceedings shall be conducted by a panel of three (3) arbitrators according to the then current rules of the association/board of REALTORS® or, if before AAA, by a single arbitrator according to the consumer arbitration rules, or if not applicable, to the commercial arbitration rules of the AAA, and all proceedings will be conducted at a location in Massachusetts chosen by the arbitrator. Reasonable attorneys' fees and costs shall be awarded to the generally prevailing party in the arbitration.

6. Consent To Designated Agency. A designated agent is a real estate licensee who has been appointed by a broker or salesperson to represent a buyer as a "designated buyer's agent" or to represent a seller as a "designated seller's agent." When a buyer or seller consents to designated agency only that designated agent represents the buyer or seller. Any other agents affiliated with BROKER may represent another party to the transaction and by consenting to designated agency the buyer or seller permits those agents to represent another party. Individuals who are designated agents owe fiduciary duties to their respective clients. You are further advised that: (a) the designated buyer's agent will represent the BUYER and will owe the BUYER the duties of loyalty, full disclosure, confidentiality, to account for funds, reasonable care and obedience to lawful instruction; (b) all other licensees affiliated with the appointing BROKER will not represent the BUYER nor will they owe the other duties specified in paragraph (a) to that BUYER, and may potentially represent the seller; and (c) if designated agents affiliated with the same broker represent the seller and buyer in a transaction, the appointing broker shall be a dual agent and neutral as to any conflicting interests of the seller and buyer, but will continue to owe the seller and buyer the duties of confidentiality of material information and to account for funds. **By signing this agreement, BUYER consents to designated agency.** If designated agency occurs in a transaction, a notice of designated agency will be given. The designated agent(s) for the BUYER is/are:

In the event that the designated agent appointed to represent BUYER ceases to be associated with the BROKER, BUYER hereby consents to appointment by BROKER of one or more agents associated with the BROKER to represent BUYER. Written notice of that appointment shall be given by BROKER to BUYER in a timely manner.

7. Consent To Dual Agency. The BUYER understands that the designated buyer's agent with whom BUYER is working also represents sellers and that if the BUYER is introduced to a property listed by that agent on behalf of a seller, a "dual agency" will be created. The designated buyer's agent may act as a dual agent who represents both prospective buyer and seller with their informed written consent. A dual agent is authorized to assist the buyer and seller in a transaction, but shall be neutral with regard to any conflicting interest of the buyer and seller. Consequently, a dual agent will not have the ability to satisfy fully the duties of loyalty, full disclosure, reasonable care and obedience to lawful instructions, but shall still owe the duty of confidentiality of material information and the duty to account for funds. BUYER understands that material information received from either client that is confidential may not be disclosed by a dual agent, except: (1) if disclosure is expressly authorized; (2) if such disclosure is required by law; (3) if such disclosure is intended to prevent illegal conduct; or (4) if such disclosure is necessary to prosecute a claim against a person represented or to defend a claim against the broker or salesperson. This duty of confidentiality shall continue after termination of the brokerage relationship. When the agent with whom the buyer is working is a dual agent, that broker with whom the agent is affiliated is also a dual agent and shall remain neutral as to any conflicting interests of the buyer and Seller. **By signing this agreement, BUYER consents to have the designated buyer's agent(s) act as a dual agent.** Except as expressly provided, this dual agency shall not extend to other licensees affiliated with BROKER. If dual agency occurs in a transaction, a notice of dual agency will be given.

8. Disclosure Of Identity/Other Brokers/Other Potential Buyers. BROKER is authorized to disclose BUYER'S identity. BROKER is authorized to cooperate with and pay compensation to other brokers in connection with the performance of BROKER'S services. BUYER understands that BROKER may represent other buyers interested in purchasing the same or a similar property. BUYER consents to such representation.

9. Entire Agreement/Governing Law. This Agreement is the entire agreement between the parties. It is binding upon the parties' heirs, successors, and personal representatives. Assignment shall not limit the rights of BROKER. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts. Unless otherwise stated, this Agreement may not be modified, except in writing signed by both parties.

10. Other Provisions.

**This document creates binding legal obligations. For legal advice, consult an attorney.**

Date

# Home Inspectors Consumer Fact Sheet

## About Home Inspections

A standard home inspection is a visual examination of the physical structure and major interior systems of a residential building consisting of one to four dwelling units. It should be understood that there are certain risks inherent in the purchase of property and a home inspection is inherently limited in its scope and depth. The information gained from home inspection conforming to 266 CMR 6.00 may reduce some of those risks, but the home inspection is not intended to provide the client with protection from all of the risks involved.

An inspection can be likened to a physical exam by a physician; however, it should be clearly understood that a home inspection is not to be confused with an appraisal, a building code inspection, a guarantee of any kind, and/or an insurance policy on the condition of the property.

During an inspection, the inspector will review the readily accessible exposed portions of the structure of the home, including the roof, the attic, walls, ceilings, floors, windows, doors, basement, and foundation as well as the heating/air conditioning systems, interior plumbing and electrical systems for potential problems.

Home inspections are not intended to point out every small problem or any invisible or latent defect in a home. Most minor or cosmetic flaws, for example, should be apparent to the buyer without the aid of a professional.

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## Timing of the Home Inspection

A home inspector is typically hired by a potential homebuyer right after the offer to purchase contract is signed, prior to executing the final purchase and sales agreement. However, before the potential buyer signs the offer to purchase contract, he/she should be sure that there is an inspection clause in the contract making the purchase obligation contingent upon the findings of a professional home inspection. This clause should specify the terms to which both the buyer and seller are obligated.

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## Selecting a Home Inspector

Good referral sources for home inspection services are friends, neighbors, or business acquaintances who have been satisfied with a home inspector. In addition, lawyers and mortgage brokers may also recommend a home inspector. The names of local inspectors can be found by entering the words **home inspection** and the **zip code** of the community where you are purchasing the dwelling and/or searching the Division of Professional Licensure website

at [www.mass.gov/dnl/boards/hi](http://www.mass.gov/dnl/boards/hi), or in the Yellow Pages where many advertise under "Building Inspection Service" or "Home Inspection Service."

Real estate brokers and salesmen may not directly recommend a specific home inspection company or home inspector unless representing the buyer as a buyer's broker. Brokers, however, may provide assistance to buyers in accessing information on licensed home inspectors.

A current homeowner may also want to get a home inspection to identify any problems, especially if the owner plans to sell the home in the near future.

Following are additional tips when searching for a home inspector:

- As of May 2001, home inspectors are required to be licensed in the Commonwealth of Massachusetts. A home inspector's license should be verified prior to hiring. Consumers should not be confused by home inspector "certifications" offered by, or sold by home inspection trade societies or companies, obtained via home study courses, or provided by home inspection companies that certify their own home inspectors. Since the home inspection business is unregulated in most states, certifications are available to anyone. A home inspector's license can be verified with the Board of Registration of Home Inspectors at its [website](#) or by calling the Board at (617) 727- 4459.
- The home inspection company that is retained should welcome the potential buyer's presence at the home inspection. The home inspector should be willing to address all of the buyer's questions and provide a full verbal and written report.

Those hiring an inspector should expect an open door policy from the home inspection company to be able to ask questions about the content of the home inspection report in the future.

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## **During the Home Inspection**

While not necessary, it is recommended that the buyer be present for the inspection. This allows the buyer to observe the inspector, ask questions directly, and obtain a better understanding of the condition of the home, how its systems work, and how to maintain it. The written report may be easier to understand if the buyer was present during the inspection.

It is important that you provide safe access and sufficient lighting so that the inspector can inspect the property.

Inspectors must provide a written evaluation report based on the standards of compliance in accordance with CMR 266.6.00

At the conclusion of the home inspection, the buyer should be well informed of the condition of the home. It should be known if there are visible, apparent problems, if repairs need are required, or whether or not there are any risks of concealed damage, and whether further investigation is recommended and/or required.

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## Other Inspections and Tests to Consider

It is strongly recommended that potential buyers consider having the following inspections and/or tests performed prior to signing the final purchase agreement:


- Lead paint, <http://www.mass.gov/eohhs/gov/departments/dph/programs/environmental-health/exposure-topics/lead/delead/>
- Water quality ( is it drinkable)
- Wood destroying insects, including termites.
- Air quality, including radon gases.
- Fungi, mold and allergens.

While some home inspectors are qualified to offer these services, these inspections and tests are not part of the basic home inspection and should be contracted through qualified licensed professionals (of your choice and hire) in those fields.

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## Filing a Complaint

While most licensees conduct themselves as true professionals, the Division of Professional Licensure will take action against those licensees who fail to maintain acceptable standards of competence and integrity. In some cases, dissatisfied consumers make complaints, however, dissatisfaction alone is not proof of incompetence or sufficient grounds for disciplinary action.

If you have a serious complaint about a home inspector, call or write the Divisions' Office of Investigations and ask for a complaint form. The Division's Office of Investigations is located at 1000 Washington Street, Suite 710, Boston, MA 02118. The phone number is 617-727-7406. A copy of the [complaint form](#)  can also be downloaded from the Division's website ( [www.mass.gov/dpl/](http://www.mass.gov/dpl/) ).

**CONTRACT TO PURCHASE REAL ESTATE #501**

*(With Contingencies)*



MASSACHUSETTS ASSOCIATION OF REALTORS®

**(Binding Contract. If Legal Advice Is Desired, Consult An Attorney.)**

From: BUYER(S):

To: OWNER OF RECORD ("SELLER"):

Name(s):

Name(s):

Address:

Address:

[Empty box for Buyer Address]

[Empty box for Seller Address]

**The BUYER offers** to purchase the real property described as \_\_\_\_\_

together with all buildings and improvements thereon (the "Premises") to which I have been introduced by \_\_\_\_\_ upon the following terms and conditions:

**1. Purchase Price:** The BUYER agrees to pay the sum of \$ \_\_\_\_\_ to the SELLER for the purchase of the Premises, due as follows:

- i. \$ \_\_\_\_\_ as a deposit to bind this Offer;
- ii. \$ \_\_\_\_\_ as an additional deposit upon executing the Purchase And Sale Agreement;
- iii. Balance by bank's, cashier's, treasurer's or certified check or wire transfer at time for closing.

**2. Duration Of Offer** . This Offer is valid until \_\_\_\_\_ on \_\_\_\_\_ by which time a copy of this Offer shall be signed by the SELLER, accepting this Offer and returned to the BUYER, otherwise this Offer shall be deemed rejected and the money tendered herewith shall be returned to the BUYER. Upon written notice to the BUYER or BUYER'S agent of the SELLER'S acceptance, the accepted Offer shall form a binding agreement. Time is of the essence as to each provision.

**3. Purchase And Sale Agreement** . The SELLER and the BUYER shall, on or before \_\_\_\_\_ on \_\_\_\_\_ execute the Standard Purchase and Sale Agreement of the MASSACHUSETTS ASSOCIATION OF REALTORS® or substantial equivalent which, when executed, shall become the entire agreement between the parties and this Offer shall have no further force and effect.

**4. Closing** . The SELLER agrees to deliver a good and sufficient deed conveying good and clear record and marketable title at \_\_\_\_\_ on \_\_\_\_\_ at the \_\_\_\_\_ County Registry of Deeds or such other time or place as may be mutually agreed upon by the parties.

**5. Escrow** The deposit shall be held by \_\_\_\_\_, as escrow agent, subject to the terms hereof. Endorsement or negotiation of this deposit by the real estate broker shall not be deemed acceptance of the terms of the Offer. In the event of any disagreement between the parties concerning to whom escrowed funds should be paid, the escrow agent may retain said deposit pending written instructions mutually given by the BUYER and SELLER. The escrow agent shall abide by any Court decision concerning to whom the funds shall be paid and shall not be made a party to a pending lawsuit solely as a result of holding escrowed funds. Should the escrow agent be made a party in violation of this paragraph, the escrow agent shall be dismissed and the party asserting a claim against the escrow agent shall pay the agent's reasonable attorneys' fees and costs.

**6. Contingencies** . It is agreed that the BUYER'S obligations under this Offer and any Purchase and Sale Agreement signed pursuant to this Offer are expressly conditioned upon the following terms and conditions:

**a. Mortgage** . *(Delete If Waived)* The BUYER'S obligation to purchase is conditioned upon obtaining a written commitment for financing in the amount of \$ \_\_\_\_\_ at prevailing rates, terms and conditions by \_\_\_\_\_. The BUYER shall have an obligation to act reasonably diligently to satisfy any condition within the BUYER'S control. If, despite reasonable efforts, the BUYER has been unable to obtain such written commitment the BUYER may terminate this agreement by giving written notice that is received by 5:00 p.m. on the calendar day after the date set forth above. In the event that notice has not been received, this condition is deemed waived. In the event that due notice has been received, the obligations of the parties shall cease and this agreement shall be void; and all monies deposited by the BUYER shall be returned. In no event shall the BUYER be deemed to have used reasonable efforts to obtain financing unless the BUYER has submitted one application by \_\_\_\_\_ and acted reasonably promptly in providing additional information requested by the mortgage lender.

**b. Inspections** . *( Delete If Waived )* The BUYER'S obligations under this agreement are subject to the right to obtain inspection(s) of the Premises or any aspect thereof, including, but not limited to, home, pest, radon, lead paint, septic/sewer, water quality, and water drainage by consultant(s) regularly in the business of \_\_\_\_\_

conducting said inspections, of BUYER'S own choosing, and at BUYER'S sole cost within 10 days after SELLER'S acceptance of this agreement. If the results are not satisfactory to BUYER, in BUYER'S sole discretion, BUYER shall have the right to give written notice received by the SELLER or SELLER'S agent by 5:00 p.m. on the calendar day after the date set forth above, terminating this agreement. Upon receipt of such notice this agreement shall be void and all monies deposited by the BUYER shall be returned. Failure to provide timely notice of termination shall constitute a waiver. In the event that the BUYER does not exercise the right to have such inspection(s) or to so terminate, the SELLER and the listing broker are each released from claims relating to the condition of the Premises that the BUYER or the BUYER'S consultants could reasonably have discovered.

**7. Representations/Acknowledgments.** The BUYER acknowledges receipt of an agency disclosure, lead paint disclosure (for residences built before 1978), Home Inspectors Facts For Consumers brochure (prepared by the Office of Consumer Affairs). The BUYER is not relying upon any representation, verbal or written, from any real estate broker or licensee concerning legal use. Any reference to the category (single family, multi-family, residential, commercial) or the use of this property in any advertisement or listing sheet, including the number of units, number of rooms or other classification is not a representation concerning legal use or compliance with zoning by-laws, building code, sanitary code or other public or private restrictions by the broker. The BUYER understands that if this information is important to BUYER, it is the duty of the BUYER to seek advice from an attorney or written confirmation from the municipality. In addition, the BUYER acknowledges that there are no warranties or representations on which BUYER relies in making this Offer, except those previously made in writing and the following : (if none, write "NONE"): \_\_\_\_\_

**8. Buyer's Default.** If the BUYER defaults in BUYER'S obligations, all monies tendered as a deposit shall be paid to the SELLER as liquidated damages and this shall be SELLER'S sole remedy.

**9. Additional Terms.**

BUYER	BUYER
Date	Date

\*\*\*\*\*

**SELLER'S REPLY**

SELLER(S): (check one and sign below)

- (a) ACCEPT(S) the Offer as set forth above at \_\_\_\_\_ on this \_\_\_\_\_.
- (b) REJECT(S) the Offer.
- (c) Reject(s) the Offer and MAKE(S) A COUNTEROFFER on the following terms:

This Counteroffer shall expire at \_\_\_\_\_ on \_\_\_\_\_ if not withdrawn earlier.

SELLER or spouse	SELLER
Date	Date

\*\*\*\*\*

**(IF COUNTEROFFER FROM SELLER) BUYER'S REPLY**

BUYER(S): (check one and sign below)

- (a) ACCEPT(S) the Counteroffer as set forth above at \_\_\_\_\_ on this \_\_\_\_\_.
- (b) REJECT(S) the Counteroffer.

BUYER	BUYER
Date	Date

\*\*\*\*\*

**RECEIPT FOR DEPOSIT**

I hereby acknowledge receipt of a deposit in the amount of \$ \_\_\_\_\_ from the BUYER on \_\_\_\_\_

## STANDARD RESIDENTIAL PURCHASE AND SALE AGREEMENT [#503]

(With Contingencies)

The parties make this Agreement this \_\_\_\_\_ day of \_\_\_\_\_. This Agreement supersedes and replaces all obligations made in any prior Contract To Purchase or agreement for sale entered into by the parties.

**1. Parties:**

\_\_\_\_\_ the "SELLER," agrees to sell and \_\_\_\_\_, the "BUYER," agrees to buy, the premises described in paragraph 2 on the terms set forth below. BUYER may require the conveyance to be made to another person or entity ("Nominee") upon notification in writing to SELLER at least five business days prior to the date for performance set forth in paragraph 5. Designation of a Nominee shall not discharge the BUYER from any obligation under this Agreement and BUYER hereby agrees to guarantee performance by the Nominee.

**2. Description Of Premises.** The premises (the "Premises") consist of:

(a) the land with any and all buildings thereon known as \_\_\_\_\_

\_\_\_\_\_ as more specifically described in a deed recorded in the \_\_\_\_\_ Registry of Deeds at Book \_\_\_\_\_, Page \_\_\_\_\_, [Certificate No. \_\_\_\_\_], a copy of which is / is not [choose one] attached; and

(b) all structures, and improvements on the land and the fixtures, including, but not limited to: any and all storm windows and doors, screens, screen doors, awnings, shutters, window shades and blinds, curtain rods, furnaces, heaters, heating equipment, oil and gas burners and fixtures, hot water heaters, plumbing and bathroom fixtures, towel racks, built-in dishwashers, garbage disposals and trash compactors, stoves, ranges, chandeliers, electric and other lighting fixtures, burglar and fire alarm systems, mantelpieces, wall-to-wall carpets, stair carpets, exterior television antennas and satellite dishes, fences, gates, landscaping including trees, shrubs, flowers; and the following built-in components, if any: air conditioners, vacuums systems, cabinets, shelves, bookcases and stereo speakers, and \_\_\_\_\_;

but excluding \_\_\_\_\_  
*[insert references to refrigerators, dishwashers, microwave ovens, washing machines, dryers or other items, where appropriate]*

**3. Purchase Price:** The purchase price for the Premises is \$ \_\_\_\_\_ ( \_\_\_\_\_ dollars) of which

\$ \_\_\_\_\_ were paid as a deposit with Contract To Purchase; and

\$ \_\_\_\_\_ are paid with this Agreement;

\$ \_\_\_\_\_ are to be paid \_\_\_\_\_; and

\$ \_\_\_\_\_ are to be paid at the time for performance by bank's, cashier's, treasurer's or certified check or by wire transfer.

\$ \_\_\_\_\_ Total

**4. Escrow.** All funds deposited or paid by the BUYER shall be held in a non-interest bearing escrow account, by \_\_\_\_\_, as escrow agent, subject to the

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terms of this Agreement and shall be paid or otherwise duly accounted for at the time for performance. If a dispute arises between the BUYER and SELLER concerning to whom escrowed funds should be paid, the escrow agent may retain all escrowed funds pending written instructions mutually given by the BUYER and the SELLER. The escrow agent shall abide by any Court decision concerning to whom the funds shall be paid and shall not be made a party to a lawsuit solely as a result of holding escrowed funds. Should the escrow agent be made a party in violation of this paragraph, the escrow agent shall be dismissed and the party asserting a claim against the escrow agent shall pay the agent's reasonable attorneys' fees and costs.  
*[If interest is to accrue on escrowed funds, indicate to whom it shall be paid.]*

**5. Time For Performance.** The SELLER shall deliver the deed and the BUYER shall pay the balance of the purchase price at \_\_\_\_\_ o'clock \_\_\_\_\_ m. on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at the \_\_\_\_\_ Registry of Deeds, or at such other time and place as is mutually agreed in writing. TIME IS OF THE ESSENCE AS TO EACH PROVISION OF THIS AGREEMENT. Unless the deed and other documents required by this Agreement are recorded at the time for performance, all documents and funds are to be held in escrow, pending prompt rundown of the title and recording (or registration in the case of registered land). SELLER'S attorney or other escrow agent shall disburse funds the next business day following the date for performance, provided that the recording attorney has not reported a problem outside the recording attorney's control.

**6. Title/Plans.** The SELLER shall convey the Premises by a good and sufficient quitclaim deed running to the BUYER or to the BUYER'S nominee, conveying good and clear record and marketable title to the Premises, free from liens and encumbrances, except:

- (a) Real estate taxes assessed on the Premises which are not yet due and payable;
- (b) Betterment assessments, if any, which are not a recorded lien on the date of this Agreement;
- (c) Federal, state and local laws, ordinances, bylaws, rules and regulations regulating use of land, including building codes, zoning bylaws, health and environmental laws;
- (d) Rights and obligations in party walls;
- (e) Any easement, restriction or agreement of record presently in force which does not interfere with the reasonable use of the Premises as now used;
- (f) Utility easements in the adjoining ways;
- (g) Matters that would be disclosed by an accurate survey of the Premises; and
- (h) \_\_\_\_\_

*[insert in (h) references to any other easement, restriction, lease or encumbrance which may continue after title is transferred]*

If the deed refers to a plan needed to be recorded with it, at the time for performance the SELLER shall deliver the plan with the deed in proper form for recording or registration.

**7. Title Insurance.** BUYER'S obligations are contingent upon the availability (at normal premium rates) of an owner's title insurance policy insuring BUYER'S title to the premises without exceptions other than the standard exclusions from coverage printed in the current American Land Title Association ("ALTA") policy cover, the standard printed exceptions contained in the ALTA form currently in use for survey matters and real estate taxes (which shall only except real estate taxes not yet due and payable) and those exceptions permitted by paragraph 6 of this Agreement.

**8. Closing Certifications and Documents.** The SELLER shall execute and deliver simultaneously with the delivery of the deed such certifications and documents as may customarily and reasonably be required by the

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BUYER'S attorney, BUYER'S lender, BUYER'S lender's attorney or any title insurance company insuring the BUYER'S title to the Premises, including, without limitation, certifications and documents relating to:

(a) parties in possession of the premises; (b) the creation of mechanics' or materialmen's liens; and SELLER'S satisfaction of requirements concerning UFFI imposed upon residential sellers by statute and applicable regulations; (c) the HUD-1 Settlement Statement and other financial affidavits and agreements as may reasonably be required by the lender or lender's attorney; (d) the citizenship and residency of SELLER as required by law; and (e) information required to permit the closing agent to report the transaction to the Internal Revenue Service. At the time of delivery of the deed, the SELLER may use monies from the purchase to clear the title, provided that all documents related thereto are recorded with the deed or within a reasonable time thereafter acceptable to the BUYER and, provided further, that discharges of mortgages from banks, credit unions, insurance companies and other institutional lenders may be recorded within a reasonable time after recording of the deed in accordance with usual conveyancing practices. The SELLER'S spouse hereby agrees to release all statutory, common law or other rights or interest in the Premises and to execute the deed, if necessary.

**9. Possession And Condition Of Premises.** At the time for performance the SELLER shall give the BUYER possession of the entire Premises, free of all occupants and tenants and of all personal property, except property included in the sale or tenants permitted to remain. At the time for performance the Premises also shall comply with the requirements of paragraph 6, and be broom clean and in the same condition as the Premises now are, reasonable wear and tear excepted, with the SELLER to have performed all maintenance customarily undertaken by the SELLER between the date of this Agreement and the time for performance, and there shall be no outstanding notices of violation of any building, zoning, health or environmental law, bylaw, code or regulation, except as agreed. The BUYER shall have the right to enter the Premises within forty-eight (48) hours prior to the time for performance or such other time as may be agreed and upon reasonable notice to SELLER for the purpose of determining compliance with this paragraph. At the time of recording of the deed, or as otherwise agreed, the SELLER shall deliver to BUYER all keys to the Premises, garage door openers and any security codes. Until delivery of the deed, the SELLER shall maintain fire and extended coverage insurance on the Premises in the same amount as currently insured.

**10. Extension Of Time For Performance .** If the SELLER cannot convey title as required by this Agreement or cannot deliver possession of the Premises as agreed, or if at the time of the delivery of the deed the Premises do not conform with the requirements set forth in this Agreement or the BUYER is unable to obtain title insurance in accordance with paragraph 7, upon written notice given no later than the time for performance from either party to the other, the time for performance shall be automatically extended for thirty (30) days, except that if BUYER'S mortgage commitment expires or the terms will materially and adversely change in fewer than thirty (30) days, the time for performance set forth in paragraph 5 shall be extended to one business day before expiration of the mortgage commitment. SELLER shall use reasonable efforts to make title conform or to deliver possession as agreed, or to make the Premises conform to the requirements of this Agreement. Excluding discharge of mortgages and liens, about which the SELLER has actual knowledge at the time of signing this Agreement, the SELLER shall not be required to incur costs or expenses totalling in excess of one-half (1/2) of one percent of the purchase price to make the title or the Premises conform or to deliver possession as agreed. If at the expiration of the time for performance, or if there has been an extension, at the expiration of the time for performance as extended, the SELLER, despite reasonable efforts, cannot make the title or Premises conform, as agreed, or cannot deliver possession, as agreed, or if during the period of this Agreement or any extension thereof, the SELLER has been unable to use proceeds from an insurance claim, if any, to make the Premises conform, then, at the BUYER'S election,

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any payments made by the BUYER pursuant to this Agreement shall be immediately returned. Upon return of all such funds, all obligations of the BUYER and SELLER shall terminate and this Agreement shall automatically become void and neither the BUYER nor SELLER shall have further recourse or remedy against the other.

11. **Nonconformance Of Premises.** If the Premises do not conform to the requirements of paragraph 9 because they have been damaged by fire or other casualty (occurring after the date of this Agreement) that is covered by insurance, then the BUYER shall have the right to elect whether or not to proceed to accept the Premises and take title. If BUYER elects to proceed BUYER shall have the right to elect to have the SELLER pay or assign to the BUYER, at the time for performance, the proceeds recoverable on account of such insurance, less any cost reasonably incurred by the SELLER for any incomplete repairs or restoration. If the SELLER, despite reasonable efforts, has neither been able to restore the Premises to its former condition nor to pay or assign to the BUYER the appropriate portion of insurance proceeds, the BUYER shall have the right to elect to have the SELLER give the BUYER a credit toward the purchase price, for the appropriate amount of insurance proceeds recoverable less any costs reasonably incurred by the SELLER for any incomplete restoration.

12. **Acceptance Of Deed.** The BUYER shall have the right to accept such title to the Premises as the SELLER can deliver at the time for performance and if extended, shall have such right at the time for performance, as extended. The BUYER shall also have the right to accept the Premises in the then current condition and to pay the purchase price without reduction of price. Upon notice in writing of BUYER'S decision to accept the Premises and title, the SELLER shall convey title and deliver possession. Acceptance of a deed by the BUYER or BUYER'S nominee, if any, shall constitute full performance by the SELLER and shall be deemed to release and discharge the SELLER from every duty and obligation set forth in this Agreement, except any duty or obligation of the SELLER that the SELLER has agreed to perform after the time for performance. Notwithstanding the foregoing, the warranties, if any, made by the SELLER shall survive delivery of the deed.

13. **Adjustments.** At the time for performance of this Agreement adjustments shall be made as of the date of performance for current real estate taxes, fuel value, water rates, sewer use charges, collected rents, uncollected rents (if and when collected by either party), security deposits, prepaid premiums on insurance if assigned. The net total of such adjustments shall be added to or deducted from the purchase price payable by the BUYER at the time for performance. If the real estate tax rate or assessment has not been established at the time for performance, apportionment of real estate taxes shall be made on the basis of the tax for the most recent tax year with either party having the right to request apportionment from the other within twelve months of the date that the amount of the current year's tax is established. *(If tenants will continue to occupy the Premises, use of the Rental Property Addendum to Purchase And Sale Agreement should be considered.)*

14. **Acknowledgment Of Fee Due Broker.** The SELLER and BUYER acknowledge that a fee of \_\_\_\_\_ (\$ \_\_\_\_\_) for professional services shall be paid by the SELLER to \_\_\_\_\_, the "BROKER", at the time for performance. In the event of a conflict between the terms of this Agreement and a prior fee agreement with BROKER, the terms of the prior fee agreement shall control unless BROKER has expressly agreed to a change in writing. The BUYER and SELLER acknowledge receipt of a notice from BROKER, pursuant to 254 of the Code of Massachusetts Regulations Section 3.0 (13), regarding any agency

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relationship of the BROKER with the BUYER and/or the SELLER. The BUYER and SELLER understand that \_\_\_\_\_, a real estate broker, is seeking a fee from \_\_\_\_\_, for services rendered as a seller's subagent  buyer's agent  facilitator (non-agent)  *(choose one)*. The BUYER further represents and warrants that there is no other broker with whom BUYER has dealt in connection with the purchase of the Premises.

15. **Buyer's Default.** If the BUYER or BUYER'S Nominee breaches this Agreement, all escrowed funds paid or deposited by the BUYER shall be paid to the SELLER as liquidated damages. Receipt of such payment shall constitute the SELLER'S sole remedy, at law, in equity or otherwise, for BUYER'S default. The BUYER and SELLER agree that in the event of default by the BUYER the amount of damages suffered by the SELLER will not be easy to ascertain with certainty and, therefore, BUYER and SELLER agree that the amount of the BUYER'S deposit represents a reasonable estimate of the damages likely to be suffered.

16. **Buyer's Financing.** *(Delete if Waived)* The BUYER'S obligation to purchase is conditioned upon obtaining a written commitment for mortgage financing in the amount of \$ \_\_\_\_\_ at prevailing rates, terms and conditions by \_\_\_\_\_. The BUYER shall have an obligation to act reasonably diligently to satisfy any condition within BUYER'S control. If, despite such diligent efforts, the BUYER has been unable to obtain such written commitment, the BUYER may terminate this Agreement by giving written notice that is received by SELLER or SELLER'S agent by 5:00 p.m. on the calendar day after the date set forth above. In the event that notice has not been actually or constructively received, this condition is deemed waived. In the event that due notice has been received, all monies deposited or paid by the BUYER shall be returned and all obligations of the BUYER and SELLER pursuant to this Agreement shall cease and this Agreement shall become void. In no event shall the BUYER be deemed to have used reasonable efforts to obtain financing unless the BUYER has submitted at least one (1) application to a licensed mortgage lender by \_\_\_\_\_ and acted reasonably promptly in providing any additional information requested by the mortgage lender.

17. **Inspections/Survey.** Buyer has had an opportunity to conduct all inspections and accepts the condition of the property as is, subject to any work expressly agreed in writing to be performed at the expense of Seller. Notwithstanding the foregoing, the Buyer has \_\_\_\_\_ days from the date of this Agreement to complete inspection of \_\_\_\_\_ by consultant(s) regularly in the business of conducting said inspections, of BUYER'S own choosing, and at BUYER'S sole cost. If the results are not satisfactory to BUYER, in BUYER'S sole discretion, BUYER shall have the right to give written notice received by the SELLER or SELLER'S agent by 5:00 p.m. on the calendar day after the date set forth above, terminating this Agreement. Upon receipt of such notice this Agreement shall be void and all monies deposited by the BUYER shall be returned. Failure to provide timely notice of termination shall constitute a waiver. In the event that the BUYER does not exercise the right to have such inspection(s) or to so terminate, the SELLER and the listing broker are each released from claims relating to the condition of the Premises that the BUYER or the BUYER'S consultants could reasonably have discovered.

18. **Lead Paint Laws.** For premises built before 1978 BUYER acknowledges receipt of the "Department of Public Health Property Transfer Notification" regarding the Lead Law, acknowledges verbal notification of the possible presence of lead hazards and the provisions of the Federal and Massachusetts Lead Laws and regulations, including the right to inspect for dangerous levels of lead. Occupancy of premises containing dangerous levels of lead by a child under six years of age is prohibited, subject to exceptions permitted by law. BUYER further acknowledges that neither the SELLER nor any real estate agent has made any

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representation, express or implied, regarding the absence of lead paint or compliance with any lead law, except as set forth in writing. BUYER assumes full responsibility for compliance with all laws relating to lead paint removal, if required by law, and related matters (in particular, without limitation, Mass. G. L., c. 111, § 197), and BUYER assumes full responsibility for all tests, lead paint removal and other costs of compliance. Pursuant to 40 CMR 745.113(a), the Property Transfer Notification Certification is attached to this agreement.

19. **Certificate of Approved Installation.** The SELLER shall equip the residential structure on the Premises with approved smoke detectors and Carbon Monoxide Detectors and furnish BUYER with Certificate of Approved Installation from the local Fire Department at the time for performance to the extent required by law as well as any wood stove permit, if any, required by law, regulation or ordinance.

20. **Warranties And Representations.** The SELLER represents and warrants that the Premises  is /  is not (choose one) served by a septic system or cesspool. [If yes, a copy of the Title 5 Addendum is attached.] The SELLER further represents that there  is /  is not /  has no knowledge of [ choose one ] underground storage tank. The SELLER further represents and warrants that SELLER has full authority to enter into this Agreement. The buyer is not relying upon any representation, verbal or written, from any real estate broker or licensee concerning legal use. Any reference to the category (single family, multi-family, residential, commercial) or the use of this property in any advertisement or listing sheet, including the number of units, number of rooms or other classification is not a representation concerning legal use or compliance with zoning by-laws, building code, sanitary code or other public or private restrictions by the broker. The BUYER understands that if this information is important to BUYER, it is the duty of the BUYER to seek advice from an attorney or written confirmation from the municipality. In addition, the BUYER acknowledges that there are no warranties or representations made by the SELLER or any broker on which BUYER relies in making this Offer, except those previously made in writing and the following:

*[If none, state "none"; if any listed, indicate by whom the warranty or representation was made.]*

21. **Notices.** All notices required or permitted to be made under this Agreement shall be in writing and delivered in hand, sent by certified mail, return receipt requested or sent by United States Postal Service overnight Express Mail or other overnight delivery service, addressed to the BUYER or SELLER or their authorized representative at the address set forth in this paragraph. Such notice shall be deemed to have been given upon delivery or, if sent by certified mail on the date of delivery set forth in the receipt or in the absence of a receipt three business days after deposited or, if sent by overnight mail or delivery, the next business day after deposit with the overnight mail or delivery service, whether or not a signature is required. Acceptance of any notice, whether by delivery or mail, shall be sufficient if accepted or signed by a person having express or implied authority to receive same. Notice shall also be deemed adequate if given in any other form permitted by law. *[If there are multiple buyers, identify the mailing address of each buyer in paragraph 23.]*

BUYER:  
Address:

SELLER:  
Address:

22. **Counterparts / Facsimiles / Construction Of Agreement.** This Agreement may be executed in counterparts. Signatures transmitted by facsimile shall have the effect of original signatures. This Agreement shall be construed as a Massachusetts contract ; is to take effect as a sealed

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instrument; sets forth the entire agreement between the parties; is binding upon and is intended to benefit the BUYER and SELLER and each of their respective heirs, devisees, executors, administrators, successors and assigns; and may be canceled, modified or amended only by a written agreement executed by both the SELLER and the BUYER. If two or more persons are named as BUYER their obligations are joint and several. If the SELLER or BUYER is a trust, corporation, limited liability company or entity whose representative executes this Agreement in a representative or fiduciary capacity, only the principal or the trust or estate represented shall be bound, and neither the trustee, officer, shareholder or beneficiary shall be personally liable for any obligation, express or implied. The captions and any notes are used only as a matter of convenience and are not to be considered a part of this Agreement and are not to be used in determining the intent of the parties. Any matter or practice which has not been addressed in this Agreement and which is the subject of a Title Standard or Practice Standard of the Massachusetts Conveyancers Association at the time for performance shall be governed by the Title Standard or Practice Standard of the Real Estate Bar Association for Massachusetts formerly known as the Massachusetts Conveyancers Association..

23. **Additional Provisions.**

UPON SIGNING, THIS DOCUMENT WILL BECOME A LEGALLY BINDING AGREEMENT. IF NOT UNDERSTOOD, SEEK ADVICE FROM AN ATTORNEY.

BUYER	SELLER
Date	Date

BUYER	SELLER, or spouse
Date	Date

**Escrow Agent.** By signing below, the escrow agent agrees to perform in accordance with paragraph 4, but does not otherwise become a party to this Agreement.

ESCROW AGENT or representative
Date



**INTEGRATED DISCLOSURE ADDENDUM - MORTGAGE**  
(To Contract To Purchase / Purchase And Sale Agreement)

This Integrated Disclosure Addendum is entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ and is deemed to amend and supplement a certain agreement between \_\_\_\_\_ (“SELLER”) and \_\_\_\_\_ (“BUYER”).

Beginning on October 3<sup>rd</sup>, 2015, the federal Consumer Financial Protection Bureau’s “Closing Disclosure” for mortgage loans is required (the “Integrated Disclosure Rule”). The final Closing Disclosure must be received by the borrower three business days prior to the date of Closing (a/k/a Time For Performance) when a deed to the property is delivered by the seller to the buyer and the purchase price is paid. If, after a buyer receives the Closing Disclosure the annual percentage rate of the buyer’s loan changes by more than one eighth of one percent for a fixed rate loan or changes by more than one quarter of one percent for an adjustable rate loan from the rate that was previously disclosed to the buyer, the loan program is changed, or a prepayment penalty becomes applicable to the mortgage loan then it will become necessary for the Closing to be delayed until at least three business days after a buyer receives a revised Closing Disclosure. To promote compliance with the Integrated Disclosure Rule, the parties agree as follows:

1. BUYER agrees to obtain and provide SELLER the name of the attorney for BUYER’s mortgage lender (“Lender’s Attorney”) as soon as practicable after BUYER receives this information from the Lender, but in any event no less than fourteen business days prior to the scheduled date of closing.

2. No fewer than seven business days in advance of the scheduled closing, SELLER and the BUYER shall provide Lender’s Attorney all information reasonably obtainable by such person needed to calculate the adjustments (such as water, sewer, taxes, oil in tank) specified in the applicable clauses of the Purchase and Sale Agreement or as requested by Lender’s Attorney for the purpose of preparing the Closing Disclosure.

3. The BUYER and SELLER agree that: (a) if necessary to assure full compliance with the Integrated Disclosure Rule; and (b) at the request of Lender’s Attorney, the scheduled date for Closing will be extended up to three business days, or such other time as parties may agree. In such event, BUYER shall promptly give notice to SELLER.

4. No claim, counterclaim or cause of action for any loss or damage resulting from an extension, pursuant to paragraph 3, above, shall be initiated or maintained by SELLER against BUYER or by BUYER against SELLER, unless caused by breach of the terms of this Addendum.

**5. Time is of the essence.**

[Empty box for signature]

BUYER Date

[Empty box for signature]

SELLER Date

[Empty box for signature]

BUYER Date

[Empty box for signature]

SELLER Date

*Thank you*

for trusting us with your real estate needs

